



**CREATING
SUSTAINABLE
VALUE,
SHAPING OUR
BUSINESS
RESPONSIBLY**

Sustainability
Report 2021

Welcome to Savola Group's 2021 Sustainability Report

Savola's strategic approach to corporate sustainability and strong corporate culture enabled the Group to overcome continued market adversity and make substantial progress towards our ambitions during 2021. We continued to prioritize the needs of our diverse stakeholders – our people, partners, investors, society and environment – while building capabilities and capacity to achieve our business objectives and have a positive impact across our operations and geographic footprint. In this, our 8th Sustainability Report, we present our sustainability strategy, approach, activities, performance and achievements of our operating companies across the Kingdom of Saudi Arabia, including Panda Retail Company (Panda), Afia International Company (Afia), United Sugar Company (USC), International Food Industries (IFI) and Savola Group Headquarters (HQ).

The report covers the period between 1 January and 31 December 2021.
A detailed overview of the scope of this report and coverage can be found on page 94.

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OVERVIEW

Savola continued to have significant impact and progress our sustainability journey during 2021.

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How we add Value

For over four decades, Savola has built our brand and solidified our reputation for creating “Value Built on Values” through our diverse and expanding portfolio of investments in leading food and retail companies.

We operate the largest grocery store chain in Saudi Arabia, and produce much-loved everyday household products, including edible oil, sugar, pasta, bakery products, frozen foods, spices, nuts, and snacks, for our valued customers in over 50 countries worldwide.

STRATEGIC POINTS

Capability Building



Selling and Distribution Expenses



Performance Monitoring and Management



Long-Term Strategic Planning



Dynamic Capital Allocation



Sustainability Governance



OUR BUSINESS

Panda, Afia, USC and IFI



SAR 2.78 billion: sales and distribution expenses



24,000+ employees



14 major manufacturing markets



Launch of Savola Venture Fund



50 export markets



VALUE CREATED IN 2021

Revenue SAR 24,669 million	Net Profit SAR 222 million
Shareholders' Equity SAR 8,079 million	400+ million potential customers (Group)
CSR campaign in Turkey supporting local farmers in Q4	"Great Place to Work" Award for the 3rd year
Joined The Valuable 500 Initiative	11.11% increase in female workforce
Recognized for Excellence in Corporate Governance	Savola World Foundation programs and contributions
Launch of 'Discover Your Path' Program	Leading the efforts to achieve the goals of Saudi Vision 2030



OUR VISION

At Savola, we exist to empower, inspire, and strategically guide our companies, partners, customers, and employees through supportive programs and core values.

OUR MISSION

We add value to investors, employees, and the wider society
We are a business run for people, by people. This is the reason why Savola's mission is to have a positive impact on society while generating profits and growth through strategic investment in the MENA (Middle East and North Africa) Region. We are uniquely equipped for this role because of our sector-specific expertise, strong track record, and excellent market positioning.

At an operational level, our goal is to gradually move toward a new model where our companies and brands have greater autonomy. We will do this by proactively providing strategic guidance and thought leadership to our companies enabling them to grow and succeed. This way, they will be able to concentrate on strengthening product marketing and branding to increase consumer loyalty in each country.

In the immediate future, we will increase our focus on our core sectors (food and retail) by gradually selling investments in other industries. These funds will then be used to tap into new markets and enter higher-value product categories. For example, we acquired a majority stake in Al Kabeer (51%), one of the region's leading frozen foods companies.

We act in accordance with our values
At Savola, ethical principles: integrity, righteousness, fulfillment, and persistence – shape the way we do business. They always have and they always will. That is why we were honored to be ranked 4th in governance and transparency in the MENA Region as per Standard & Poor's, Dow Jones, and Hawkamah Institute Index.



At a Glance

Savola is committed to improving the lives of the people and communities we serve.

Savola Group creates “Value Built on Values” for all our stakeholders as the leading strategic investment holding company focused on the food and retail sectors in the Middle East, North Africa and Turkey region. We are committed to fulfilling our corporate responsibility and leading the way for our sector in promoting and supporting positive change in our communities, minimizing our environmental footprint and safeguarding our customers and employees, through strategic sustainability and robust corporate governance. In this way, we work each day to build a better company and a better world in the future.

A Leader in Food and Retail

With an extensive portfolio of popular food and retail brands, Savola is one of the leading strategic investment holding companies in the Middle East and North Africa (MENA) Region.

Savola focuses on delivering “Value Built on Values” through our diverse and expanding portfolio of investments in the Kingdom’s leading food and retail companies, rewarding investors around the world with our strong financial performance, specialist market knowledge and evident commitment to sustainability.

We operate the largest modern retail chain in Saudi Arabia and produce much-loved edible oil, sugar, pasta, bakery products and frozen foods under brands that are household names in over 50 countries worldwide.

Food Investments

Our food vertical is made up of a portfolio of investments in large, branded categories across the MENA Region. Savola Foods is a leader in basic branded consumer packaged goods, which are produced in more than 8 countries and exported to over 50 markets. We are proud to say that many of our products are market leaders in their respective categories. Through our commitment to strategic growth, we continue to innovate in our markets, build on our range of established products and diversify into higher-value items.

Our long-term investments in the food sector also generate profits for our shareholders. Savola Group holds the largest stake (34.52%) in Almarai Company, the leading regional food manufacturer and distributor, as well as a majority stake (51%) in Al Kabeer Group of Companies, a leading regional frozen foods manufacturing and distribution company.

Savola Ownership



Savola Foods Company

100%



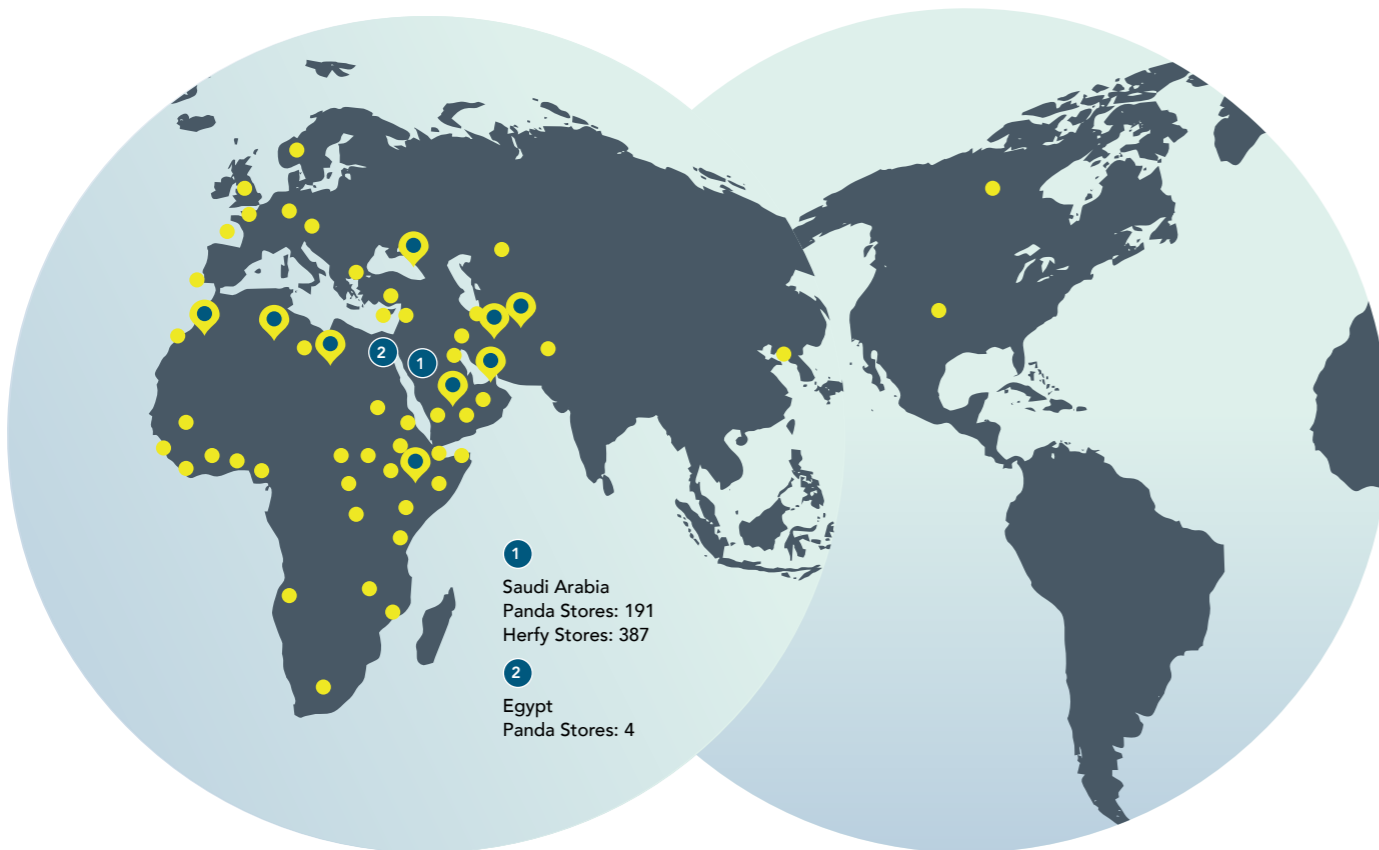
Almarai

34.52%



Al Kabeer

51%



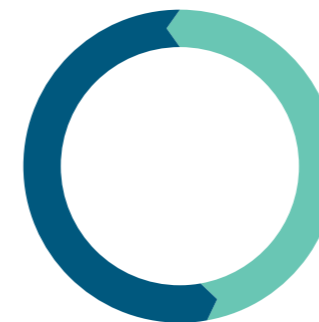
Major / Manufacturing Markets

- Saudi Arabia
- Egypt
- Algeria
- Sudan
- Morocco
- UAE
- Others

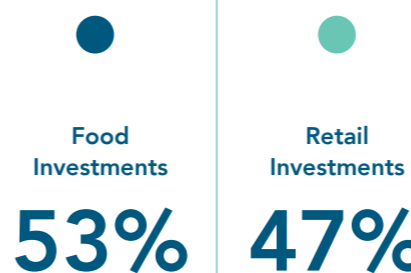


Export Markets

- | | | | | | |
|----------|------------|------------|-----------------|--------------|----------------|
| Angola | Eritrea | Lebanon | Mozambique | Sierra Leone | Uganda |
| Bahrain | Ethiopia | Liberia | Netherlands | Somalia | United Kingdom |
| Benin | France | Libya | North Macedonia | South Africa | USA |
| Burundi | Germany | Madagascar | Oman | South Korea | Yemen |
| Cameroon | Ghana | Malawi | Pakistan | South Sudan | Others |
| Canada | Jordan | Mali | Palestine | Spain | |
| Comoros | Kazakhstan | Mauritania | Rwanda | Sudan | |
| DRC | Kenya | Mauritius | Senegal | Sweden | |
| Djibouti | Kuwait | Morocco | | Tanzania | |



Group Revenue



Retail Investments

Our retail vertical is headed by Panda Retail, the largest modern grocery chain in Saudi Arabia with a total of 195 stores (including 4 stores in Egypt), serving more than 90 million customers annually. Panda boasts a proud history, a leading market share, and a formidable geographic reach.

Our long-term investment in the retail sector consists of a 49% shareholding in Herfy Food Services Company. As such, we remain the largest shareholder in Herfy, one of the leading restaurant, industrial bakery and meat processing businesses in Saudi Arabia.

Savola Ownership



Panda Retail

98.87%



Herfy

49%

2021 Sustainability Highlights



Business

Acquisition of **Bayara**



Joining **The Valuable 500 Initiative**

Establishment of **3 ESG Management Committees**



Forbes names Savola among **'Top 100 Companies in the Middle East 2020'**

Ranked in the top 10 of all non-financial companies traded on Tadawul in the Corporate Governance Index (CGI) by Al Faisal University's Corporate Governance Center for 3rd consecutive year

Panda rolled out its prototype for the **'Store of the future'**

Community

Partnered with the Human Resources Development Fund to support its Forsa Business Assistance Program



Savola World Foundation partnered with Mohammed bin Salman (Misk) Foundation to launch the **'Discover Your Path' Program**



Savola Foods Hackathon held for university students

People

Named in **Top 20 Great Places To Work®** in the Kingdom of Saudi Arabia for 3rd consecutive year



Comprehensive COVID-19 response, with remote working, health, safety, awareness, and communications

80% Employee Engagement score, a significant rise from 64% in previous survey



73% Saudization rate

13,044 employees enrolled in **training programs**

Environment

Panda completed the installation of LED lights and Smart Thermostats for air conditioning control and **energy savings** in 20% of stores

USC **reduced GHG emissions** scope 1 (tCO2e) by 14% and fuel consumption by 7%



USC continued using the new **5,000 m² evaporator to reduce energy consumption** after completing the installation in 2020

Sector

Savola brands (Panda, Afia, Alarabi and Alosra) recognized as **'Made in Saudi'** Program products



Over 300 private label food and non-food products in Panda

75% of IFI's products are **trans-fat free**

Mowaamah platform across our intranet, providing valuable resources for all employees

Quality, Food Safety and Environmental Management certifications across all Savola Group companies

Savola Group CEO's Statement



Savola Group is firmly committed to improving the lives of the communities we serve, powered by our dedication to safeguarding our environment, protecting our people, and inspiring the wholesale sustainability transition of the KSA food and retail sectors.

It gives me great pride to present Savola Group's 2021 Sustainability Report, which details our expansive efforts to maximize the positive impacts of our business for the people and communities of the Kingdom.

We are proud to lead the sustainability transition in our region, delivering an unparalleled suite of initiatives to enhance our contributions to the community, drive down our environmental footprint and rationalize consumption to support the Kingdom's food security goals.

Sustainability lies at the very heart of our corporate culture and strategy and represents a key institutional pillar in our journey to deliver exponential improvements on the impacts of our business for the nation and the natural world. This key element in our philosophy

is closely aligned with the broader ambitions of Saudi Vision 2030 and the UN Sustainable Development Goals (SDGs).

Leading our Sector

Savola Group continues to leverage its leading position in the food and retail sectors to deliver positive change for the people of the Kingdom.

Our commitment to the sustainability transition across these sectors is driven by Savola's highly proactive approach to social responsibility, and our engagement with national stakeholders to ensure the efficacy of our social responsibility programs and the achievement of common goals.

To this end, in 2021 we continued to collaborate with a variety of Ministries and other entities, including the National

Transformation Program and the General Authority for Small and Medium Enterprises (Monsha'at), to achieve national goals.

We also continued to deliver progress through our flagship Makeen Program, which aims to increase the participation of people with disabilities in the national economy by providing empowerment opportunities through dedicated training and career programs.

Safeguarding our Environment

As a committed proponent of environmentally responsible business and operations, Savola continues to build a culture of environmental stewardship within the Group, as well as through our range of resource rationalization, and waste and emissions reduction programs, to safeguard the environment and human health.

Resulting from this commitment, we announced the formation of a new Environment Management Committee in 2021, tasked with establishing and implementing the Group's environmental policy, as well as supervising all environmental activities across the Group.

Panda continued to pursue environmental efficiencies during the year, which included encouraging results from the LED lighting conversion and through the installation of Smart Thermostats, and best-in-class air-conditioning system solutions. Meanwhile, SFC's United Sugar Company continued using a new evaporator to reduce fuel consumption and installed an automated system to drive down water consumption.

Savola continues to target efficiency gains through the application of digitalization and smart technologies in the food product supply space. In a landmark move initiated in 2021, we embarked on an ambitious project to develop smart digital product supply 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 through the program.

Supporting our Community

Through Savola's extensive community engagement offering – delivered via The Savola World Foundation, as well as key programs including the Negaderha food waste management and reduction program, and the Ataa volunteering scheme – we continue to set the standard for our sector in the areas of ESG, sustainability and corporate responsibility.

In 2021, in coordination with Savola HQ and the other divisions, the Savola World Foundation implemented its annual program of Ramadan support for 25 charitable societies serving a number of different regions of the Kingdom.

Savola's flagship Negaderha Program continued to deliver a host of initiatives this year to encourage and instill sustainable practices in households and across the Saudi HORECA sector, strengthening the Kingdom's food security and sustainability. This included a highly successful community awareness campaign to reduce food waste, targeting households across the Kingdom during Ramadan.

Empowering our People

Our workforce of 23,643 people, representing more than 40 different nationalities, comprise the beating heart of the Group and are our most highly valued asset. We remain committed to supporting their wellness and development by offering a working environment that is positive, fair and conducive to their growth.

As a leading proponent of Saudization, Savola has taken the lead in our industry when it comes to training and employing Saudi nationals in support of the goals of Saudi Vision 2030. This effort is reflected in the Platinum Zone Nitaqat rating for our HQ and SFC, which was retained in 2021, and our 73% Saudization rate.

Based on our enduring goal to be recognized as the undisputed employer of choice in the region's food and retail sector, our employee engagement survey this year revealed further improvement, rising to a strong overall 80% employee engagement score. This result highlighted the strength of our corporate culture, which we continued to develop through a range of team-building activities and synergies to reinforce the shared values, attitudes, standards, and beliefs of our Group.

Our professional development and training programs continued across all levels throughout the year, exceeding annual targets through the delivery of over 1,500 learning hours. We also launched the new Savola Youth Development Program (SYDP), continued to collaborate with INSEAD for our Developing Emerging Leaders Program, and maintained our partnership with the Udemy online learning platform, to enhance the knowledge and skills of our entire workforce.

Committed to Sustainability in 2022

Through our expanding range of initiatives in 2022, Savola will continue to ensure the health, well-being and food security of the people of Saudi Arabia by driving down waste, reducing emissions and engaging with communities to achieve tangible sustainability impacts across society.

We will work closely with associations, societies, national and international bodies to improve our sustainable practices and strategies, whilst building upon our extensive range of partnerships through the Makeen Program.

Savola lies at the heart of a vibrant and diverse ecosystem of exceptional people and partners, who come together to have meaningful and lasting impact.

Through Savola's People Strategy, we will ensure the health, safety and satisfaction of our employees to further our progress in establishing Savola as the undisputed employer of choice in the food and retail industries.

Furthermore, we will encourage our people to continue to dedicate their time, resources and expertise to support the health and socio-economic development of the nation, powered by our shared vision for comprehensive development that leaves no one behind.

Above all, we remain committed to supporting the development of more socially and environmentally responsible business activities going forward, in keeping with the national development objectives of Saudi Vision 2030 and our guiding commitments to the people of the nation.

I would like to take this opportunity to express my appreciation to Savola's Board of Directors and management team for their continued focus and success in delivering sustainable positive impacts across our business in 2021. I would also like to acknowledge our outstanding employees for their resilience and commitment to our shared values and goals. Together, we continue to propel Savola's sustainability journey, supporting the Kingdom's progress in bringing about a cleaner, greener, more inclusive world for generations to come.

Waleed Khalid Fatani

Group Chief Executive Officer
Savola Group



SUSTAINABILITY STRATEGY

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



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Sustainability Strategy

Savola Group is committed to creating broad and lasting value for our stakeholders, throughout the Kingdom of Saudi Arabia and around the world. In order to achieve this ambition, our sustainability strategy provides a clear roadmap for success across a wide range of material areas to be implemented largely through our groundbreaking new Savola World Foundation.

SAVOLA WORLD FOUNDATION



A game changer for corporate sustainability practice across the MENA Region, Savola World concept was created in March 2017 to create value for Savola Group's stakeholders by promoting socially and environmentally responsible practices. Since its inception, this flagship CSR program has grown and diversified by engaging customers and other stakeholders while forging strong partnerships with the aim of promoting socially responsible behavioral change across the sustainability pillars of Community, Employees, Environment, Sector and Business.

