

BUILDING A SUSTAINABLE BUSINESS



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ABOUT THIS REPORT

(102-54), (102-48), (102-49)

This is Alturki Holding's first sustainability report. It represents our commitment to operating sustainably and generating shared value for all our stakeholders. In it we highlight key details of our performance across a range of Environmental, Social and Governance (ESG) practices.

Through this report, we embrace transparency and provide disclosures on key indicators that comprise the foundation of ESG implementation.

This report has been prepared in accordance with the GRI Standards: Core Option. Whenever applicable, we also refer to frameworks that guide sustainable business practices, both nationally and globally. These include the United Nations Sustainable Development Goals (SDGs), the United Nations Global Compact (UNGC), and the KSA Vision 2030.

All monetary values mentioned in this report are expressed in Saudi Riyals (SAR) unless otherwise stated.



THE REPORT'S SCOPE

(102-45), (102-48), (102-49), (102-50), (102-51), (102-52)

The scope of the report includes Alturki Holding's operations during 2018 in Saudi Arabia only, encompassing the eight subsidiaries listed below.

1 Saudi
Readymix

2 Masheed

3 Inma Steel

4 Samara

5 Arkaz

6 Musanadah

7 Sawafi

8 Inma
Technologies

When feasible, we provide comparative data from 2017 to highlight annual progress. As we continue to report on sustainable practices, we aim to expand the scope of our report to include more geographical locations and subsidiaries.

The content of this report was the result of a thorough stakeholder engagement and materiality analysis covered in the chapter titled "How Alturki Manages Sustainability". We believe that all of the data collected and presented for this report was done so with utmost integrity, accuracy, and honesty to provide our stakeholders with clear insights into how we manage our organization.



EXTERNAL ASSURANCE

(102-56)

We chose not to appoint an external party to audit our sustainability report for this year, but we may reconsider for future sustainability reports.



POINT OF CONTACT

(102-53)

For any questions regarding the content of this report, please contact:

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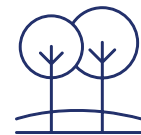
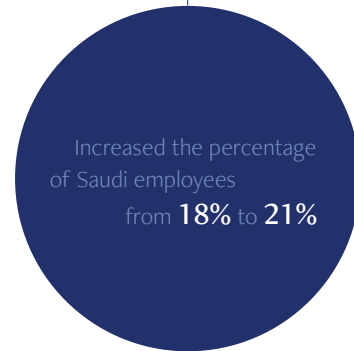
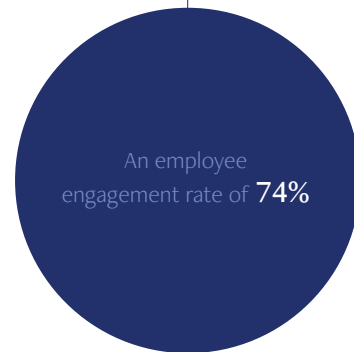
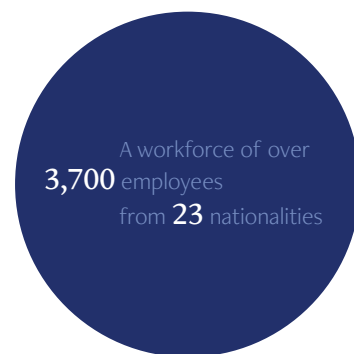