At the end of 2019, with broad ambition and in alignment with international best practices in corporate foundations, Savola Group formalized the importance of Sustainability and CSR by transforming Savola World from a department into a standalone private foundation, called Savola World Foundation. This groundbreaking entity was established as a non-profit organization under the supervision of the Ministry of Human Resources and Social Development.

Funded by Savola Group and managed by the Board of Trustees, Savola World Foundation will continue to grow and diversify over the years ahead 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 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.



Our Focus Moving Forward



Over the coming years, Savola World Foundation will continue to build on its early successes, evolving its strategy based on a new vision, and launching new sectoral-based programs that will be impactful and 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



Supporting the Saudi Vision 2030

Savola has closely aligned our sustainability efforts with the long-term success of the Kingdom of Saudi Arabia. The Saudi Vision 2030 is Saudi Arabia's blueprint for the future and is based on 3 pillars: 1 - A Vibrant Society, 2 - A Thriving Economy and 3 - An Ambitious Nation. In line with the Saudi national agenda, Savola's growth strategy is focusing on sustainability performance, directly benefiting the Kingdom's socio-economic development, and reflecting the country's strengths and capabilities.

A Vibrant Society

Under the pillar of "A Vibrant Society", Savola has gained great recognition for our initiatives for Saudi citizens. Long-term initiatives including the "Makeen" Program, "Sela" Program, "Tawer" Program, "Housing Loans" Program for Saudi employees, the "Takaful Insurance" and the "Tawoon Fund" are embedded at the heart of Savola's efforts to develop advanced talent capabilities, build a workforce for the future and provide opportunities for Saudi professionals.

A Thriving Economy

Savola is committed to supporting the Saudi Vision 2030 for a "Thriving Economy". To build a more dynamic and robust economy, Savola has seized growth opportunities through strengthening relationships with carefully selected partners and distinguished shareholders and investors. Our 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) inclusion into the MSCI Emerging Market Index.

An Ambitious Nation

Savola has invested in a robust framework of governance, which is in line with the "Ambitious Nation" pillar. Savola 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.

Savola Group takes great pride in actively supporting the implementation of the Saudi Vision 2030. We will continue our efforts to achieve "A Vibrant Society - A Thriving Economy - An Ambitious Nation."

Key Efforts to help in Achieving the Saudi Vision 2030

- Comply and support nationalization programs in management and non-management roles across Savola Group.
- Support the new generation of Saudi talent (e.g. the Is'ham Training Program by Panda).
- Recruit high-caliber Saudi talent.
- Increase Saudi product exports to regional markets.
- Improve quality of products sold in Saudi Arabia and abroad.
- Inclusion in MSCI's Emerging Market Index.
- Savola Group is certified as "Great Place to Work".
- Efforts to address food waste reduction through the "Negaderha" initiative and through globally distinguished partners.
- Involve Group employees in social initiatives and volunteering, while promoting personal and professional growth.
- Support women and ensure a work-life balance for all employees.
- Encourage employee participation in sport activities and offer health benefits.
- Be recognized for the high quality of its service.

Adopting the Sustainable Development Goals

In 2015, the United Nations General Assembly formally adopted the 17 Sustainable Development Goals (SDGs) as part of the United Nations 2030 Agenda for Sustainable Development, in order to ensure prosperity and well-being for all people while protecting the planet. The SDGs are a global call to action for governments, companies, and civil society to eradicate poverty, protect the planet and ensure that all people enjoy peace and prosperity. The 17 Goals and the corresponding 169 targets act as a reference guide for governments, companies and civil society so that they can take action, address global challenges and transform our world.

Savola's Alignment with the Sustainable Development Goals

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 collective positive impact; and we carefully address any potential negative impact from our operations. For the 2021 Sustainability Report, we identified the most important topics and reviewed how they align with the SDGs. After identifying and reviewing them, we concluded that 10 Goals are most relevant to us.

Integrating (SDGs) into Core Business

To enhance the Group's sustainable performance, maximize the positive impact of our core activities and ensure effective governance of our operations, we have linked our 5 sustainability pillars to the SDGs.

Relevant SDGs	How we Contribute and 2021 Highlights
 2 Zero hunger	We work with focus and determination to avoid and minimize food waste. In 2021, we continued our landmark food waste management program, Negaderha. Panda organized a charitable initiative that distributed Ramadan food boxes to families in need around the country. Panda also continued its long-standing partnership with Namaa Association that encouraged customers to purchase food baskets for the Association, which in turn distributes and delivers the baskets to needy families.
 3 Good health and well-being	We remain committed to providing health and nutritious goods as we expand our retail lines to include more health options. This aim is also reflected in our ongoing program to source and develop new product formulations such as fine sugar, spray oils and specialty fat products. In 2021, our commitment to the health and well-being of our employees was recognized when Savola was named one of the Top 20 Great Places To Work® in the Kingdom of Saudi Arabia, while our employees also enjoyed a range of health services, gym access, health campaigns and seminars throughout the year.
 4 Quality education	We aim to be an employer of choice for top talent, with a particular focus on Saudi nationals. We take a proactive approach in attracting, developing and retaining Saudi talent, while investing in their success. We provide learning and development opportunities for all our employees, including executive education for our leadership. We also provide children's education allowances to our employees and partnered with "Udemy," a global online training provider, to allow employees to access an online platform with more than 180,000 courses to choose from in more than 75 different languages.
 5 Gender equality	We are committed to equality, diversity, and inclusion across Savola Group. Through fair hiring practices, we continue to grow our female workforce across the Group, while also establishing and enforcing a range of policies and initiatives to empower our female employees and create a supportive work culture and environment for them. In 2021, we increased our female workforce across the Group by 11.11 % to reach 1,285 women.
 8 Decent work and economic growth	We empower and support our employees across Savola Group through a corporate culture of "Value based on Values". As a leading Saudi company and employer, we contribute to the economic growth of the Kingdom and create jobs throughout Saudi Arabia and the region. In 2021, we continued our efforts to retain key talents in mission critical roles under the Long-Term Incentive Program (LTIP) for top executives for achieving the Group's strategic objectives by completing the first tranche of its shares buy-back and started the second tranche of the program where Savola purchased 349,076 shares at an average purchase price of SAR 39.89 per share, for a total value of more than SAR 13,924,773 million. In 2021, we also launched the Rowad Development Program – a key initiative of Panda's career development scheme for Saudi nationals, to prepare them for progressively more senior assignments as Supervisors – in alignment with government requirements to nationalize these positions.
 10 Reduced inequalities	We promote diversity and foster understanding across our Group. We enjoy Mowaamah Certification – Gold status in recognition of our commitments and initiatives to support people with disabilities. Meanwhile, we increased our female workforce by 11.11% across the Group, and Savola HQ and SFC both maintained a Platinum Zone Nitaqat rating in 2021.
 12 Responsible consumption and production	We recognize the central role we play in the Kingdom in tackling sustainable food consumption and responsible production. During 2020, we continued promoting national efforts to drive behavioral change through our flagship Negaderha Program, which increased its reach and impact during the year with the launch of the Negaderha mobile application for smartphones. Panda continued its "Can't miss Initiative" to put an end to unnecessary waste, and our partnership with Saudi Grains Organization (SAGO).
 13 Climate action	We seek to minimize our environmental footprint and operate in a responsible and sustainable manner. As one of the trailblazers in sustainability reporting in the Kingdom, we seek to continuously improve how we plan, prioritize, measure and account for our environmental impact, energy use and waste management. We recognize the need to build on the foundation we have established to take our sustainability program and initiatives to new heights through focus and collaboration.
 16 Peace, justice and strong institutions	We are active in the fight against corruption and bribery, through our robust corporate governance practices, strong risk management function, and corporate culture of openness and accountability. Our Audit Committee, Internal Audit Departments, Governance and Compliance Bodies work to reduce risks, while KPMG performs an audit of Group financial statements. We foster open communication and transparency through our Tawer Program, which helps us listen to our employees, and our Integrity Hotline. Our annual Sustainability Report further enhances transparency and engagement with our stakeholders.
 17 Partnerships for the goals	We are constantly working to strengthen global partnerships for sustainable development. As part of the MSCI Emerging Markets Index and the first Saudi company to become a member of the International Labor Organization (ILO) Global Business and Disability Network, we remained focused on building mutually beneficial partnerships during a challenging and volatile year, seeking impactful collaborations with government and private sector organizations within the Kingdom of Saudi Arabia and across our geographic footprint.

Alignment with Global Standards and Charters

In order to integrate sustainability into several aspects of our business, map existing programs to the SDGs and ensure a more comprehensive approach to sustainability, we have consulted a wide range of external sources. These included 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, Savola Group also endorses several external charters and standards developed by international/national bodies and authorities. Among others, these include:

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



STAKEHOLDERS

As a leading strategic investment holding Group in the food and retail sectors in the Middle East and North Africa (MENA) Region, we are accountable to a diverse group of stakeholders, including companies of the Group, employees, suppliers, local community, partners, consumers, customers, investors, shareholders and government. Each of the previously mentioned stakeholders has a specific set of interests and expectations from our business.

Engaging with our Stakeholders

Cultivating and sustaining a 2-way dialog is crucial in order for us to achieve mutual understanding and be able to establish strategic decision-making. At Savola, we value our stakeholders' opinions and engage in regular dialog with them through various communication channels, thus ensuring that their needs and expectations are taken into account and that we can respond effectively to their concerns. Input from our stakeholder engagement is the cornerstone of the way we develop and implement our sustainability strategy.

We recognize that working to improve social and environmental issues is a major challenge. We will improve our understanding of current issues and emerging sustainability trends through a journey of cooperation and engagement with stakeholders. At Savola, we strive to create great-shared value and improve life in the societies in which we live and work.

The following table provides a high-level overview of our stakeholders, with specific indications of how we are involved with them on social and environmental issues.




Our Focus

Savola Group will continue to maintain focus and commitment on contributing, through our diverse activities, to the relevant UN Sustainable Development Goals and the goals of Saudi Vision 2030 through the implementation of our Sustainability Strategy, in order to fulfill our Vision and honor our Mission. We will continue to build capabilities, partnerships, and resources to accelerate the impact of the Group's sustainability programs, initiatives and activities to contribute to a better world and a thriving, broad-based national economy.



Stakeholders	Key concerns	Engagement type	
 Investors and Shareholders	To ensure sustainable and profitable growth, we work closely with investors and shareholders within a responsible and ethical business practices framework.	<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 Meeting. • "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.
 Suppliers	To invest in long-lasting relationships with our suppliers. Establishing strategic supplier partnerships ensures value creation in all stages 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.
 Operating Companies	To place emphasis on synergies while streamlining the decision-making process and resource allocation, and to improve our positioning as the premier investment holding company.	<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.
 Employees	To work continuously to create an approachable work culture of communication, camaraderie and performance for our valued employees.	<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.
 Community	To engage with community members, non-profit organizations, charitable establishments, employees, suppliers and other stakeholders in new initiatives and long-standing programs that make a positive impact and enhance community well-being.	<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. Panda customers donate the small change from their purchases to charities across the Kingdom of Saudi Arabia. • "Makeen" program to train and employ people with disabilities. • Cooperation and supporting other social institutions to design educational, health and social programs. • Internship opportunities for undergraduates. • Corporate Social Responsibility (CSR) Committee (which is currently becoming Board of Trustees of Savola World).

	Stakeholders	Key concerns	Engagement type
 Consumers and Customers	To focus on understanding and meeting customer needs, and on exceeding their expectations. Through trusted brands, to offer quality products that support the lifestyle choices of our consumers, and to place them at the heart of our operations.	<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.
 Board of Directors	To lead in sustainability and continuously honor our values.	<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.
 NGOs	To assist in addressing unmet social needs for these most vulnerable segments of society.	<ul style="list-style-type: none"> • Supporting local causes. 	<ul style="list-style-type: none"> • Funds and financial support. • Partnerships to contribute to social and economic development. • Volunteering activities. • Social and environmental initiatives.
 Partners	To build strong relationships with respected partners, with whom we join forces to create positive value.	<ul style="list-style-type: none"> • Fair dealings. • Openness and transparency. • Creating value through mutually beneficial dealings. 	<ul style="list-style-type: none"> • Participate in innovative sustainability initiatives. • Develop new programs and solutions. • Utilize strengths to make a positive impact. • Collaboration agreements (MoUs).
 Government and Regulators	To operate according to national and international laws and regulations, and to work in a responsible manner that contributes to the country's advancement and corporate performance, thus enabling us to support the community's well-being while contributing to a healthy environment.	<ul style="list-style-type: none"> • Compliance with laws and regulations. • Local employment opportunities. • Support Saudi Vision 2030 and SDGs 	<ul style="list-style-type: none"> • Strong management and governance systems. • Respond to government requests and participate in government programs. • Collaborate with government stakeholders to advance common citizenship goals. • Publish quarterly financial results. • Support Government COVID-19 response and food security

MATERIALITY

Determining Areas of Focus

In our increasingly interconnected world, organizations deal with many economic, environmental, and social issues on which they can report. As we operate in a complex and unpredictable business environment, conducting a material assessment allows us to identify the sustainability topics that are a priority to us and our stakeholders. Identifying material topics also provides direction for strategy and communication.

Materiality Process

Material topics form the basis of our Sustainability Report and reflect the economic, environmental, and social impacts of the Group. Moreover, material topics influence our stakeholders' decisions.

During 2019, an analysis of Savola's competitive environment was undertaken to develop a list of potential material topics. Although these topics remain contextually relevant to Savola in 2022, material matters can increase or decrease in importance over time, as the interests and

expectations of stakeholders continually change within an evolving operating environment.

We therefore conducted an extended materiality assessment during this year and updated our materiality analysis to ensure it accurately reflects current stakeholder priorities and sustainability issues. As part of this research process, we:

- Engaged with a range of internal and external stakeholders to identify the most critical sustainability issues for our business and stakeholders
- Consulted several international standards, frameworks and best practice examples in order to design and conduct our materiality assessment in accordance with the principles of the GRI standards, including the principle of Materiality
- Took national, regional and global challenges, trends and approaches into account.

Key steps of the process include:



Material Topics

The materiality process revealed 30 material topics that can be categorized under 5 strategic pillars: Business, Sector, Employees, Environment and Community.

Business and Governance

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

Sector (Responsible Products and Services)

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 labelling

Employees

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

23. Compliance with environmental legislation
24. Using water responsibly
25. Resource management and minimizing waste
26. Action to protect the environment

Community

27. Food waste reduction information and training
28. Compliance with social legislation
29. Indirect economic impacts
30. Local community initiatives



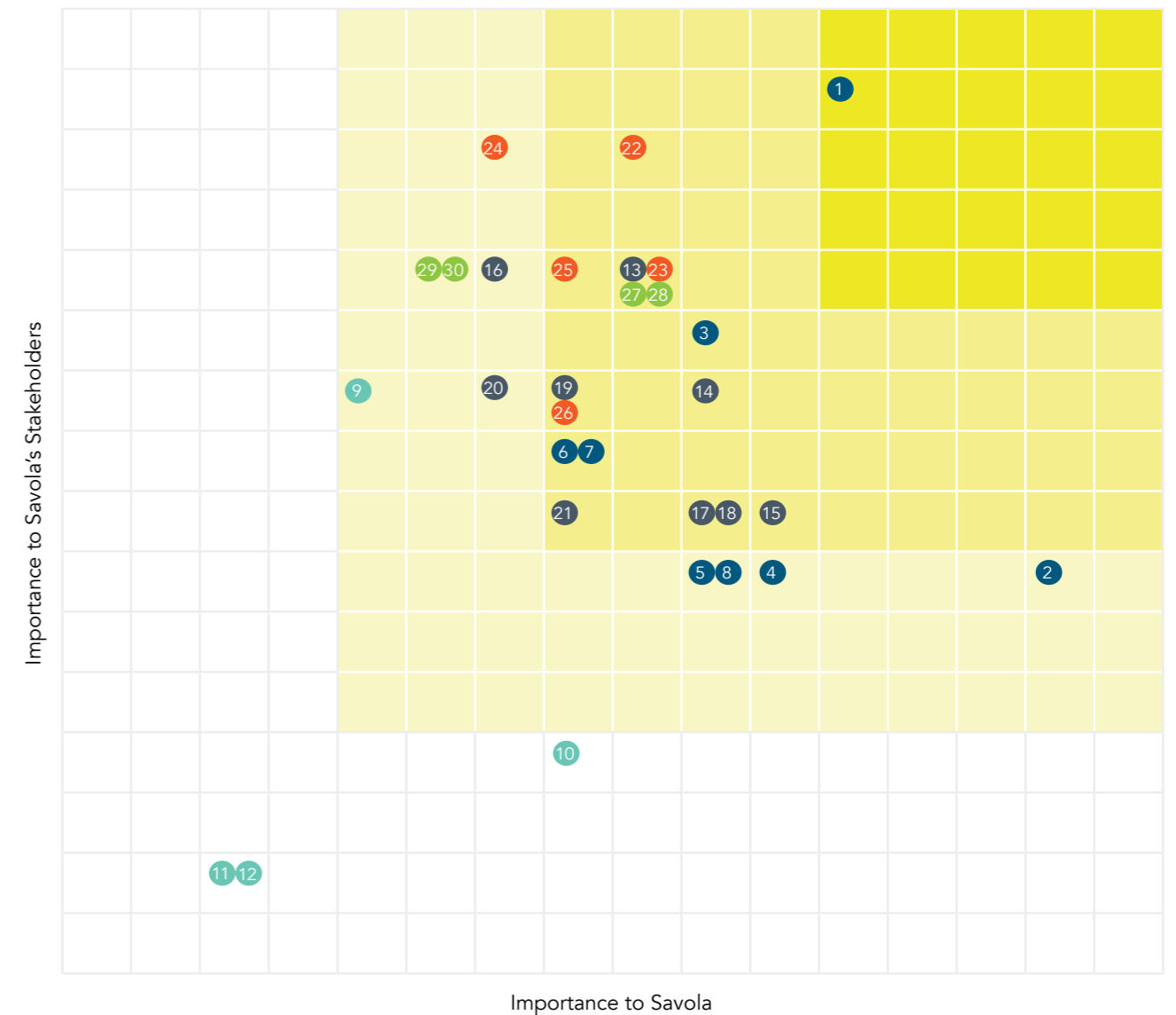
Materiality Matrix

An important outcome of the materiality assessment is the development of our materiality matrix, which illustrates the prioritization of our identified material topics.

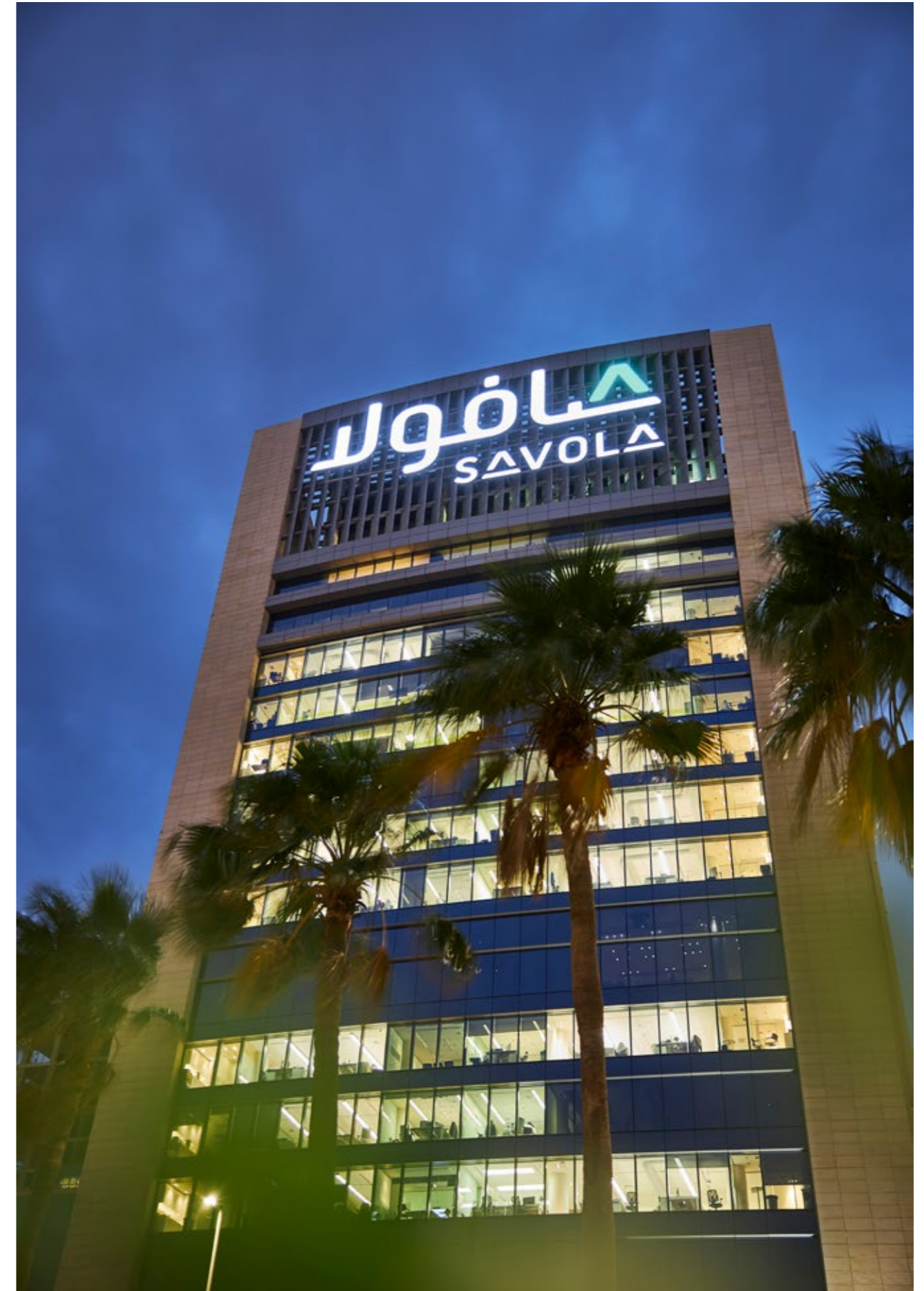
The materiality matrix is an invaluable tool for risk management and opportunity identification. At Savola, our sustainability strategy is deeply rooted in maximizing positive impact; the materiality matrix helps us focus our energy and activities on influencing global change and achieving the SDGs and the 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



Responsible Business Framework





OUR BUSINESS

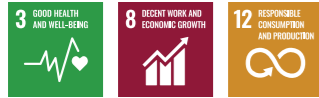
Savola's deep commitment to sustainability is fully integrated into our business strategy and operations.

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Our Business

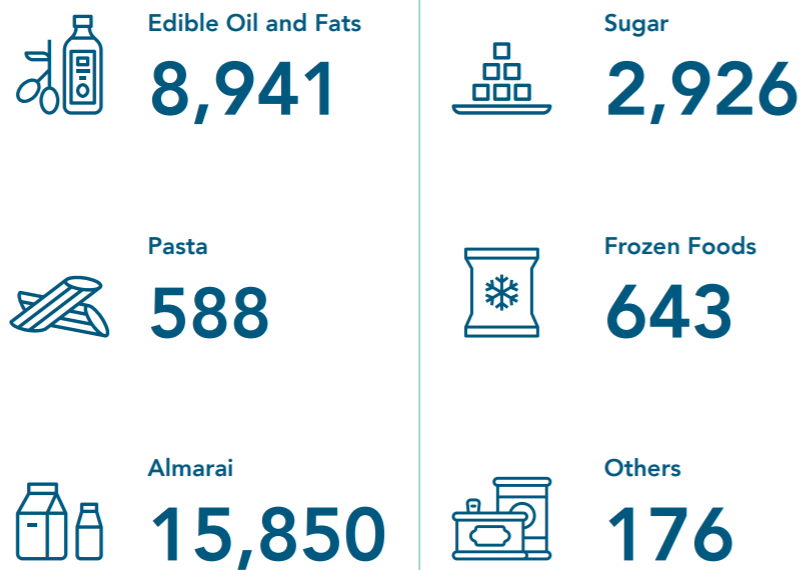
Savola is committed to improving the lives of the people and communities in which we serve.



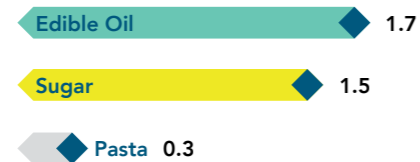
FOOD INVESTMENTS

Our Foods business delivered strong topline growth for 2021 while investing in further strategic diversification towards a higher-value, healthier asset mix and value proposition.

Revenue Breakdown (SAR million)



2021 Sales Volume by Business Line (million MT)



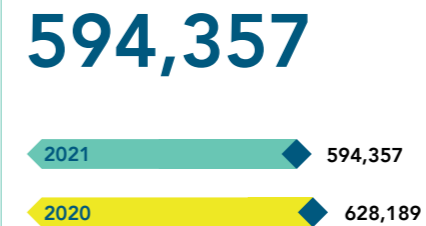
Savola Foods acquired 100% of Bayara for SAR 975 million. The acquisition is pivotal to Savola's growth strategy focused on expansion into high growth, value-added food categories with propositions directed towards the younger population.

(SAR million)
975

RETAIL INVESTMENTS

Our Retail business continued to transform and innovate during 2021, while navigating the changing landscape and pressure on the Saudi modern trade and retail market.

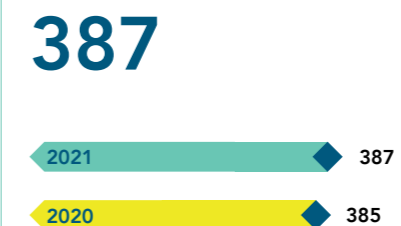
Panda Selling Area (m²)



Total Number of Panda Stores



Total Number of Herfy Branches



Panda's strategic direction and objectives remained unchanged in 2021. Since 2018, the key goal of our turnaround program has been to deliver a "well-oiled traditional brick and mortar retail machine," thereby fulfilling the Panda purpose to deliver strong financial performance and maximize business value.



Our Journey

Growth and Diversification

Adding value for our stakeholders since 1979

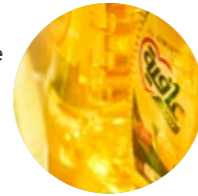


1970s – 1980s

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.



1990s

1991
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 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.



2000s

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
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.

2010s

2010
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
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).

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 MENA Region.

Savola Foods launches Afia Distribution Company in Saudi Arabia.

SAR 1.5 bn Sukuk

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

2020

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

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

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

Top-listed company

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

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.

Forbes

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 Inclusion



Joining The Valuable 500 Initiative
Savola Group joined The Valuable 500 global initiative in 2021, which aims to enhance the inclusion of persons with disabilities through the business sector as a major driver of social change.

Bayara



Acquisition 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 specializing 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.

Year in Review

Strategic Focus and Effective Progress in 2021

March

Establishment of 3 ESG Management Committees

Savola Group formed 3 management committees (from the Executive Management) to promote knowledge exchange in vital areas and drive sustainable impact across the Group and its footprint. The Social Responsibility Committee is dedicated to developing a strategy for the Group's activities and initiatives related to social impact, while the Environment Committee is dedicated to building and implementing the Group's environmental policy, and the Government Relations Committee is to establish and maintain effective relationships with key ministries and other relevant government bodies.



May

Joining The Valuable 500 Initiative

Savola Group joined The Valuable 500 global initiative in 2021, which aims to enhance the inclusion of persons with disabilities through the business sector as a major driver of social change.

June

Named among the 'Top 100 Companies in The Region' by Forbes

Savola was ranked 36th in the Middle East by *Forbes Middle East Magazine*, in its annual list of Top 100 companies in the region. The ranking by the leading business and financial publication was based on market value, sales, assets and profits.

June

Our Brands recognized as 'Made in Saudi'

Several leading Savola Group brands – Panda, Afia, Alarabi, and Alosra – were welcomed into the 'Made in Saudi' program, an initiative of the National Industrial Development and Logistics Program (NIDLP) led by Saudi Exports that supports Saudi businesses by encouraging local consumers to buy more locally made products and by increasing their exports to priority markets.



July

Investment in Munchbox

In line with Savola Foods' growth strategy (ABCD) – Anchor, Bet, Conquer, Disrupt, a subsidiary of Savola Group, we invested in Munchbox, to target high growth, youth focused markets. Established in 2014, Munchbox is a healthy snack manufacturer with a strong presence in the snack market in the UAE and accelerating growth in Saudi Arabia is part of our growth plan for the brand.



July

Caper Investment

Savola Group invested SAR 18.8 million in Caper AI, a leader in smart cart and smart checkout technology that works to create a unified online and in-store commerce solution for retailers. Following our investment, in July, Caper was acquired by Instacart, a global eCommerce player.

July

Recognized as a 'Great Place to Work'

For the 3rd year running, Savola Group was named one of the Best Places to Work. A testament of our commitment to creating a positive, diverse and engaging workplace for all our employees, this recognition is published by leading global workplace culture authority Great Place to Work® Middle East.

September

Launch of 'Discover Your Path' Program

Savola World Foundation partnered with Mohammed bin Salman (Misk) Foundation to launch the 'Discover Your Path' Program, which enables high school students to explore their professional preferences and select the most appropriate future career paths.

September

Capiter Investment

Savola Group invested SAR 18.8 million in Capiter, an Egypt-based B2B marketplace that brings FMCGs, wholesalers and merchants together on the same mobile app-based platform, enabling merchants to order their products through the platform and also receive credit facilities.

October

Acquisition 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 specializing 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.



October

Creating the Panda Store of the Future

Panda successfully rolled out the prototype for its 'Store of the future' in 2 stores, showcasing the brand's latest concepts in the fresh, grocery food, and non-food sections of our stores. Bringing together emerging consumer preferences for frozen and healthy foods, beauty sections and coffee shops, this marks a critical turning point in the transformation of Panda, which will accelerate next year as the rollout continues across our footprint.

October

Supporting Forsa Business Assistance

Savola Group partnered with the Human Resources Development Fund to support its Forsa Business Assistance Program, an initiative that seeks to connect SMEs with procurement opportunities in major entities, thereby accelerating their contribution to the national economy.



December

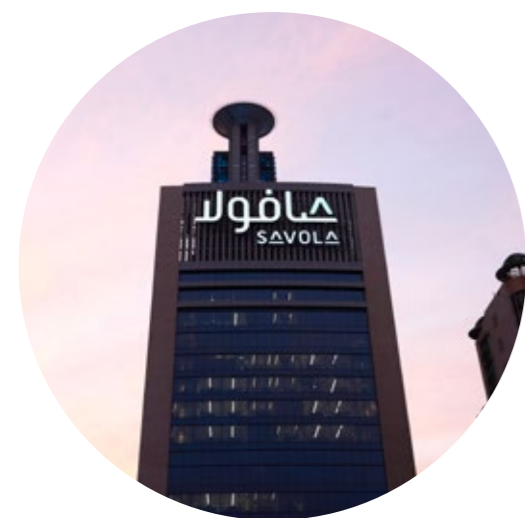
Recognized for Excellence in Corporate Governance

Savola Group received the Excellence Award for the 3rd consecutive year, for being one of the top 10 publicly listed companies in Saudi Arabia in the Corporate Governance Index (CGI) by the Corporate Governance Center at the College of Business of Al-Faisal University during the 3rd Global Conference for Corporate Governance.

Business Model and Strategy

A Focused Model That Aims for Sustainable Growth

Savola is a strategic investment holding company with a thematic investment program focused on the food and retail sectors, with the aim of creating value by enabling and accelerating growth levers in the underlying portfolio to achieve scale and profitability.



Our Strengths



Strategic Focus

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

Strong Governance Framework

A robust governance and transparency framework, prioritized throughout Savola's history, building shareholder trust.

Infrastructure and Consumer Access

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

Our Challenges



Challenging macro-environment in operating countries, whereas a number of countries 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 in a more pronounced manner that may impact 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

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

- Alignment of incentives among stakeholders
- Selection of 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, with periodic reviews and a proactive approach that prioritizes the long-term best interests of the business.

Capital Allocation

Savola 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 within the consumer space. The primary objective is to generate sustainable excess returns over the cost of capital.

Long-Term Strategic Planning

Savola 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 realize our ambition of maximizing our share of consumer spend across our markets profitably over the long-term horizon.

Our Corporate Values

Our values underpin everything we do, they are a blueprint for concrete 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 are more knowledgeable than us

Group Values

Ihsan Al-Dhan: Trusting; Trusting others' intentions without doubting them
Mu'azarah: Caring; Provide support to our colleagues to help enable their success
Qabool: Acceptance; Endure the views of others by going beyond tolerance or acceptance
Iq'bal: Approaching; Improve what we do by using what we have learned from the interaction with others

Corporate Values

Taqwa: Conscientiousness; Fulfillment of our responsibility toward external parties
Amanah: Honesty; Fulfillment of our responsibilities towards investors
Mujahadah: Personal control; Achieving the personal discipline necessary to fulfill our responsibilities
Birr: Caring Justice; Fulfillment of our responsibility towards our colleagues and the employees of the company

Investment Case

A Unique Investment Proposition



A Regional Leader in Food and Retail



Consumer Understanding and Unique MENA Footprint



Successful Track Record of Dynamic Capital Allocation

A leading Saudi strategic investment holding company with diverse investment portfolios of the largest assets and brands in the food production, marketing, distribution, and retail sectors, providing our shareholders with exposure to favorable demographics and structural trends in the regions we operate in.

SAR 24 billion

One of the largest food and retail players in the region with an annual turnover of over SAR 24 billion

Forbes Top 100

Recognized among Forbes Middle East's annual list of Top 100 companies in the region

#1 Staple food business

#1 basic food business in MENA, Savola has market leading positions and brands across consumer staples and value-added ranges, such as edible oils, sugar, pasta, and frozen food

#1 Grocery retailer

#1 grocery retailer in Saudi Arabia, Panda has strong brand equity and almost 25% market share in the attractive and under-penetrated modern retail space of the GCC's largest market

Largest shareholder

Largest shareholder in 2 leading Saudi consumer brands, Almarai and Herfy, as well as popular frozen food brand, Al Kabeer

190+ stores

Dominant retail footprint with 190+ Panda and HyperPanda stores in 40+ cities across the Kingdom, with 90+ million annual transactions and the largest logistics network in Saudi Arabia

Serving 400+ million potential customers

Direct manufacturing and distribution strength in more than 8 countries, with 14 facilities serving a combined population of more than 400 million

Attractive exposure

Attractive exposure to large and growing population base with favorable demographics - more than 50% below the age of 35 years

Extensive knowledge

Extensive consumer, market and brand knowledge, successfully leveraged to launch, grow and maintain market-leading positions and products (e.g. Afia, Al Osra, etc.)

Customer-centric

Continuous customer-centric innovation and product development based on deep consumer outreach to capitalize on strategic opportunities to launch and scale new businesses in the rapidly maturing and evolving consumer space in MENA and beyond

Unique investment model

Unique investment holding business model that allows for strategic investments and value creation in the MENA consumer food and retail space

Experienced leadership

Experienced leadership team with a clear mandate to deploy and/or reallocate capital to enhance shareholder returns through investments in consumer segments with long-term growth potential

40+ years

40+ year track record of business growth, active capital reallocation and long-term investment horizon

Sustainable growth

Actively exploring multiple venues of investments in food and retail to help drive sustainable growth for the Group for years to come

Responsible Management and Ethics

Our Code of Conduct

Savola maintains a steadfast 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 according to the values of Savola. The Code is therefore fundamental to the duties and responsibilities of Savola employees, covering all key aspects of legal and ethical standards of conduct, including conflict 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 (Ta'qwa), 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 in 2021.
- Zero penalties or precautionary attachments imposed on the Company by the Capital Market Authority or by any other supervisory, regulatory or judicial body.
- Zero cases of non-compliance with regard to breach or loss of customer data.

Savola Integrity Hotline

Integrity is one of our core values and remains central to our business success. To protect our employees and stakeholders, in 2018 we initiated the Integrity Hotline, an independent and secure service that covers all operations in the region. The Integrity Hotline provides a confidential reporting framework, overseen by the Audit Committee and the Board of Directors. In conjunction with the whistleblowing policy, the Hotline creates a safe and reliable mechanism for reporting concerns about workplace practices. The Integrity Hotline can be accessed through 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 2021:

Company	Number of Cases Reported	Number of Cases Investigated
Savola Group	6	6
Savola Foods Company	43	43
Panda Retail Company	1,189	1,189
Total	1,238	1,238

In 2022, 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 business reflects our organizational culture and values, which have a deep meaning for both our internal and external stakeholders. Our values provide the very foundations of Savola Group and are central to our success and longevity. They also underpin everything we do; acting as a blueprint for decisions we make as individuals and as part of a team. Each day, when our employees engage with our partners and other stakeholders, they act

according to our values, our principles and their own personal judgment. Since the Group was founded in 1979, our values, principles and governance mechanisms have served to protect us from potential conflicts of interest.

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

Self-Nourishment (Personal Traits)

Individual values powerfully reflect the individual traits and behavior expected from all Savola employees:

- Modesty
- Lead by example
- Resolution
- Mastery



Interactive Nourishment (Teamwork Dynamics)

Our teamwork values emphasize the importance of working together as one, with an emphasis on empathy and teamwork:

- Trust
- Leniency
- Keeness
- Solidarity



Released Nourishment (Organizational Culture)

Through the Group's organizational values, which complement each other and are integrated into all our activities, Savola continues to provide value for and serves our stakeholders in the best possible way, with:

- Righteousness
- Fulfillment
- Persistence
- Integrity



We will continue to place our values at the forefront of our activities and incorporate them into our daily decisions and behavior. Through our organizational culture and values, we retain a keen awareness of our responsibility to our stakeholders and aim to act as role models for generations to come.



Robust Corporate Governance

Strong governance and ethical standards provide the foundations of our success and sustainability. Savola's reputation and exceptional performance hinge on our Corporate Governance Manual, Committee Charters, bylaws, Code of Conduct and ethical values, authority matrix, and other internal CG policies and international leading practices such as S&P guidelines for disclosure and transparency that collectively ensure the high standards of behavior and responsibility demonstrated by our people.

Trust and integrity are essential elements in the story of Savola. We have always strived to ensure strong ethical conduct in all our engagements. The Savola Corporate Governance framework, first established in 2004, sets out specific rules, mechanisms and procedures that guide the Company's relationships with its Holding Company and subsidiaries' Boards and Committees. The CG framework facilitates decision-making and institutionalization, whilst enshrining fairness, competitiveness and transparency to foster a culture of accountability throughout the Group.

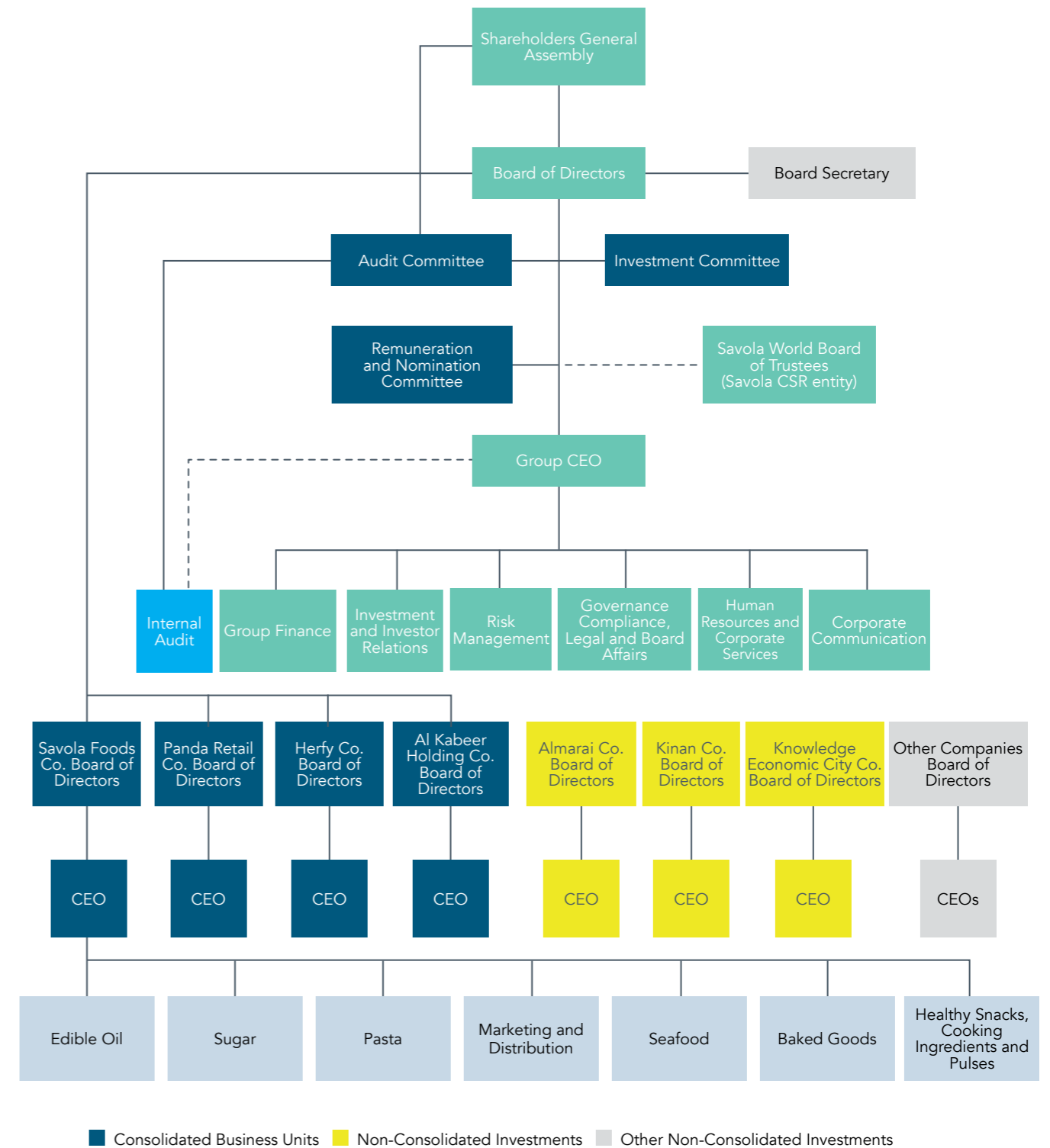
To ensure and monitor the implementation of Corporate Governance requirements, the Board added the role and responsibility of corporate governance to the Remuneration and Nomination Committee (RNC), whilst corporate governance requirements are overseen and monitored by the Board of Directors, the Executive Management and a dedicated Corporate Governance and Compliance Department. The Code is available on our website: www.savola.com

Savola Group Board of Directors

Savola's highest governance body, the Board of Directors plays a fundamental role in setting the Group's strategic direction, priorities and objectives while overseeing their implementation. It sets the tone from the top for shaping and monitoring the ethical culture of Savola while protecting stakeholders' rights, in accordance with its Charter. The Board fosters a culture of honesty and accountability, adheres to the principles of transparency, disclosure and responsibility, and seeks to lead by example. The Board comprises of 11 highly qualified Non-Executive and Independent members. For more details about the role, responsibilities, and members of the Board of Directors, please refer to the 2021 Annual Report and Savola's website: www.savola.com.



Organizational Structure



Key Achievements

- Zero fines and penalties during 2021.
- Compliance with Savola Corporate Governance Manual policies, and charters as well as Companies' Law.
- All financial disclosures, including the Annual Directors Report, CMA quarterly and annual financial disclosures, other reports and Tadawul announcements were carried out in compliance with the relevant guidelines, local and Corporate Governance best practices.
- All announcements and reports issued in both Arabic and English targeting both Arabic- and non-Arabic speaking investors.
- Empowerment of Board and committee members by proper utilization of the Board portal for easy materials accessibility of effective operations.
- Conducting annual assessment of Board and all committees under RNC supervision. Savola has been adopting this practice since 2009, whether by doing it in-house or by using an independent expert.
- Approving Savola Group's CSR Policy by the Shareholders' General Assembly.
- Bought back the Company's shares to allocate them for the Long-Term Incentive Program (LTIP) in September 2021. This program aims to attract and retain outstanding talent and to motivate them to further strengthen their performance to achieve Savola Group objectives.
- Continue ensuring our operating companies and subsidiaries have a proper corporate governance framework in place and are acting in line with leading governance practices.
- Active investors' engagement on a continuous basis through dedicated quarterly investor calls and conference attendance, and dedicated IR application.

Group Committees

Board Committees play a key role in Savola's corporate governance system and processes. With different mandates, they support the Board in performing its duties and making sound decisions by filtering opportunities and projects before going to the Board. These committees, operating according to their individual charters are approved by the Board of Directors or the Shareholder General Assembly (where applicable). Savola Group has 3 Committees: the Audit Committee (AC), the Remuneration and Nomination Committee (RNC), and the Investment Committee (IC).

The Savola Group used to have a Corporate Social Responsibility (CSR) Committee that has been replaced by the Savola World Board of Trustees as of 2020 to ensure the sustainability of the CSR program (see page 14 of this Report for more information on the role and work of Savola World). The Committees are comprised of Non-Executive, Independent, and external members. For more details about the role and the responsibilities of the Committees, please refer to the 2021 Annual Report and Savola's website: www.savola.com.

Investment Committee

The Investment Committee comprises 5 Non-Executive and Independent Board members. In 2021, the Committee held 6 meetings to enhance the Committee's role in following up and implementing strategic plans regarding investment opportunities.

Audit Committee

The Audit Committee consists of 5 members who are independent and non-executive members and external experts. The Committee meets periodically at the invitation of the President. In 2021, the Committee held 6 meetings. For a complete list of the Audit Committee's responsibilities and key activities, please refer to page 102 of the 2021 Annual Report.

Remuneration and Nomination Committee (RNC)

The Remuneration and Nomination Committee comprises 5 members who are independent and non-executive members and external expert with expertise in the committee's mandates. In 2021, the Committee held 4 meetings to follow up on its responsibilities in remuneration, nominations, and corporate governance. For a complete list of the responsibilities of the RNC and its major activities, please refer to page 95 of the 2021 Annual Report.

Shareholders Rights**Shareholders General Assembly Meeting**

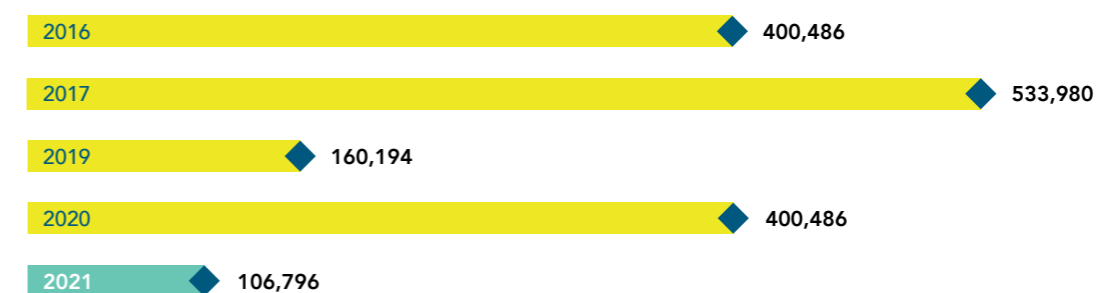
Savola Group held its Shareholders General Assembly on 28 April 2021 virtually due to the precautionary measures to limit the spread of COVID-19. Electronic voting was conducted for all shareholders via the Tadawul platform. All Board Members and Executives attended the meeting remotely, and a considerable number of shareholders participated virtually in the voting.

Dividends

Year	Dividends per share (SAR)	Total of dividends distributed/ declared for the year (SAR'000s)	Net income (SAR'000s)	Percentage
2016	0.75	400,486	(363,287)	-
2017	1	533,980	1,025,618	52.06%
2018	0	-	(520,380)	-
2019	0.30	160,194	475,630	33.68%
2020	0.75	400,486	910,802	43.97%
2021	0.20	106,796	221,879	48.13%

Total of Dividends Distributed/Declared for the year

(SAR'000s)

**Shareholder Information and Share Price Data**

As of 31 December 2021, Savola had 107,888 shareholders compared to 95,360 shareholders by the end of the previous year, as per Tadawul records. The following tables provide an overview of Savola's ownership structure including criteria and types:

a) Savola Investors according to nature of investor:

Investor Nature	Percentage of Ownership	Number of Investors	Number of Shares
Corporate Investors	65.14%	420	303,666,329
Individual Investors (including share certificate holders)	34.86%	107,468	230,314,355
Total	100%	107,888	533,980,684

b) Savola Investors according to their nationality:

Investor Nationality	Percentage of Ownership	Number of Investors	Number of Shares
Saudi Investors	90.08%	106,148	481,010,798
GCC Investors	0.91%	75	4,881,624
Foreign Investors	9.01%	1,665	48,088,262
Total	100%	107,888	533,980,684

For more details about the shareholder information, please refer to the 2021 Annual Report.

EFFECTIVE RISK MANAGEMENT

Savola Group is exposed to a variety of risks and uncertainties, given its focus on investments in the food and retail sectors and extensive range of associated products. Therefore, the Group applies rigorous risk management mechanisms, largely based on training and prevention, in order to safeguard sustainable value for our partners, investors, employees, consumers, communities and other stakeholders.

Supported by a governance structure that is based on an ethical framework, recognized standards and optimal organizational policies and procedures, Savola's Audit Committee, internal audit departments and corporate governance and compliance bodies work to limit risk by ensuring the proper application of internal controls. An external partner audits the financial statements for the Group's operations and the Shareholder's General Assembly (AGM) reviews and approves finances, remuneration, related party transactions and Group performance on an annual basis. All employees are bound to the highest ethical standards in accordance with our values and have made a commitment to act for the benefit of the Group and society at large.

Savola continues to strive to improve our processes and procedures, and to develop its risk management culture to minimize risk even further, to protect its stakeholders, reputation, and the value of its assets. Savola's risk governance framework and team support this aim by applying our "Three Lines of Defense" model to ensure accountability across the Group for governance, monitoring, reporting and management of risks, and the control environment. Each of the Three Lines of Defense plays a distinct role within Savola's wider governance framework. The Board and senior management are the primary stakeholders served by the "Three Lines of Defense" model, and they are the parties best positioned to help in ensuring that the Three Lines of Defense are reflected in Savola's risk management and internal control processes.

Enterprise Risk Management Framework

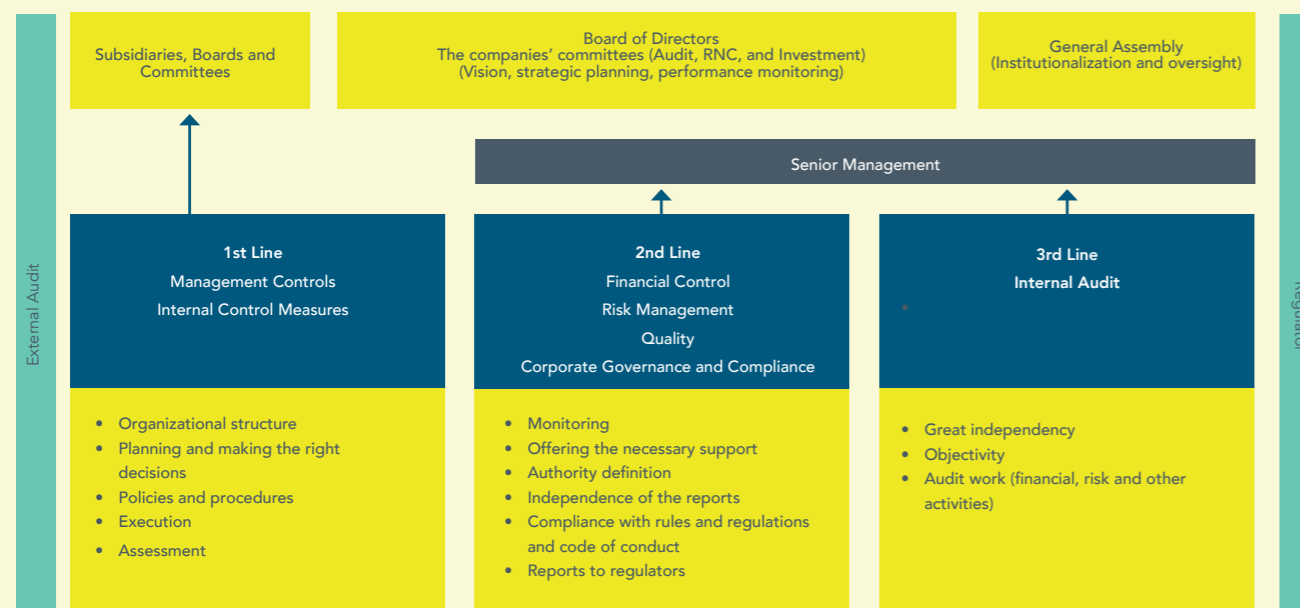
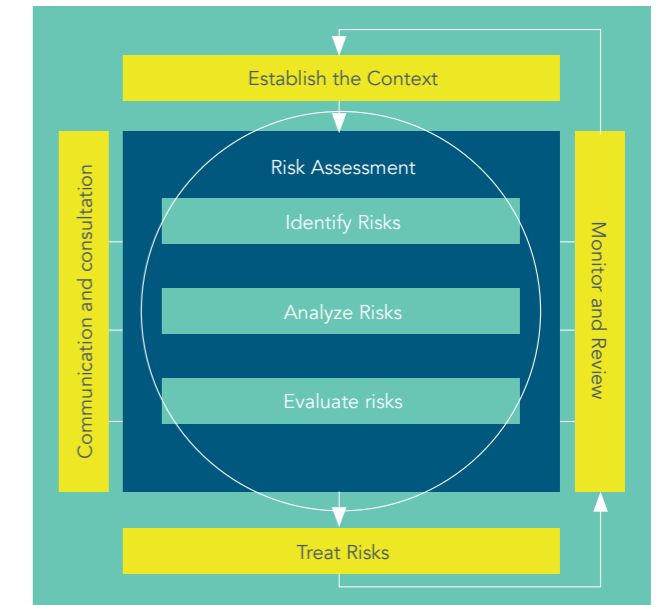
Savola has developed an integrated Enterprise Risk Management (ERM) framework to support the success of the Group and the development towards its strategic goals. Drawing on market-wide best practices, the framework involves a collaborative risk management environment that proactively identifies, monitors and mitigates risk, whilst delivering high quality information to:

- Optimize the cost of managing business risks
- Enable informed and conscious risk management choices on an enterprise-wide basis
- Improve overall business performance.

The ERM framework addresses Savola's business needs while remaining simple, pragmatic and aligned to Savola's strategy. Savola has aligned the ERM framework with international standards (ISO 31000) and leading risk management practices. The risk management function comprises a dedicated team to lead activities across the Group, assisted by risk champions who implement risk management activities within respective business units/ functions.

Strengthening our Risk Management Culture: WAEI

We continue to strengthen our risk management culture and corporate excellence through WAEI. WAEI is a risk management awareness program, which provides periodic communication for knowledge-sharing concerning business-related risks, as well as risk management key activities and concepts.





OUR COMMUNITY

Savola's diverse community initiatives and investments continued to have significant social impact in 2021.



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Our Community

Savola is dedicated to serving our community as a responsible corporate actor. Sustainability lies at the heart of all our community activities and is embedded throughout our operations to ensure we have an increasingly beneficial effect on the people, societies and countries we serve.



Savola's extensive program of community support is carefully designed to maximize these positive impacts, engage people from all sections of society, and deliver a better world for our customers and community stakeholders across the Kingdom and beyond.

To this end, sustainability forms the bedrock of all our initiatives, and we continue to be inspired by both national and global commitments and programs to achieve the UN Sustainable Development Goals (SDGs).



COMMUNITY INITIATIVES AND INVESTMENTS

Through this extensive community engagement offering, delivered through key programs including Negaderha and Ataa, as well as a growing range of one-off initiatives launched each year, Savola continues to set the standard for our sector as a pioneer in the areas of ESG, sustainability and corporate responsibility.

Ramadan Basket for Charities

In 2021, in coordination with Savola HQ and the other divisions, the Savola World Foundation delivered its annual program of Ramadan support for 25 charitable societies serving a number of different regions of the Kingdom.

Panda Caravan

The Panda Caravan, which took place for the 21st consecutive year in 2021, is a charitable initiative to promote the value of sharing and charity among Panda employees, encouraging donations during the holy month of Ramadan.

In-Store Charity Initiatives in Ramadan

During Ramadan, Panda introduced a number of initiatives focused on Ramadan Acts of Kindness, such as the value of sharing and giving to those in need. The initiatives were carried out under the motto, "A Little Donation is a Lot for People in Need."

Kiswa Hubs

In collaboration with the Kiswa Project, Panda deployed Kiswa hubs in several of its stores across the Kingdom to encourage customers to donate used clothing to help poor and needy families.

Food Basket Partnership with Namaa Association

Panda also maintained its long-standing partnership with the Namaa Association, which used Panda stores to reach out to customers and encourage them to join the Association's efforts to feed needy people and families during Ramadan. Customers were given the option of purchasing food baskets for distribution by the Association to deserving families.

Sallati Cards Program

Panda also continued to offer a variety of discounts to charities and businesses purchasing food boxes exclusively from Panda to families in need throughout the year, providing discounts totaling more than SAR 1.8 million during 2021.

Savola Foods Hackathon

In January 2021, SFC launched the Savola Foods Hackathon, inviting 20 university students to form teams and compete against each other to design an inventive solution to a specific challenge related to Product Supply Shift Handover Automation.

The students developed some highly innovative automation solutions and mobile apps, with the winning team receiving an award from the Product Supply leadership team.



VOLUNTEERING AND CHARITABLE PROGRAMS

Savola employees have a long and rich history of contributions to Saudi society, and are positively encouraged to take an active role in a variety of community assistance programs each year, spanning volunteering, charitable donations and sharing their expertise to support small businesses and socio-economic development in the Kingdom.

Through the Ataa Volunteering Program, Savola employees engaged with a number of charitable organizations through specialized events and initiatives in 2021.

Supporting the Tanmiyt Al-Qura Society

An online workshop was held on 5 August 2021 with the Tanmiyt Al-Qura Society to support a project that aims to develop family incomes by supporting home production of pastries, sweets, and pickles.

Representatives from Panda and Savola Foods shared their expertise with the Society through discussions that centered on applicable business models and operating plans; quality standards; sales channels through our Hyperpanda stores; and the transfer of specialized technical and practical knowledge to assist home producers to engage in underserved areas in the Saudi market.

Meanwhile, in partnership with the social foundation, Community Jameel, a selection of Panda stores hosted pop-up exhibitions to help families promote and sell their home-made products to Panda customers, establishing a platform for these families to develop their small businesses.

Voluntary Support for Small Enterprises

Volunteers from the Savola Group participated in the Professional Volunteer Program of the Ahalina Program (the Saudi National Bank Program for Social Responsibility) on 7 September 2021 at the Vibes business incubator. Participating employees from Savola offered vital advice to entrepreneurs in the fields of marketing, information technology and human resources management.

Global Entrepreneurship Week

On 17 November 2021, the Savola Group participated in the Global Entrepreneurship Week organized by the Social Development Bank at the 30th Business Incubator in Buraidah, delivering a series of presentations covering supply chains, modern trade, and quality and food safety systems in the retail sector.

International Volunteer Day

A voluntary initiative was organized to mark International Volunteer Day on 5 December 2021 in association with the Saudi Food Bank (Ita'am Association). Employees of the Savola Group participated in Ita'am's activities in Riyadh and Dammam, filling and packing meals for distribution to beneficiaries.

Savola also participated in the activities of the Ihsan Association on Volunteer Day at Dar Al-Hekma University in Jeddah, where Savola World Foundation presented a training workshop on "Partnerships and Sustainability in Volunteer Work."

Leave the Change for Them

This charitable initiative operated by Panda encourages shoppers to donate the small change from their purchases at retail outlets to those in need.

Delivered in partnership with the Disabled Children's Association chaired by HH Prince Sultan bin Salman, donations from the Leave the Change for Them campaign reached a cumulative total of SAR 9.4 million.

Savola's long-standing cooperation with the Association began in 2006. Recently, the donations have been employed to finance the construction of a 17-floor "Panda Customers Tower", which is now nearing completion, and to help finance the operation of more than 13 free-care centers serving more than 4,000 children with disabilities every year.

Supporting Local Farmers in Turkey

In 2021, Savola's Yudum oils brand launched a targeted CSR program to support development of local sunflower seed production and local farmers in key locations in Turkey. The program will continue in 2022, with planned extensions into other regions of Turkey and the incorporation of the olive oil segment.

Ataa Program Activities in 2021

Activity	Number of Volunteers	Volunteering Hours
Tanmyat Al-Qura Association workshop	3	10
Vibes business incubator	4	6
Global Entrepreneurship Week	4	18
International Volunteer Day – Ita'am Association	30	60
International Day of Persons with Disabilities – "Try the Chair and the White Cane" event	23	28
Total	64	122



NEGADERHA

Reflecting on the key aspects of Saudi Vision 2030 and the UN Sustainable Development Goals, Savola's flagship food waste management and reduction program, Negaderha, continues to deliver innovative initiatives each year to encourage and instill sustainable practices in households and across the Saudi HORECA sector.

Our driving aim is to reduce food waste in the Kingdom through the promotion of rational and responsible household and industry consumption practices, thereby achieving food sustainability and strengthening the Kingdom's food security.

Ramadan Communication Campaign

A community awareness campaign was initiated in April 2021 to reduce food waste, targeting households across the Kingdom. The 'Create, Appreciate, Change' campaign, which was launched on Savola World's social media pages during the holy month of Ramadan, sought to encourage healthy food planning and portion sizes for families by emphasizing that it is a part of culinary creativity.

The aim of the 21-day campaign was to inspire positive change in consumption in Saudi's society by providing practical ideas and tools to help families with planning meals and controlling portion sizes that resulted in low food wastage whilst saving time, effort and money during the holy month.

Eid Al-Adha Season Campaign

As part of our seasonal community activities to mark Eid Al-Adha, Negaderha launched "Qadoor's Eid Song," which sought to encourage communities to recognize and respect the privileges of access to plentiful sources of food and the importance of reducing waste during special occasions such as Eid.

The 12-day campaign sought to target school-aged children from 6 to 10 years old, to help them build more effective and sustainable consumption habits, and was delivered via a dedicated YouTube channel.

The song, which exceeded its target number of impressions and views by 10% and 18%, respectively, is part of a broader campaign to establish healthy eating habits and an understanding of food waste management among young people.

By end-2021, the team had also finalized the production of 7 episodes and a musical episode of an associated Qadoor series providing advice regarding daily situations that offer opportunities to reduce food waste including ordering from restaurants and using leftovers.

Delivered with comedic effect, the episodes have been designed to make food waste reduction fun and engaging, and will be aired in early 2022.

Negaderha app

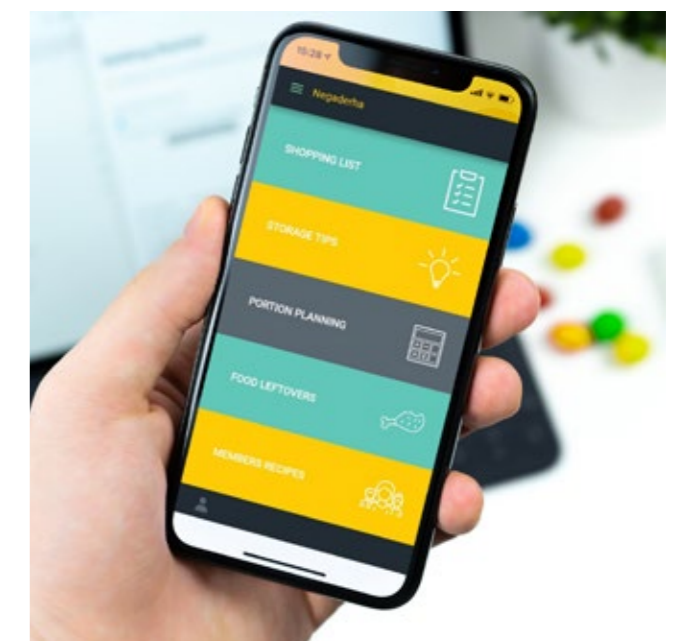
The Negaderha mobile application for smartphones, launched in 2020, continues to engage an expanding audience across the Kingdom, offering tools and tips to promote safe food use and storage, whilst also driving down food waste within households. The app provides advice on food planning and the use of leftovers to make easy and effective recipes for families, as well as a portion planner calculator to help users reduce excess purchases.



Ramadan Campaign Consumer Touchpoints

- Microsite
- Booklet (recipes)
- Major posts on social media
- The main campaign video
- Competition stories on Instagram
- Engagement stories on Instagram
- Collaborate with social media influencers

The campaign was an unprecedented success, outperforming its target reach by 453% and exceeding projected microsite visits by 168%.



Negaderha program partners

The Negaderha program collaborates with several key local and international organizations in order to achieve its goals, including:



United Nations Environment Program (UNEP)

Negaderha continued its 18-month partnership with the United Nations Environment Program (UNEP) to leverage their global scope technical expertise whilst providing strategic support in UNEP efforts to address excess food waste in Saudi Arabia through the comprehensive "Prevention and Reduction of Food Waste" Program.



Waste and Resource Administration Program (WRAP)

Negaderha leverages its partnership with the Waste and Resource Administration Program (WRAP) to apply guidelines, business models, and several specific tools, through our license to utilize WRAP's intellectual property, to support our own programs.



Saudi Food Bank (Ita'am)

Negaderha continues to cooperate with the Saudi Food Bank (Ita'am) to expand their outreach within the HORECA sector, driving sustainable behavioral change by empowering business owners and employees through technical and practical advice.



The Saudi Grains Organization

Negaderha has an ongoing collaboration with the Saudi Grains Organization (SAGO), in which the two parties are committed to serving the strategic goals of the national vision in terms of food security and food waste & loss management. Negaderha will soon announce several initiatives that were resulted as part of this national engagement.

SUPPORTING THE COMMUNITY IN 2022

Savola continues to lead the sector through our extensive program of community engagement and support initiatives, driven by the strategy and work of the Savola World Foundation and the individual contributions of our companies across our business lines.

Our ongoing commitments to the communities we serve remain steadfast, while our employees continue to dedicate their time, resources and expertise to support the health and socio-economic development of the people of the Kingdom.

In 2022, we will continue to work together to achieve positive impacts for the societies we serve, inspired by a vision for comprehensive well-being and development that leaves no one behind.





OUR PEOPLE

Savola's people demonstrated great strength and resilience during 2021 to progress our business and sustainability objectives.

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Our People

As our most important asset, we value our people above all else and seek to ensure an inclusive and rewarding experience for all of our employees across the Group. This includes offering opportunities for our talented people to thrive and excel as they advance through their careers with Savola, and recognizing the fact that their commitment to our vision and principles represents a key differentiator for the Group.



SAVOLA'S UNIQUE CULTURE

Our workforce of 23,643 people, representing more than 40 different nationalities, forms the front line in our mission to deliver exceptional customer experiences and represents a key pillar of our success as a Group.

Savola seeks to support the wellness and development of its workforce during their time with the Group, by offering a working environment that is positive, fair and conducive to their growth.

A key aspect of our commitment to our people is Savola's dedication to supporting their professional development, creativity, innovation, and skills within an inclusive business culture based on equal opportunities and global best practices.

Our employee value proposition is based on the 4 main aspects of our People Pillars program. The program aims to shape our people initiatives to ensure a uniquely rewarding culture and working experience for employees and achieve our strategic goals by attracting, sustaining and motivating the best available talent in the market.

It also aims to develop a highly skilled workforce, enhance our position as the employer of choice, adhere to nationalization directives in our home market, and promote an engaging working environment that supports productivity and welcomes change.

Employee Engagement Pillar

A program designed to improve the level of engagement and inclusiveness through capitalizing on respect, trust, integrity, commitment, and communication between Savola and its employees. Initiatives delivered in 2021 under the People Pillar include our employee recognition initiative, through which our people are rewarded for the continuity and length of their service; and a trip to the AlKabeer Group Factory to expand employee engagement with our Group investment portfolio.



To consolidate and synergize efforts between Savola Group and its OpCos regarding social responsibility programs and government relations matters, 3 committees were formed as a result of such collaboration, to ensure beneficial Knowledge transfer and work efficiency as follows:

1. Government Relations Committee

The Committee aims to develop a comprehensive government relations strategy with clear objectives and tactics. It also aims to establish and maintain effective relationships with key Ministries, Emirates, and relevant government sectors. Furthermore, to unify the Group efforts and build on what we already have.

2. Corporate Social Responsibilities (CSR) Committee

The aim of founding this Committee is to strategize the Group's CSR work and related activities into clear and common purposes and align the Group's efforts and create competitive advantages through Savola World establishment programs and related CSR activities.

3. Environment Committee:

This collaboration aims to develop a strategic plan to build and implement the Group's Environmental Policy and to oversee all environmental activities, including those involving: Energy, Water, Waste Management systems, Recycling, Emissions and Transportation.

Workplace Wellness Pillar

The Workplace Wellness Program seeks to encourage Savola employees and their families to live a healthy lifestyle, where we partnered with the Ministry of Health to provide our employees and their families with the COVID-19 vaccine, seasonal influenza vaccines, and more.

To raise awareness of key wellness issues through a calendar of events to mark major health-related awareness initiatives including World No Tobacco Day, World Health Day, Breast Cancer Awareness, World Diabetes Day.

Work-Life Balance Pillar

A program that aims to achieve excellence in providing a work-life balance in the office without compromising on productivity or efficiency. In 2021, we continued to adapt to family-friendly policies such as flexible working hours and remote working options, whilst also ensuring a comprehensive offering of facilities to staff at Savola Group workplace tower – such as our in-house clinic, nursery, canteen and mini market. We also collaborated with Wala Plus Program, which offers a wide range of discounts, corporate rates and offers from leading brands and outlets for our employees and their families.

Cultural Improvement Pillar

The Cultural Improvement Program seeks to promote the shared values, attitudes, standards, and beliefs of our Group and its people through team-building activities and synergies across the Group. In 2021, we were able to gradually start gathering employees to enhance social interaction and networking opportunities, whilst maintaining COVID-19 guidelines. This allowed us to reactivate Sela Program for informal gatherings outside the workplace, as well as utilizing lounges based on international days such as Coffee Day, Ice-cream Day and Saudi National Day, and to host iftars during Ramadan and Eid. In order to enhance appreciation among employees, we introduced the Thank You Wall as a tool for employees at all levels to express their appreciation to each other through thoughtful messages.

In 2021, SFC developed a new Culture Framework to encourage all its employees to participate in the company's ongoing journey of development. The launch of the new framework was marked by "Forward Culture" – a project comprising a culture survey, focus groups and several one-to-one interviews to better understand SFC's existing culture and achieve alignment with its new vision.

Based on the responses to these initiatives, SFC designed the Culture Framework to define its progression going forward:

Desired Culture Framework

- 1 Engaged with Strong Sense of Purpose 
- 2 Empowered by Courage and Agility 
- 3 Driven by Tangible Results 
- 4 Fueled by Value Creation 
- 5 Bonded by Trust and Collaboration 
- 6 Guided by SFC Values 

SFC Productivity Initiatives in 2021

In 2021, SFC launched 4 productivity tools to optimize people utilization, increase employee productivity, create savings and enhance employee skills and knowledge.

These included the ECAS (Eliminate, Combine, Automate, and Simplify) employee rationalization tool; the Flow to Work productivity enhancement tool; If Down Do, which aims to utilize unplanned downtime of machines due to breakdowns and utilities interruptions to conduct planned maintenance and inspection activities; and Centralization, which seeks to centralize key roles in the organization to enhance employee knowledge and skills, particularly for Saudi nationals, through management of multiple sites.

Our Workforce in 2021

	2021		2020		2019	
	Full-time equivalent (FTE)	Contractor	Full-time equivalent (FTE)	Contractor	Full-time equivalent (FTE)	Contractor
HQ	52	2	52	2	52	2
AFIA	652	276	425	286	477	300
Panda	16,570	1,000	17,450	N/A	18,246	866
USC	437	511	421	499	427	547
IFI	71	31	58	21	58	21
SFC HQ	106	N/A	N/A	N/A	N/A	N/A
Total	17,888	1,820	18,406	808	19,260	1,736

Furthermore, demonstrating our inclusivity goals and Savola's pledge to increase female participation in our workforce, the number of female employees at HQ rose by 11.11% in 2021, while our employee retention rate reached 92.59%, up from 91% in 2020.

Employees by Gender



Savola Group's Diverse Workforce



Total Employees

23,643

HQ	SFC	Panda
54	6,330	17,259

Employees in our Offices in Saudi Arabia

17,890	HQ	SFC	Panda
	54	1,266	16,570

Female Employees in our offices in Saudi Arabia

1,318	HQ	SFC	Panda
	10	54	1,254

Saudi Employees

6,596	HQ	SFC	Panda
	37	606	5,953

Employed People with Disability

415	HQ	SFC	Panda
	1	100	314



An Employer of Choice in our Sector

Based on our enduring goal to be recognized as the undisputed employer of choice in the region's food and retail sector, we seek to accurately gauge and improve employee satisfaction and engagement through multiple initiatives and programs.

We continue to canvas the satisfaction and opinions of our people each year through our annual 'Tawer' survey. Tawer measures employee engagement within the Group and provides a platform for our people to share their views and insights with Savola's HR and senior management, which revealed an 80% employee engagement score in 2021. This indicates an encouraging trajectory of improvement since 2016, when we scored 56%. Based on the results of the Tawer survey, we renewed our partnership with Bupa Medical Insurance in 2021.

As a testament to the strength of this commitment, Savola Group HQ was selected as one of the Great Places To Work® in KSA in 2021 for the 2nd year running. This prestigious program recognizes outstanding high-trust, high-performing workplace cultures around the world. To ensure our position as the employer of choice, the Group continued its efforts to maintain our exceptional employee retention rate of 92.59% for the year, up from 91% in 2020.

2021 also saw the continuation of our efforts to retain key talent in mission critical roles under the Align Program, which is a Long-Term Incentive Program (LTIP) for top executives, completing the first tranche of share buy-backs and launching the second tranche of the program, with Savola purchasing 349,076 shares at an average price of SAR 39.89 per share, resulting in a total value of more than SAR 13,924,773 million.

Employee Benefits

At the very center of our efforts to establish an unrivalled employee value proposition is an extensive range of benefits that ensures adequate recognition and rewards for the achievements of our people throughout the year. These include:

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

Panda Retention and Compensation Initiatives in 2021

In line with the decision of the Ministry of Human Resources and Social Development to raise the minimum wage for Saudis, Panda adjusted all salaries of Saudis whose remuneration was below the minimum agreed amount.

As part of Panda's efforts to retain its employees, Panda also implemented a salary adjustment in 2021 for talented Store Managers to match those of store managers in the Retail industry.

Panda also continued to identify and reward key talent throughout the organization through:

- Internal Mobility Initiatives: Panda has introduced an internal mobility initiative to give priority for internal candidates for all job opportunities within the company, following a priority policy in filling vacancies in the company by promoting qualified employees from within.
- Referral Program: In 2021, Panda introduced the Referral Program – an initiative that encourages Panda employees to refer candidates to fill available roles, attracting talented individuals and boosting employee engagement.

SFC Rewards and Recognition Initiatives

In 2021, SFC issued 3,286 'Thank you cards' to employees, each with a SAR 50 value. 89 "Star of the Month" employees were named, as well as 28 "Power of You Managers"; 18 Savola "Manufacturing Excellence" program pillar leaders; and 36 "Star Teams".

Supporting our People in Adverse Circumstances

Savola continued to provide our employees with a range of unique benefits. We recognize that personal tragedy can affect our people and their families at any time, and in the event of death or disability of employees we offer Takaful insurance coverage to support their families. Other support initiatives include our Tawoon Fund to help our junior staff in times of financial emergency where 47 employees benefitted from an amount totaling SAR 302,108 during the year, and a home loan scheme to support our Saudi employees.

Due to our deep commitment to these programs, Mr. Sulaiman Abdulkadir Al Muhaidib, the Chairman of the Board of Directors, donated his annual Board remuneration, attendance allowance and expenses allowance for the fiscal year 2021 amounting to SAR 258,200 to support the Group's Tawoon fund.

Promoting Employee Well-being

We are deeply committed to ensuring the health, safety and well-being of our people, and appreciate that a happy and fulfilled workforce is a productive workforce.

To this end, we aim to ensure a health work-life balance for all of our people through a variety of initiatives delivered through our operating companies to ensure employee well-being and job satisfaction.

As part of our commitment to good personal health and nutrition, we also serve high-quality healthy meal options to more than 1,000 of our employees through the Savola canteen.

Employee Engagement at Panda

Through a comprehensive program of engagement activities in 2021, Panda continued to create value for its employees, maintain a healthy, safe, and positive work environment, and increase employee productivity and motivation.



Achieving a Healthy Work-Life Balance in 2020

SFC, Afia and IFI

- Monthly gift bag with Oil & Sugar products
- Ramadan gift baskets
- Eid Al-Fitr breakfast box and sweets
- Daily canteen lunch and dinner
- Transportation to Al-Balad (Old Jeddah)
- Improved accommodation facilities
- Weight loss competition
- Fitness center
- FIFA tournaments
- Reward and Recognition system
- PS off-site gathering
- Blood donation
- National day
- International Day of Happiness
- Ladies off-site
- Prostate Cancer Campaign (Movember)
- Recreation hall
- Social activities

USC

- Monthly weight loss competition
- Flu vaccination campaign
- In-house health services (hearing tests, diabetes and blood pressure checks, and dental checkups)
- Fitness center
- Al-Baik meal
- Annual Ramadan iftar
- Eid lunch
- FIFA tournaments

Panda Employees Engagement and Motivation Initiatives in 2021

January

Panda Vision and Mission

One month campaign about Panda's new Vision and Mission; introducing employees to the company's new strategic direction and partnership with communities for a better life.

February – August

Panda Values

Intensive campaign about Panda Values: Ownership, Customer Excellence, Integrity, Agility and Teamwork.

March – December

Panda Code of Conduct

Company-wide campaign for three quarters of the year, about the Panda Code of Conduct with a focus on Panda values, work principles and workplace guidelines.

July

Panda New HR Policies Manual

Panda launched a new HR Policies Manual with a 2-month long awareness campaign. The campaign educated employees not only on the content of the policies, but also about how to best utilize and benefit from the services provided to employees.

August

Panda Work Regulation and Table of Offenses and Penalties

Campaign launched to announce the Work Regulation Document, as approved by the Ministry of Human Resources and Social Development.

DELIVERING TRAINING AND DEVELOPMENT

For more than 40 years, Savola has been investing in the people of the Kingdom by expanding the skills and capabilities of our employees through a broad range of training and professional development programs to help them reach their full potential. This comprehensive offering is tailored to individual profiles and roles throughout Savola via our operating companies.

Professional development and training programs continued across all levels throughout the year, with Savola delivering a total of 1,530 learning hours, achieving 111% of the Group's employee learning plan.

We also continued to collaborate with INSEAD to develop high-potential future leaders by enrolling them in the Developing Emerging Leaders Program, as well as partner with "Udemy" – a global online training provider – to provide access to an online platform with more than 180,000 courses to choose from in more than 75 different languages.

Furthermore, through SFC's new Youth Development Program, Savola aims to boost the development of young talent by delivering formal learning to support our long-term development track record, targeting 80 young people.

SFC also continued to provide LinkedIn Learning access for all management roles, providing +15,000 courses in different categories across Leadership, Functional and General topics.

Learning and Development at Panda in 2021

As part of Panda's continuous efforts to train, develop and retain its exceptional human capital, a total of 13,044 employees were enrolled in Soft Skills and Technical training programs in 2021.

SFC Learning and Development in 2021

ADRES Program

In 2021, Product supply with the help of HRBP launched the ADRES Program, reflecting the company's goals in the areas of Attracting talent; Developing potential; Retaining and Engaging staff; and Satisfying our employees.

Sales Academy

Based on the importance of the role of our sales teams in the company, SFC launched Sales Academy programs in cooperation with Human Network International to deliver skills interactive workshops, and both face-to-face and online Self-Education programs.

Management Trainee Program

We reactivated the Management Trainee Program in 2021 by enrolling 6 Management Trainees in different functions who will be trained as the future leaders of Savola Foods.

SFC Training and Professional Development

Company	Number of Employees	Number of Assigned Courses	Number of Completed Courses
AIC	23	45	45
IFI	12	26	26
Savola Foods Turkey	5	21	21
Sudan	7	23	23
Afia International Company Egypt	28	80	80
USCE	25	67	67
Notrika Golden Wheat	285	47	47
Afia International Algeria	12	115	115
Savola Morocco	10	9	5
Savola Behshahr Company	245	41	41
Pasta	8	15	15
Alexandria Sugar Company	36	115	115
USC	81	239	239
SFC	5	26	26
Total	782	869	865

	2021		2020		2019	
	Total Training Hours	Total Workforce	Total Training Hours	Total Workforce	Total Training Hours	Total Workforce
HQ	1,530	54	523	54	552	54
AFIA	1,450	360	2,172	425	9,500	477
Panda	5,809	9,247	84,284	17,450	125,023	18,246
USC	10,565	388	3,705	974	4,234	428
IFI	291	68	424	58	527	58
Total	19,645	10,117	91,108	1,032	139,836	19,263

Panda

Training participants	9,247
Men	8,255
Women	992
Management	10%
Non-Management	90%

USC

Training participants	622
Men	285
Women	7
Management	33.2%
Non-Management	66.07%

AFIA

Training participants	322
Men	312
Women	10

IFI

Training participants	81
Men	81
Women	0

HQ

Training participants	30
Men	20
Women	10
Management	11.11%
Non-Management	89%

Key Group Training Programs

- Developing Emerging Leader
- IFRS Diploma
- Boardroom Excellence Masterclass
- M&As and Corporate Strategy
- Internal Auditing Best Practices Risk-Based Internal Audit
- Fundamentals of Insurance Overview
- Certified Enterprise Risk Specialist
- Certified Operational Risk Professional
- Strategic Recruitment, Interviewing and Selection
- Labor Law
- The Certified International Communication Professional
- Sustainability Return of Investments
- Certificate in Digital Innovation for Finance
- Udemy Online
- Change Management
- Goal Settings
- Time Management

Key SFC Training Programs

- Risk Assessment
- Focus Improvement
- Packing and Mechanical Seals
- Autonomous Maintenance
- Food Safety Principles
- Introduction to Centrifugal Pumps
- Packing Technology
- Condition Monitoring and Reliability
- Advanced Sugar Refining
- QMS Lead Auditor
- Advanced Training for Sealing Devices
- Basic Motor and Industrial Control
- IOSH - Managing Safely
- KAIZEN
- NEBOSH
- Food Safety
- Statistical Process Control
- Electro-Pneumatics Control
- Reliability Central Maintenance
- Safety Inspectors Applying Approved Regulations
- Oil Storage and Handling
- Best Practices in Maintenance and Reliability
- Power Business Intelligence (BI)
- Project Management
- Electro-Pneumatics Control
- Pneumatics Control and Design
- First Aid Training Program
- Infectious Diseases in the Work Environment and Labor Housing
- Risk Assessment
- Introduction to Fire Awareness
- British Retail Consortium (BRC) Global Standard for Food Safety

Performance and Career Development

HQ

All 54 employees completed performance and career development reviews, including the Group CEO (100%).

Panda

Employees completed performance and career development review	16,262
Men	15,511 (97%)
Women	751 (88%)
Management	1,466
Non-Management	14,796

SFC

All 856 employees completed performance and career development reviews (100%).

Perceptive Succession Planning

Our efforts to develop and retain key leadership talent continued in 2021, complemented by comprehensive succession planning across the Group to ensure proper plans and contingencies remain in place for key positions across the organization.

Moving forward with our employee development plan, we revamped the Savola HQ competencies framework for all levels in 2021. These updated competencies reflect the vision of Savola Group HQ top management and comprises an important element in establishing tailored Individual Development Plans (IDPs) for high-potential employees, future successors and emerging leaders.

To ensure leadership continuity and avoid extended and costly vacancies in key positions, SFC launched a new succession planning process, designed to identify and prepare successors for key positions that may become vacant due to retirement, resignation or new business opportunities.

At AFIA, employee performance and career development reviews take place twice each year, while USC performs an annual training needs analysis assessment linked to the Savola competency model and then builds a training plan based on individual employee needs and gaps.

EXCEPTIONAL EMPLOYEE HEALTH AND SAFETY

Employee health and safety is an essential element in our commitment to maintaining an exceptional working environment and employee value proposition. Our approach is rooted in a corporate culture that enshrines occupational health and safety best practices throughout the Group.

Each of our operating companies ensures the ongoing health and safety of our employees through dedicated Health and Safety (H&S) Committees tasked with maintaining the highest standards across their activities and facilities.

Protecting our People amid the Pandemic

Given the continued threat posed by the COVID-19 pandemic in 2021, our primary focus remained the health and safety of our employees, their families and broader society by maintaining a range of key COVID-19 restrictions.

The Savola Crisis Committee, formed in response to the pandemic, continued to ensure full implementation of the guidelines released by the Kingdom’s authorities to control the spread of the virus by applying preventive measures in our workplaces in accordance with Ministry of Health guidance. These measures include regular sanitization of Savola Group tower facilities, ensuring employees wear face masks, ensuring employees maintain social distancing, maintaining visitor restrictions and ensuring the availability of face masks and hand sanitizers at all times.

In cooperation with the Ministry of Health, and in response to their recommendations to provide the COVID-19 vaccine to employees, we were able to provide our employees and their families the first dose of the vaccine.

Furthermore, we encouraged work-life balance for Saudi and Non-Saudi employees by extending their vacation balances and annual airline tickets in 2021.

Finally, we were able to adapt to a remote working system when required without affecting the daily workflow. We utilized our internal communications platforms to increase employee awareness of COVID-19 and updated them with the latest news, ensuring full implementation of COVID-19 guidelines.

We also adopted policies to help employees during the pandemic. For instance, we minimized the working hours for female employees with children enrolled in a virtual school.

Meanwhile, in line with Savola Group’s overall commitments, we continued in 2021 to raise employees’ awareness and understanding about COVID-19 and the importance of getting vaccinated. Our HR maintained flexible working hours and work-from-home options based on employee needs.

Panda also collaborated with authorities to send reminders and notices about the pandemic and the methods to avoid infection and by providing the vaccination on company premises. It also made sure to support employees outside the Kingdom during the pandemic until they returned safely back to work in Saudi Arabia.

Clinic

Complementing our specific initiatives to combat the pandemic in 2021, we continued to offer 24/7 professional medical advice and over-the-counter medications via a dedicated clinic at our HQ, complemented by weekly random medical check-ups.

SFC

The clinic is available and provides medicine for common diseases, a quarterly healthcare program as well as weekly random checkups so that the company monitors employees’ health and takes 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.

Overall Training on Health and Safety Issues

	Participants	Total Training Hours	Topic
Panda	1,166	374	<ul style="list-style-type: none"> • Safety and Evacuation Plan • Security and Safety Training for Security Team • Food Quality Assurance, Safety and Hygiene • Store Maintenance Training (Virtual)
AFIA	708	343	<ul style="list-style-type: none"> • Safety induction • Forklift safety • Firefighting • Fire extinguishers • Chemical • Visitors • COVID-19 • Lockout tagout • Safety training WH
USC	3,600	1,800	<ul style="list-style-type: none"> • Safety Induction stage 1 (visitor) • Safety Induction stage 2 (contractor / casuals) • Safety Induction stage 3 (new hired employees) • Firefighting for staff and casuals • Conveyor safety • Near miss reporting • Personal and working area hygiene awareness • Environmental awareness • Backbone safety (ergonomic) • COVID-19 controls • 10 golden roles to work safely • Electrical hazards • Use of fire extinguishers • Working at height • Personal protective equipment • Heat stress awareness • Reporting SIR and BOS • Mock Drill in 2021 (covering the following emergency scenarios: fire, chemical spillage, and gas leakage) • First Aid and CPR • Forklift safety • Risk assessment • Lifting equipment safety • Hot works • Identifying and understanding of hazards • Hazardous waste disposal • Racks inspection • Work permit procedures • Lockout tagout
IFI	38	40	<ul style="list-style-type: none"> • HSE Induction • Forklift safety • Emergency preparedness and response plan - 2 mock drills • Work permit procedures • Firefighting
HQ	11	55	<ul style="list-style-type: none"> • Safety
Total	5,523	2,612	

DELIVERING DIVERSITY AND INCLUSION

As a responsible leader in the region’s food and retail sector, Savola is dedicated to maintaining exceptional levels of diversity and inclusion across our workforce. Our stringent HR and governance frameworks ensure we deliver on this goal by embedding equal employment opportunities and workplace equity in every aspect of our business.

In keeping with this key objective, our staff represent multiple nationalities, ethnicities and religions from around the world, and we do not discriminate in terms of age or gender.

These commitments reflect our support for national and international ideals, including those encapsulated in Saudi Vision 2030 and the UN Sustainable Development Goals.

Saudization

As a leading proponent of Saudization, Savola has taken the lead in our industry when it comes to training and employing Saudi nationals in support of the goals of Saudi Vision 2030. This effort is reflected in the Platinum Zone Nitaqat rating for our HQ and SFC, which were retained in 2021.

By the end of 2021, Saudi nationals represented more than 73% of our workforce.

Number of Employees

	2021		2020		2019		2018		2017	
	Total Workforce	Saudization	Total Workforce	Saudization	Total Workforce	Saudization	Total Workforce	Saudization	Total Workforce	Saudization
HQ	54	73%	54	72.2%	54	72.2%	53	67.3%	46	71%
AFIA	401	52%	425	54%	477	51%	510	52%	491	47%
Panda	16,570	36%	17,450	36%	18,246	36%	19,888	44.8%	22,628	39%
USC	388	54 %	974	51%	428	51.34	427	50%	410	44%
IFI	67	28%	58	31%	58	26%	55	25%	-	-

Panda Saudization Initiatives in 2021

As part of our career development program for Saudis at Panda, the company introduced the Rowad Development Program for national employees at Associate level by enrolling them in an intensive training program to equip them with required skills and technical knowledge for supervisory positions in alignment with governmental nationalization requirements.

In alignment with Government people initiatives, Panda relaunched its partnership with the Human Resources Development Fund (HRDF), which promotes the hiring and development of Saudi nationals.

Female Inclusion

Due to our commitment to Goal 5 of the UN Sustainable Development Goals, Savola aims to support and empower female participation in the economy and continue to drive up the number of female employees across our operating companies. We maintain a particular focus on the employment of Saudi nationals, in keeping with national priorities and objectives, and are recognized across the industry for our related performance and initiatives.



LOOKING AHEAD TO 2022

Our enduring pledge to ensure the health, safety and satisfaction of our employees continues to guide our people strategy, which aims to establish Savola as the undisputed employer of choice in the food and retail industries.

Savola’s ultimate goal is to maintain a happy and productive workforce across the Group by improving work-life balance, employee benefits, training and advancement opportunities, and the quality of our corporate culture.

Inspired by the feedback gathered through the Good Place to Work survey in 2021, Savola will implement a number of HR projects to maintain and improve upon our current employee retention metrics by boosting the satisfaction and engagement of our people going forward.

These initiatives will include talent management assessments, leadership program improvements, new technologies to enhance our employee communication capacities, and employee wellness and social events.





OUR SECTOR

Savola continued to set the highest standards of sustainability and good business practices in our sector in 2021.

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Our Sector

Savola Group continues to leverage our prominent position in the food and retail sectors to deliver positive change for the people of the Kingdom, and to lead these key sectors in the sustainability transition through our business initiatives and practices.



We are highly proactive in our approach to social responsibility, maintaining a process of continual improvement in service standards and community impact for the benefit of generations to come.

A key aspect of our approach is our engagement with national stakeholders to ensure the efficacy of our social responsibility programs and the achievement of common goals.

In 2021, we liaised with the National Transformation Program, including through a workshop, "Partnership with the Non-Profit Sector in National Transformation Initiatives", attended by representatives of the NTP, The Ministry of Human Resources and Social Development, the National Center for the Development of the Non-Profit Sector, the Council of NGOs, the General Authority for Endowments and the Authority for the Care of Persons with Disabilities.

At the event, Savola delivered a comprehensive presentation detailing the goals and achievements of our Makeen Program and discussed synergies with stakeholders in areas including employment and the Mentor and Buddy Program.

In 2021, Savola also explored channels of cooperation with The Small and Medium Enterprises General Authority, in the context of the Authority's objectives in terms of supporting small businesses and enterprises to diversify national GDP. Given Savola's significant presence in the local food and manufacturing industries, we continue to explore pathways to support the development of the retail sector in the distribution, logistics and supply chain spaces, as well as in the context of technological development.



CERTIFICATIONS, MEMBERSHIPS AND ASSOCIATIONS

All of Savola's operating companies remain in full compliance with the standards and requirements issued by the Saudi Arabia Standards Organization. We also maintain an extensive list of additional national and international certifications spanning workplace safety and hazard analysis, environmental management and lab testing.

The Group also maintains relationships and associations with entities across social, charitable and special interest fields.

We are a founding member of the Qaderoon Business Disability Network and the first Saudi company to become a member of the International Labor Organization (ILO) Global Business and Disability Network.

Due to our extensive engagement with, and support for, disability issues in Saudi Arabia, Savola maintains a gold category Mowaamah certificate that recognizes the Group as a leader in terms of our efforts to ensure a supportive working environment for people with disabilities.

Standards and Scope	Company
ISO 14001 / ISO 45001 Occupational Health and Safety	• USC • AFIA
ISO 17025 Testing Laboratories - Lab Accreditation	• USC
ISO 9001 Quality Management	• USC • AFIA
ISO 22000 Food Safety Management	• USC • AFIA • IFI
ISO 22301 Societal Security - Business Continuity Management	• USC
ISO 14001 Environmental Management	• USC • AFIA
ISO 55000 Asset Management	• AFIA
British Retail Consortium (BRC) Global Standard for Food Safety	• USC • IFI
Hazard Analysis and Critical Control Points (HACCP)	• AFIA
Saudi Standards, Metrology and Quality Organization (SASO)	• AFIA • IFI
Halal	• IFI • AFIA
AIB International Consolidated Standards for Prerequisite and Food Safety Programs	• IFI
Roundtable Sustainable Palm Oil (RSPO)	• IFI
Mowaamah*	• Savola Group • Panda • AFIA • USC

*The Mowaamah certificate was upgraded in 2020

Savola Group

- Ministry of Labor: labor law charters and principles
- Jeddah Chamber of Commerce and Industry

AFIA

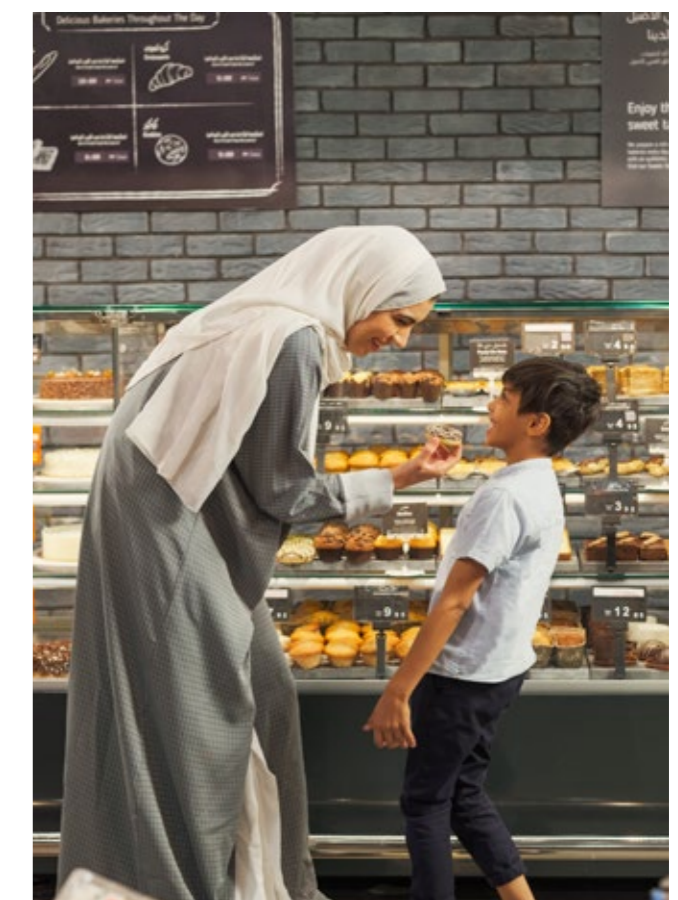
- Business Disability Network (Qaderoon)
- Arab Center for Nutrition (ACNU)
- American Oil Chemists Society (AOCS)
- Chamber of Commerce
- Gulf Petrochemical and Chemical Association (GPCA)

Panda

- Ministry of Labor: labor law charters and principles
- Disabled Children's Association
- Jeddah Chamber of Commerce and Industry

IFI

- 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)



CUSTOMER SATISFACTION

At the heart of our strategy and approach to sustainable, community-focused business, Savola maintains stringent controls on quality to ensure we offer exceptional standards across all of our products and services.

We are customer-centric, and retain robust commitments to customer satisfaction, particularly in terms of the value and quality of our products, driven by our defining Group ethos.

Panda Achievements

Panda embarked on a new journey to achieve customer-centric category management in 2021, transitioning from a Push to a Pull model by placing the customer at the center of the product selection process.

Panda continues to achieve significant progress in its turnaround journey launched in 2018, driven by its commitment to “Partnering with our communities for a better life” and embedding customer-centricity throughout its operations.

In 2021, Panda established a new holistic approach to significantly improve the customer’s shopping experience, showcased at a prototype store featuring innovative concepts in the fresh, grocery, and non-food sections to reflect emerging consumer trends.

These included new frozen and healthy food options, beauty centers and a coffee shop, as well as customer service amenities such as single queue checkouts, self-checkouts, and click and collect facilities, backed by a carefully designed customer journey featuring new touchpoints and in-store communications.

In the coming years, Panda plans to roll out the new concept to the majority of its stores across the Kingdom, offering an improved and consistent customer experience.

Key to the success of the rollout was the work delivered by the Panda Fresh Team, which implemented new customer-centric concepts across our range, services and experiences. This entailed the development of a highly effective marketing plan to attract customers to the reinvented Fresh model.

The rollout of new Bakery equipment, including Turkish Ovens and Bake-Off Ovens, added to the theater experience in the stores, with customer feedback and responses far exceeding Panda’s expectations.

Customer-centric Product Selection

This progress was complemented by increasingly customer centric FMCG product selections, shifting from a Push Model to a Pull Model through a reinvented range of categories, mix of products, merchandizing approaches and store layouts to enhance the customer journey.

As it is our commitment to place customers at the heart of everything Panda does, the prototype store was designed to ensure full accessibility for our customers with disabilities.

Move Café

Panda recognizes the need to enrich the shopping experience by offering additional services geared towards customer needs and comfort. A coffee shop with seating and carts parking was opened at the prototype store, offering customers opportunities to refuel and refresh. The coffee shop offers freshly baked products and a variety of sandwiches and salads freshly made in our stores.

Right Working in 2021

Panda devoted special attention to ensuring the right colleagues were deployed in the right places at all times in 2021, developing workforce models for all in-store roles and establishing a “Boot Camp” to develop the competencies of Store Managers and Assistant Store Managers.

Panda is also investing in developing a best-in-class employee facility to ensure staff can enjoy quality rest time in the stores.

Complaints Management 2021

	Source	Complaints Received (number)	Complaints Responded (%)
IFI	Customers, direct connect with sales team and social media	12	100%
AIC	Customers, direct connect with sales team and social media	8	100%
USC	B2B Customers, direct connect with sales team	27	100%
Panda	Historical data of Panda customer complaints which were managed by “Solex” call center agency	46,119	100%

MAKEEN

Savola’s flagship Makeen program embodies our commitment to building an inclusive society and economy for the people of the Kingdom that offers opportunities for engagement by all, free of discrimination.

Aimed specifically at increasing the participation of people with disabilities in the national economy, Makeen provides empowerment opportunities through dedicated training and career programs, whilst also delivering a comprehensive range of public engagement initiatives to eliminate discriminatory practices in the Kingdom.

Makeen: At a Glance

- 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 disabled people 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.



Public Awareness and Communications

Adding to the extensive range of public engagement activities delivered through the Makeen program, 2021 saw the launch of a new campaign to increase awareness of the needs of people with disabilities in the business sector and across broader society.

Through a series of short information videos, the campaign seeks to build the self-confidence of job seekers with disabilities, whilst also maximizing community awareness to change negative attitudes towards disability among colleagues by disseminating best practices and tips to make workplaces more conducive to hiring disabled candidates.

This campaign targets employers in both the public and private sectors, as well as job seekers, disability-focused organizations and societies, NGOs and the community at large.



- 1 Creating an appropriate cultural and physical working environment through the dissemination of knowledge and best practices
- 2 Raising awareness of the importance of including people with disabilities in the workforce
- 3 Providing support through the corporate Mentor and Buddy system
- 4 Sharing experiences with any organization interested in implementing universal design (total accessibility)
- 5 Participation in conferences and seminars related to people with disabilities
- 6 Training and employment of people with disabilities

Number of Disabled Employees (FTE) 2021

	Panda		HQ		SFC	
	Men	Women	Men	Women	Men	Women
Managers	3	-	1	-	1	-
Team leaders	15	5	-	-	14	-
Blue-collar employees	247	44	-	-	65	20
Total	265	49	1	-	80	20

Number of Disabled Employees (FTE) 2020

	Panda		HQ		SFC	
	Men	Women	Men	Women	Men	Women
Managers	13	-	1	-	1	-
Team leaders	7	5	-	-	1	-
Blue-collar employees	229	42	-	-	6	-
Total	249	47	1	-	8	-

Number of Disabled Employees (FTE) 2019

	Panda		HQ		SFC	
	Men	Women	Men	Women	Men	Women
Managers	4	-	1	-	1	-
Team leaders	23	7	-	-	1	-
Blue-collar employees	202	26	-	-	2	-
Total	229	33	1	-	4	-

Events and International Participation

On 20 December 2021, Savola marked the International Day of Persons with Disabilities with a special celebration attended by the employees and CEOs of the Savola Group, Panda Retail Company and Savola Foods Company. National disability organizations also attended, including the Saudi Association for Parents of People with Disability and the Ebsar Charitable Association for Visual Impairment.

The event promoted universal accessibility in the working environment, and offered wheelchair and white cane experiences that afforded able bodied employees a glimpse of the challenges faced by people with disabilities in workplaces where accessibility standards are not available.

Purple Saturday Initiative

Savola participated in the Purple Saturday initiative in 2021, launched by the Authority for the Care of Persons with Disabilities in cooperation with private sector companies to present commercial and service offers to persons with disabilities on 31 July 2021.

The initiative aims to raise awareness of the challenges faced by persons with disabilities, and the need both for their comprehensive inclusion in society and the expansion of private sector programs to enhance accessibility.

The initiative sought to deliver benefits to 1.4 million people with disabilities, with the participation of Panda and Hyper Panda stores across all regions of Saudi Arabia.

Mowaamah Certification

Special sessions were held to educate our people regarding Mowaamah certification in 2021 to further enhance the supportive work environment offered for people with disabilities.

Held at the Savola Group HQ, and involving employees from the Human Resources department, Corporate Communications and the Information Technology department, the event provided information and objectives related to the Mowaamah system, including a review of the indicators for each concerned department and the role of each department in establishing supportive procedures and development plans.

The event was complemented by the launch of an internal Mowaamah Platform, developed in Arabic and English, to spread awareness of the various disability issues faced by employees.

Employees across Savola HQ, Savola Foods and Panda Retail Company can now view content regarding approaches to interacting with people with disabilities, accessibility standards, and work regulations on the platform.

Makeen Program Partners

The Makeen Program collaborates with several like-minded local and international organizations to achieve its goals.

In a key development for the Program in 2021, the Savola Group joined The Valuable 500, a global initiative that aims to enhance the inclusion of persons with disabilities throughout the business sector, as a major driver of social change, by including disability issues in the business agendas and strategies of companies.

The Savola Group is the 2nd company in the Kingdom to join the group of 500 companies worldwide, alongside 40 companies in the Middle East and 120 companies in Asia.

Other existing partners to Savola’s Makeen Program include:

The International Labor Organization - Global Business and Disability Network (ILO-GBDN)

Savola Group signed a collaboration agreement with the International Labor Organization in the Swiss capital, Geneva, in 2017, with the aim of adhering to the 10 principles of the Global Business and Disability Memorandum, that intends to provide more training and employment opportunities for people with disabilities, and cooperate with international organizations to create an attractive work environment for them to protect their rights.

Business and Disability Network (Qaderoon)

Savola Group participated in establishing the Business and Disability Network “Qaderoon” in 2014, which seeks to motivate employers to empower people with disabilities to be active members of the workforce, and to provide guidance, scientific and practical tips and the best practices for business owners to facilitate employment and maintain the workforce for people with disabilities through supportive government policies and an appropriate work environment, in addition to educating employers to include people with disabilities among the working teams.

The Global Alliance on Accessible Technologies and Environments (GAATES)

Savola Group obtained the International Accreditation Certificate in Universal Access Standards from GAATES in 2013 and was re-evaluated in 2018.

Al-Modon Engineering Consultancy

Savola Group signed an agreement with the Al-Modon Engineering Consultancy Office in 2011 to be the execution arm in terms of construction and engineering for the Accessibility Project.

International Adviser for “Makeen” (LEO)

Savola Group signed an agreement in 2009 with the LEO Office of Employment Counselling for People with Disabilities from the Netherlands, which has vast experience, accredited global practices and successes in employing persons with disabilities in Europe.



Workshop Participation in 2021

Organizer	Participation	Date
The Authority for the Care of Persons with Disabilities, in cooperation with the Onaizah Association for Humanitarian Services	Participation in 3 virtual workshops at the Shadow Assistant Forum to support the employment of people with disabilities	February 2021
Princess Nourah Bint Abdulrahman University	Participation in a workshop on the updated transitional rehabilitation program for high school graduates with disabilities, with the aim of exchanging experiences between the college and business leaders and identifying educational and training needs in the labor market. Reviewing cooperation opportunities offered by the College of Education to create effective partnerships that support the education sector in achieving Saudi Vision 2030.	February 2021
Saudi Sustainability Club	The Savola Group presented a lecture on its experience in implementing social responsibility programs, with the aim of spreading a culture of responsibility, sustainability and global best practices.	February 2021
Prince Mishaal Bin Majed Center for Social and Humanities Research	Participation in virtual and physical workshops in the field of employment of persons with disabilities; specialized research for a shadow assistant job support program; and a related electronic survey. Presentation of a working paper entitled "Future Jobs in the Kingdom of Saudi Arabia for Persons with Disabilities According to Vision 2030."	March 2021
ILO-GBDN	Participation in a lecture broadcast by the International Labor Organization entitled "Responsibility in working towards equality and disability inclusion."	June 2021
The Valuable 500 Global Initiative	Participation in an event organized by The Valuable 500, entitled "Smart Sessions," which aimed to review successful experiences, effective strategies and lessons learned in the inclusive participation of employees with disabilities in the business environment.	July 2021
Regional Network for Social Responsibility	Participation in the 6th International Forum for Specialists of Institutions of Persons with Disabilities for the year 2021.	July 2021
Azem Association for People with Mobility Disabilities in Asir	Participation through the Makeen Program in a tourism program for people with mobility disabilities in the Kingdom, which was attended by a group of officials from the Ministry of Human Resources and Social Development, NGOs and associations specialized in mobility issues in the Kingdom. The program aims to discuss the concept of inclusive tourism; ease of accessibility in travel and transportation; universal accessibility standards in hotels, tourist and recreational sites; and future employment opportunities for people with disabilities in the tourism, hospitality and entertainment sectors.	August 2021
Regional Network for Social Responsibility	Participation in the 2nd Arab International Forum for Institutional Volunteering, "Volunteering professionals ... A bridge to enhance communication between companies and the non-profit sector."	August 2021
Princess Nourah Bint Abdulrahman University	Participation, through the Makeen Program, in a workshop entitled "Building an Index for Empowering Persons with Disabilities in the Saudi Labor Market" – a joint initiative between the Human Rights Commission and Al-Waleed Humanitarian Foundation, implemented with the assistance of the National Observatory for Women at Princess Noura bint Abdulrahman University. The Index measures the extent to which individuals with disabilities are included in the labor market in the public and private sectors, and targets business owners, people with disabilities and decision-makers.	September 2021
Prince Mishaal Bin Majed Center for Social and Humanities Research	Participation in the Alzheimer's Forum and specialized workshops on: psychological counseling for Alzheimer's patients; dealing with Alzheimer's patients; and the role of the social workers serving Alzheimer's patients and their families.	October 2021
ILO-GBDN	Participation in a remote lecture entitled, "Inclusive Employment for People with Disabilities in a New Digital Scene Changed by the Corona Pandemic."	October 2021
Ebsar Foundation	Savola Group participated in the Light of Life Forum on the occasion of World Sight Day and International Day of the White Cane through the Makeen Program. Savola presented the employment experience of an employee of Panda Retail Company with visual impairment, sharing their impressions regarding recruitment, performance and experience in adapting to the work environment.	October 2021

HEALTH, NUTRITION AND PACKAGING

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 health and nutritious goods as we expand our retail lines to include more health options. This aim is also reflected in 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 Standards, Metrology and Quality Organization (SASO).

Panda adheres to strict ethical and environmental guidelines across its activities and remains committed to sustainable procurement. The company is dedicated to integrating resource conservation and recycling to limit the entry of damaging waste into the natural environment.

To this end, Panda maintains agreements with companies operating across the Kingdom with an interest in purchasing used packaging for recycling and sale across a broad range of markets, including WASCO and Al-Kabs Al-Thahabi.

Panda Packaging Sold for Recycling in 2021

Month	Total (Tons)	Profit (SAR)	Comment
January	1,350	357,750	Estimated
February	1,355	359,041	Actual
March	1,716	720,816	Actual
April	1,792	895,942	Actual
May	1,190	594,863	Actual
June	1,303	651,503	Actual
July	1,290	664,728	Actual
August	1,350	675,000	Estimated
September	1,350	675,000	Estimated
October	1,350	675,000	Estimated
November	1,350	675,000	Estimated
December	1,350	675,000	Estimated
Total	16,746	7,619,643	



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.

Empowering Local Suppliers

To support the objectives of Savola World Foundation with regard to assisting the Saudi business sector – and small and medium enterprises (SMEs) in particular – Afia

International, United Sugar Company and Al Kabeer Group registered on the Forsa platform in 2021. The platform is an initiative of the Human Resources Development Fund, which represents a means for SMEs to access procurement opportunities with major commercial entities.

Panda also remains actively involved in supporting national manufacturing and production, and prioritizes procurement from local suppliers. We also seek to work together with these suppliers to assist them in meeting the highest quality standards and requirements.

In 2021, USC continued to work with a range of qualified local suppliers for PKG materials, encouraging local production.

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)
USC	436	2,048,981,580.32	340	258,272,256.2

Optimized Replenishment Methodology

To support the successful operationalization of its new Pull Model, Panda has developed and implemented innovative new replenishment methodologies that enable a seamless integrated supply chain based on fluid communications between all the concerned departments.

Non-Trade Items (NTI)

In 2021, Panda undertook an in-depth exercise to analyze its non-trade items spend, resulting in a roadmap of mutually reinforcing initiatives to improve the financial performance of the company, whilst also driving the implementation of complementary customer-oriented measures in utilities, maintenance and packaging.

The roadmap will also see Panda deploy more energy efficient and customer friendly equipment and lighting in stores; introduce energy management features to reduce consumption during off-peak hours; and offer environmentally friendly bags and packaging as well as alternatives for their use.

While the immediate impact of these measures will be a reduction in total non-trade item spend, the ultimate aim for Panda is to enhance the customer experience while embracing innovative technological advancements to safeguard the environment, which remains a key CSR goal for Panda.

The 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

OUR SECTOR IN 2022

As the momentum of our sustainability initiatives increases in 2022, Savola will continue to prioritize our collaborative activities to ensure the health, well-being and food security of the people of Saudi Arabia.

Our expanding range of partnerships across the Kingdom and beyond provide a springboard to further meaningful activities that support the development of more socially and environmentally responsible business activities going forward, in keeping with the national development objectives of Saudi Vision 2030 and our guiding commitments to the people of the nation.

In this endeavor, we will continue to work closely with associations, societies, national and international bodies to improve our sustainable practices and strategies, whilst building upon our extensive range of partnerships through the Makeen Program with like-minded entities and companies that share our vision for an economy and society free of discrimination.

Above all, we remain wholly committed to realizing the broader goals of Saudi Arabia and the international community, as reflected in the UN Sustainable Development Goals (SDGs), to build a better world for future generations.





OUR ENVIRONMENT

Savola's focus on efficient use of resources to minimize our environmental footprint continued in 2021.

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Our Environment

Savola is a committed proponent of environmentally responsible business and operations. We continue to build a culture of environmental stewardship within the Group, as well as through our range of resource rationalization and waste and emissions reduction programs, to safeguard the environment and human health.



In a significant development in March 2021, the CEO of Savola Group announced the formation of a new Environment Committee, tasked with establishing and implementing the Group's environmental policy, as well as supervising all environmental activities in the areas of energy, water, waste management, recycling, emissions, and transportation.



ENERGY CONSUMPTION

We are highly conscious of the need to rationalize and drive down our energy consumption, thereby incrementally reducing wastage and emissions year on year for the good of the climate and communities across the globe.

Savola consistently measures, reports and benchmarks our energy efficiency performance against international principles and standards with a view to identifying key areas for further improvement, and in the interests of maintaining full transparency and accountability.

Our goal is not only to ensure our business becomes more environmentally sustainable, but also to contribute to the broader efforts of the international community to limit global climate change and preserve the environment for future generations. To this end, the Group renewed its ISO 14001 certification this year, continuing its commitment to world-class standards of environmental management.

In Riyadh, Panda's LED lighting conversion project continues to deliver encouraging results, having achieved 90% completion, while in KAEC, the LED Project is expected to be completed by August 2022. When complete, the LED Project will result in savings of approximately SAR 100,000 per month, driving down energy use.

This progress was complemented by the launch of a Stores Lighting Scheduling Optimization Program to save around SAR 30,000 annually per store (3% of electricity costs). The project has been implemented at 85% of stores to date.

Panda partnered with Energy Solution Est. to install Smart Thermostats for air conditioning control and energy saving in an initiative that will save around SAR 80,000 annually per store (8% of our current electricity costs). Implementation of the project is now complete at 20% of stores.

Panda has also installed 8 supercool units – representing the best alternative air-conditioning system solution for open areas, with low operational and maintenance costs – and has upgraded to the latest version of building management system (BMS) controls for our refrigeration systems, delivering sizeable efficiency gains.

In 2022, Panda intends to upgrade its air evaporators with new variable frequency drives (VFDs) to control motor speed and access savings of 5% on electricity costs for its coolers.

We will also continue to pursue the transition from R-22 refrigerant gas – an environmentally unsound resource which will be totally phased out by 2030 – to more sustainable refrigerants such as R404a.

Company	Energy Source	2019	2020	2021	Initiatives
USC	Fuel (in Kg per ton of refined sugar output [TRSO])	64.3	68	63.1	Installation of new 5,000 m ² evaporator and operation mode adjustment. Automated hot water reuse system
	Electricity (kWh/TRSO)	73.6	74	73	
	Steam (T/TRSO)	0.89	0.89	0.846	Installation of new 5,000 m ² new evaporator and operation mode adjustment. Automated hot water reuse system
AFIA	Fuel (liters)	10,607,048	10,068,568	8,532,837	Stopping Ref-6 and maximizing production from other refineries. Running RBD oil vs. Crude Olein.
Panda	Electricity (kWh)	-	-	-	Replacement of in-store fluorescent lighting with LEDs completed at 20% of stores. Energy Saving through installation of Smart Thermostats for air-conditioning control and energy saving completed at 20% of stores.

A study conducted in 2021 to investigate the elimination of power generators at 34 Panda stores resulted in 50% of stores being connected to supply from the Saudi Consolidated Electric Company (SCECO). For the remaining stores, we completed a further study to improve the environmental impact of our generators, collaborating with a specialized vendor to acquire new upgraded generators to reduce emissions and noise levels. This led to the installation of replacement generators at 4 stores, with 10 further substitutions planned for 2022.

Panda also began the installation of new air curtains on the dock doors of our cold chain facilities at KAEC to minimize infiltration and reduce the heat load of the Refrigeration Plant, resulting in reduced electricity consumption. The project is expected to be completed by June 2022.

In a further energy-saving initiative, Panda installed auto-purgers in the refrigeration plants of stores to

increase the efficiency of condensers. Every 0.7 bar decrease in condensing pressure resulting from the installation of an auto-purger reduces the power consumption of the system by 6%.

In 2021, USC reduced its fuel consumption (of Light Arabian Crude) from 68 Kg/MT of sugar to 63.1 Kg/MT – a 7.2% reduction – mainly due to the longer operation of its new evaporation system installed as part of the Energy 1 project during Q4 2021.

USC also finalized the engineering for its boiler flue gas desulphurization project in August 2021, with related equipment from India arriving in late December. The project will reduce SOx emissions from 5,200 mg/Nm³ to max. 650 mg/Nm³ by October 2022, in compliance with new Saudi SOx emission limits.



Our Consumption

Fuel Consumption

Company	Fuel Type (liters)	Consumption per metric ton 2019		Consumption per metric ton 2020		Consumption per metric ton 2021	
		2019	2020	2020	2021		
Afia	Diesel	28.40	10,607,048	26.81	10,068,568	21.19	8,532,837
USC	Diesel	2.1	2,690,585	2.04	2,476,843	2.059	2,500,790
	Light Arabian Crude	75.6	96,006,990	75.7	91,691,293	73.67	89,480,319.2
IFI	Diesel	96	3,152,000	91	3,616,000**	78	3,896,962*

* IFI the production volumes are increasing year on year; 2021 volume increased by 29% vs. 2020 and consumption of diesel/MT reduced by 14%.

Energy Consumption

Company	Type	Consumption per metric ton 2019		Consumption per metric ton 2020		Consumption per metric ton 2021	
		2019	2020	2020	2021		
HQ	Electricity (kWh)	-	2,204,435*	-	2,091,886	-	2,331,926*
AFIA	Electricity (kWh)	139.09	55,048,260	154.85	56,967,000	131	56,470,216
	Steam (MT)	0.25	100,243	0.26	95,894	0.18	73,364
USC	Electricity (kWh)	73.4	93,178,000	74.1	89,688,343	73	88,896,044.7
IFI	Electricity (kWh)	442	13,713,572	336	13,247,994	293	14,602,905**
	Steam (MT)	1.12	34,434	1.01	39,200**	0.84	42,230**
Panda	Electricity (kWh)	-	30,777,557	-	36,041,701	-	20,303,558

* Inclusive of the entire Savola tower, which consists of 15 floors, as well as Panda HQ

** IFI the production volumes are increasing year on year; 2021 volume increased by 29% vs. 2020 and consumption of diesel/MT reduced by 14%.

Reducing Consumption

In 2021, USC began using a new 5,000 m² evaporator, which is now operating in triple effect mode, reducing fuel consumption from 3,500 MJ/TRSO to less than 2,800 MJ/TRSO during October and November 2021 before being taken offline for periodic cleaning and inception in December.

USC also installed an automated system to reduce and recover surplus water to be reused in sugar processing and cleaning activities, reducing overall discharge from 0.16 m³/ton of sugar to 0.045 m³/ton.

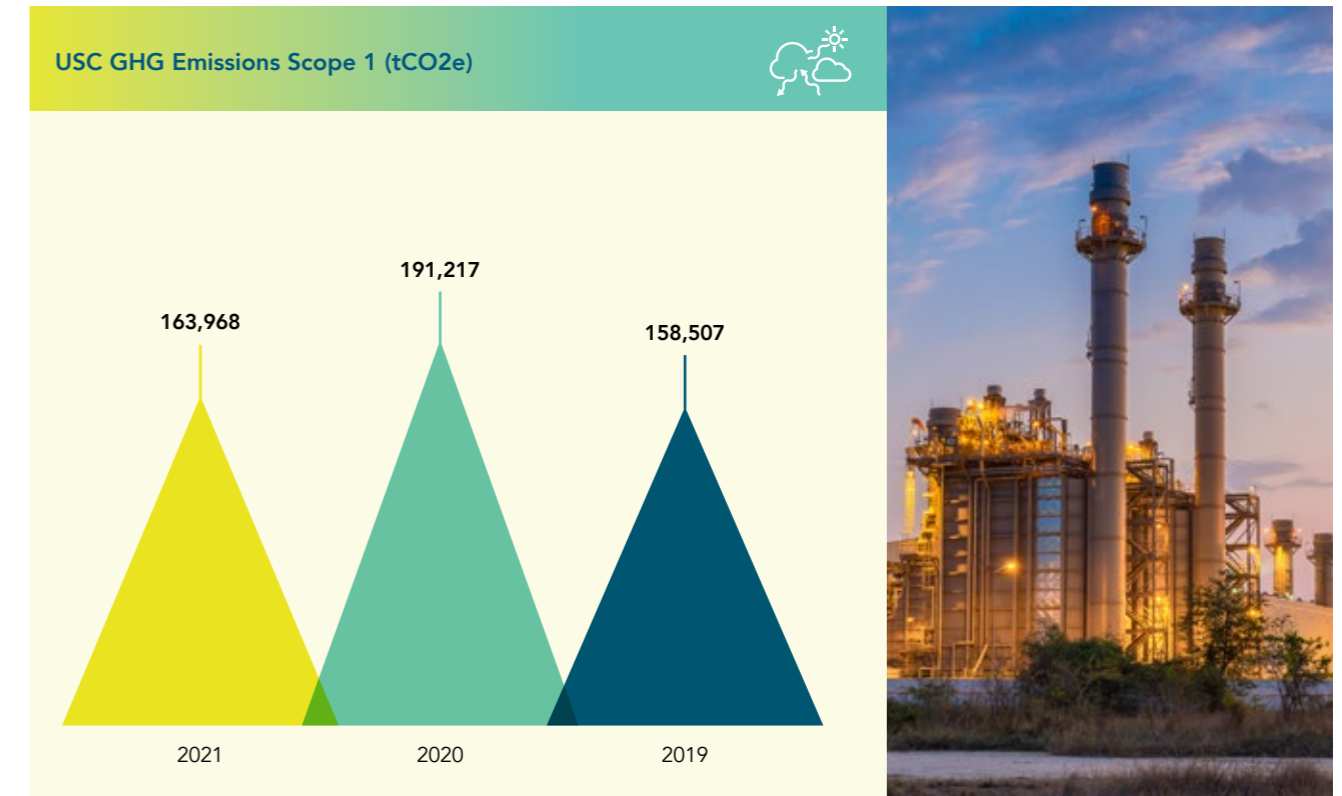
Overall electricity consumption by the USCA refinery fell from 75 kWh/ton sugar to 73 kWh/ton by reducing the vapor condenser load following the operational launch of a new evaporator.

Meanwhile, Afia International Company – Arabia (AICA) reduced its diesel consumption in 2021 from 10 million liters per year to 8.5 million liters by halting operations at one refinery and maximizing the production from the remaining refineries.

This has resulted in reduced electricity and water consumption, which fell from 154 kW/MT to 131 kW/MT and from 0.76 m³/MT to 0.6 m³/MT, respectively. AICA has also installed a new air-cooled chiller, delivering higher efficiency and reducing power consumption.

IFI GHG Emissions	Mean Values for Jeddah Facility (mg/Nm ³)	GAMEP Limits
NO	-	-
NO ₂	-	-
NO _x	16.7	500
SO ₂	1.0	600
CO	-	-
CO ₂	2.93	-
O ₂	17.06	-

Panda Fleet	2021		2020		2019	
	Owned	Leased	Owned	Leased	Owned	Leased
Employee buses	40	155	40	155	125	141
Trade movement trucks owned	651	-	651	-	Distance travelled: approx. 50 million kilometers	



WATER CONSUMPTION

Savola is devoted to achieving responsible water use and sustainable waste management practices across our operations, in keeping with the goals of Saudi Vision 2030 and our own stringent internal rationalization targets.

In 2021, Panda Distribution Center KAEC modified its Reverse Osmosis desalination plant by installing a new membrane, ORP meter and ORP sensor to minimize water rejection from the plant, resulting in significant savings in terms of water use.

Water consumption by USC continued to improve significantly through the year, from 431 liters of water per ton of sugar produced to 405 liters, largely as a result of reusing surplus refinery water. In addition, a new ring line was built to use this discharged water instead of fresh desalinated water for cleaning purposes.

AICA also successfully reduced its water consumption, from 249,000 m³ to 239,000 m³ in 2021.

Meanwhile, USCA reduced its water discharge from 0.16 m³ per ton of sugar to 0.045 m³ through the installation of a new automated water storage and pumping system to store and reuse surplus water on demand.

Water Consumption (m³)

Company	Consumption per metric ton 2019	2019	Consumption per metric ton 2020	2020	Consumption per metric ton 2021	2021
HQ	-	6,576*	-	7,236*	-	6,735*
Afia	0.79	294,058	0.76	249,255	0.60	239,517
USC	0.44	563,500	0.43	521,669	0.405	492,533
IFI	1.91	61,061	1.78	70,783	1.56	78,165**
Panda	-	273,738	-	337,410	-	228,657

* Inclusive of the entire Savola tower, which comprises 15 floors and Panda's corporate HQ.
**IFI the production volumes are increasing year on year; 2021 volume increased by 29% vs. 2020

Total Volume of Water Discharged (m³)

Company	Consumption per metric ton 2019	2019	Consumption per metric ton 2020	2020	Consumption per metric ton 2021	2021
AFIA	0.35	142,027	0.38	146,212	0.31	120,692
USC	0.14	171,696	0.14	168,000	0.045	54,842
IFI	1.16	36,054	1.02	40,149	1.00	50,266*

* The production volumes are increasing year on year; 2021 volume increased by 29% vs. 2020



WASTE MANAGEMENT

Waste management is a key aspect of Savola's environment strategy, and we remain committed to reducing waste from our operations in an efficient and responsible way across our business.

By halting production at one of its biggest refineries, AICA successfully reduced its waste and sold all associated by-products in 2021, while SFC continued to unlock the value of its own by-products by generating significant year on year income growth and an increase of almost 64% in its Contribution Margin (CM) in 2021.

Looking ahead to 2022, USC intends to begin producing gypsum from 'carbocake' (waste calcium carbonate) in a process that captures harmful sulfur dioxide emissions.

The intention is to then sell the gypsum to construction factories and cement producers to unlock further value from our waste products.

The commissioning of the Flue Gas Desulfurization (FGD) system that will be used for the conversion of the carbocake is scheduled for completion by end-2022.

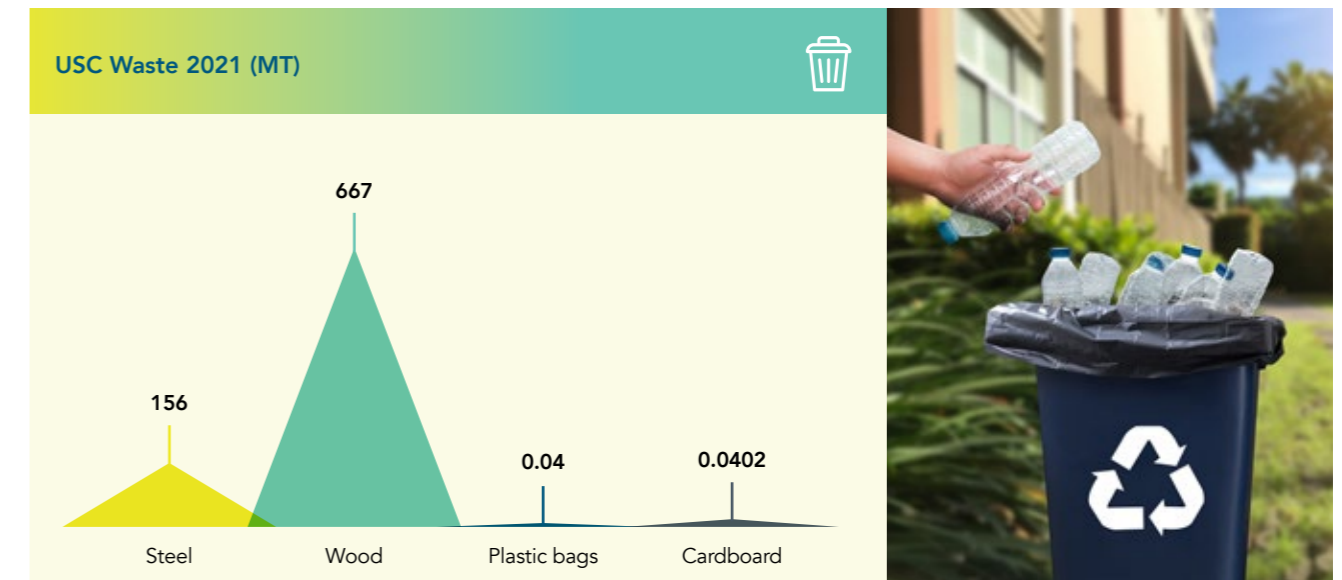
SFC Waste Performance

Full Year	FY 2021	BP 2021	FY 2020	FY 2019
Volume in MT	26,571	26,262	26,261	29,801
Sales Value in SAR	43,450,070	25,647,888	25,710,308	28,671,213
CM Value in SAR	39,837,943	23,940,417	23,873,128	25,862,236
CM/Ton in SAR	1,499	912	909	868

Waste (MT)

Company	2019	2020	2021
HQ	140,000	82,000	135,000
Afia	242,892	254,984	179,346
USC	21,614	22,573	19,968
IFI	296	306	312*

* The production volumes are increasing year on year; 2021 volume increased by 29% vs. 2020



GRI Content Index

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission	Alignment with Saudi National Standards for Sustainability Reporting*
GRI 101: Foundation 2016				
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	102-1 Name of the organization	6		GNS, Disclosure: 1.1
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	102-5 Ownership and legal form	2021 Annual Report		GNS, Disclosure: 1.4 GNS, Disclosure: 1.4
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	102-22 Composition of the highest governance body and its committees	38-42, 2021 Annual Report		EGD, Disclosures: 2.2, 2.5
	102-23 Chair of the highest governance body	2021 Annual Report		EGD, Disclosure: 2.5
	102-24 Nominating and selecting the highest governance body	2021 Annual Report		EGD, Disclosure: 2.6

GRI 102: General Disclosures 2016

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission	Alignment with Saudi National Standards for Sustainability Reporting*
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	102-26 Role of highest governance body in setting purpose, values, and strategy	2021 Annual Report		GNS, Disclosure: 3.6 EGD, Disclosure: 3.1
	102-27 Collective knowledge of highest governance body	2021 Annual Report		GNS, Disclosure: 3.5
	102-28 Evaluating the highest governance body's performance	2021 Annual Report		GNS, Disclosure: 3.6
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	102-30 Effectiveness of risk management processes	44-45, 2021 Annual Report		EGD, Disclosure: 3.3
	102-31 Review of economic, environmental, and social topics	18-23, 2021 Annual Report		GNS, Disclosure: 6.4
	102-32 Highest governance body's role in sustainability reporting	40-42		GNS, Disclosures: 6.1, 6.4, 7.1
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*Saudi National Standards for Sustainability Reporting
GNS = General National Standards, EGD = Economic and Governance Dimension, SD = Social Dimension, ED = Environmental Dimension

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission	Alignment with Saudi National Standards for Sustainability Reporting*	
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	103-2 The management approach and its components	78			
	103-3 Evaluation of the management approach	78			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	78		EGD, Disclosure: 5.2	
ANTI-CORRUPTION					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	21-23			
	103-2 The management approach and its components	22, 24, 38			
	103-3 Evaluation of the management approach	16			
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	38		EGD, Disclosure: 6.2	
	205-3 Confirmed incidents of corruption and actions taken	No incidents		EGD, Disclosure: 6.3	

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission	Alignment with Saudi National Standards for Sustainability Reporting*
ANTI-COMPETITIVE BEHAVIOUR				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	21-23		
	103-2 The management approach and its components	38, 39		
	103-3 Evaluation of the management approach	38-41		
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	38		EGD, Disclosure: 7.1
ENVIRONMENTAL				
ENERGY				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	21-23		
	103-2 The management approach and its components	82-87		
	103-3 Evaluation of the management approach	83		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	83		ED, Disclosure: 3.1
	302-4 Reduction of energy consumption	85		ED, Disclosure: 3.4
	302-5 Reductions in energy requirements of products and services	82-87		ED, Disclosure: 3.4
ENVIRONMENTAL COMPLIANCE				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	21-23		
	103-2 The management approach and its components	82-87, 10, 11, 14, 15, 21-23, 57, 76, 77		
	103-3 Evaluation of the management approach	71		
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	No incidents		GNS, Disclosure: 12.1
SUPPLIER ENVIRONMENTAL ASSESSMENT				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	19-24		
	103-2 The management approach and its components	78, 79		
	103-3 Evaluation of the management approach	78, 79		
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	78, 79		ED, Disclosure: 8.1

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission	Alignment with Saudi National Standards for Sustainability Reporting*
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SOCIAL

EMPLOYMENT

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	19-24		
	103-2 The management approach and its components	56-67		
	103-3 Evaluation of the management approach	56-67		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	56-67		GNS, Disclosure: 10.1 SD, Disclosure: 1.1
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	56-67		

OCCUPATIONAL HEALTH AND SAFETY

GRI 103: Management Approach 2018	103-1 Explanation of the material topic and its Boundary	19-24		
	103-2 The management approach and its components	64-65, 71		
	103-3 Evaluation of the management approach	69		
GRI 403: Occupational Health and Safety 201	403-1 Occupational health and safety management system	55		SD, Disclosure: 3.9
	403-2 Hazard identification, risk assessment, and incident investigation	55		SD, Disclosure: 3.2
	403-3 Occupational health services	55		SD, Disclosure: 3.3
	403-4 Worker participation, consultation, and communication on occupational health and safety	55, 64-65		SD, Disclosure: 3.4
	403-5 Worker training on occupational health and safety	55		SD, Disclosure: 3.5
	403-6 Promotion of worker health	55		SD, Disclosures: 3.4, 3.6
	403-8 Workers covered by an occupational health and safety management system	55		SD, Disclosures: 3.1, 3.6
	403-9 Work-related injuries	55		SD, Disclosure: 3.8

TRAINING AND EDUCATION

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	19-24		
	103-2 The management approach and its components	54, 70-73, 15, 16, 18, 19, 22		
	103-3 Evaluation of the management approach	54		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	54		SD, Disclosures: 4.2, 4.5
	404-2 Programs for upgrading employee skills and transition assistance programs	54		SD, Disclosures: 4.2, 4.5
	404-3 Percentage of employees receiving regular performance and career development reviews	54		SD, Disclosures: 4.1, 4.3, 4.5

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission	Alignment with Saudi National Standards for Sustainability Reporting*
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DIVERSITY AND EQUAL OPPORTUNITY

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	19-24		
	103-2 The management approach and its components	66		
	103-3 Evaluation of the management approach	2021 Annual Report		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	66, 2021 Annual Report		SD, Disclosures: 5.1, 5.3

LOCAL COMMUNITIES

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	19-24		
	103-2 The management approach and its components	48-53		
	103-3 Evaluation of the management approach	19, 48-53		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	48-53		SD, Disclosure: 8.1
	413-2 Operations with significant actual and potential negative impacts on local communities	48-53		SD, Disclosure: 8.1

SOCIOECONOMIC COMPLIANCE

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	19-24		
	103-2 The management approach and its components	38-45		
	103-3 Evaluation of the management approach	38-45		
GRI 419: Socio-economic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	No incidents		SD, Disclosure: 13.1

CUSTOMER HEALTH & SAFETY

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	19-24		
	103-2 The management approach and its components	72		
	103-3 Evaluation of the management approach	72		

About this Report

This is Savola Group's 8th Sustainability Report, covering the period from 1 January to 31 December 2021. The previous Sustainability Report covered the period from 1 January to 31 December 2020. 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, adopts 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 2021 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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