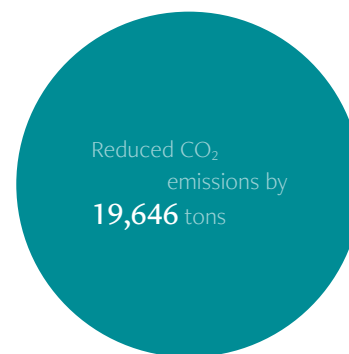
2018 HIGHLIGHTS



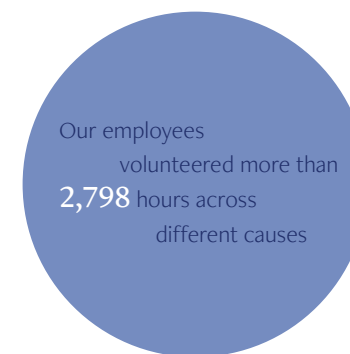
Our People

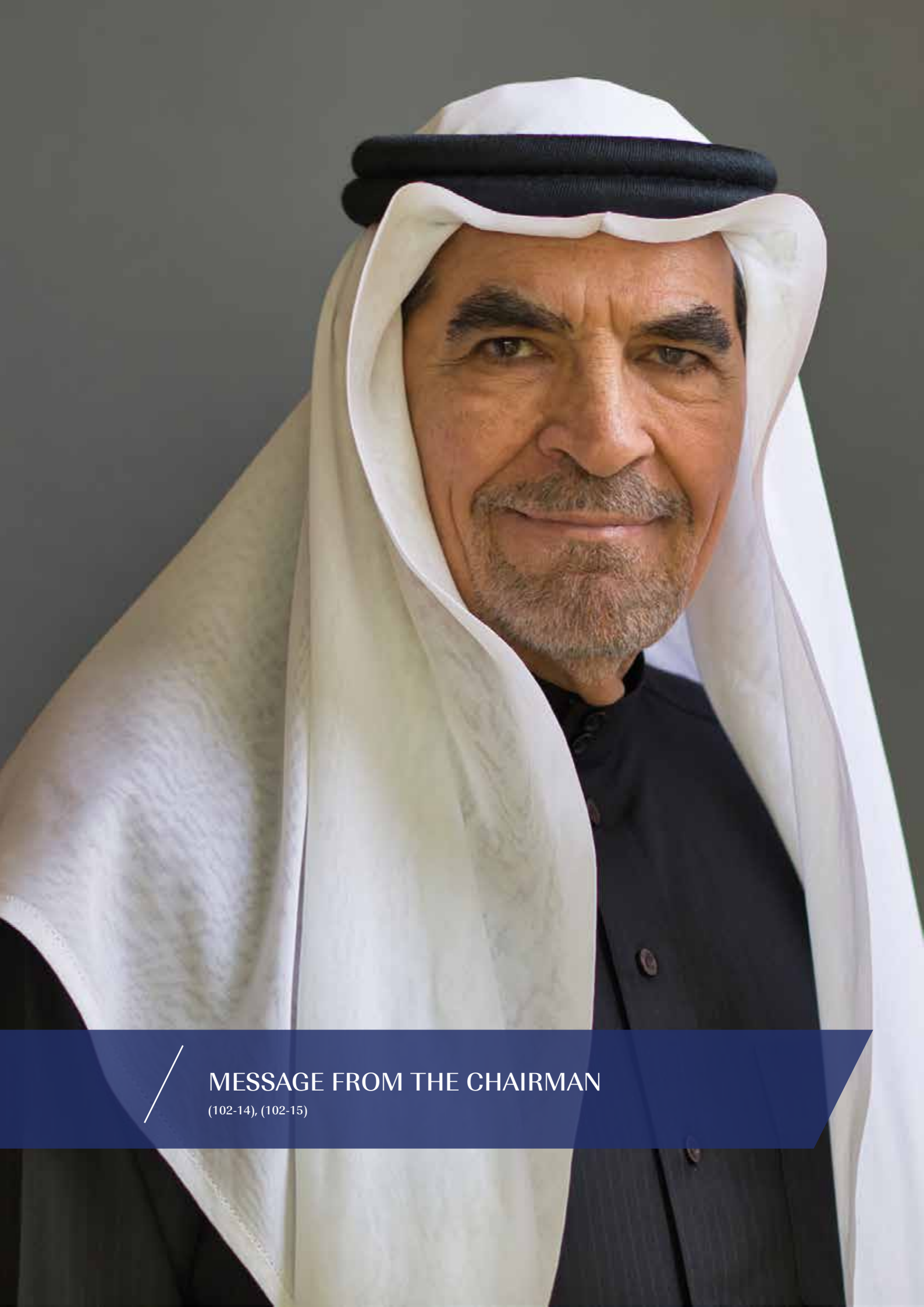


Our Environment



Our Community





MESSAGE FROM THE CHAIRMAN

(102-14), (102-15)

To Our Stakeholders,

It is my pleasure to bring to you Alturki Holding's first sustainability report. This report is a milestone, shedding light on how we strive to accelerate the sustainable development of our businesses that span several sectors while holding ourselves responsible for our impact on the environment and the communities in which we operate.

Ever since the inception of Alturki Holding, we have been committed to the prosperity of our local communities in parallel with the growth of our business operations. For the past 42 years, Alturki Holding has successfully developed and implemented a wide range of programs and initiatives within our communities. In 1977, we founded Al Dhahran Ahliyyah School (DAS), an exemplary non-profit school that has become a model for education standards across the region. Today, DAS continues to offer a learning experience that enables students to not only succeed academically but also to become active citizens in their society. This showcases just one of the numerous ways that Alturki Holding strives to engage in activities that create long-term shared value.

More recently, and in order to contribute to the growing conversation on climate change, Alturki Holding has made a conscious effort to mitigate negative environmental impact. We recognize that as global citizens it is our prerogative to incorporate ecological responsibility into our decision-making. In 2007, we joined the Board of Trustees of the Arab Forum for Environment and Development (AFED), an association aimed at advancing environmental policies and action in the Arab world. In terms of our dedicated business operations, this year Saudi Readymix launched the Khobar Green Factory — a state-of-the-art environmentally-friendly concrete facility. We strive to ensure that our environmental efforts are in line with national and international standards, such as the General Authority of Meteorology and Environmental Protection in Saudi Arabia and The United Nations Framework Convention on Climate Change.

Through this sustainability report, Alturki Holding joins a global movement towards reporting on economic, social, governance, and environmental practices with full disclosure. This pathway enabled us to gain insights, showcase our risks and opportunities, emphasize and highlight our financial and non-financial successes, and foster sustainable policies to increase our efficiency. We invite our stakeholders to join us on this exciting journey and we remain confident that active collaboration will only accelerate meaningful impact.

Finally, I would like to thank all our stakeholders and the various departments, teams, and people at Alturki who helped in the development of this sustainability report. I appreciate your efforts in incorporating sustainability into our daily conversations and actions.

Khalid Ali Alturki



MESSAGE FROM THE CEO

(102-14), (102-15)

“

WELCOME TO ALTURKI'S FIRST SUSTAINABILITY REPORT, WHERE WE DEMONSTRATE OUR DEDICATION TOWARDS RUNNING A SUSTAINABLE BUSINESS THAT FUELS LONG-TERM IMPACT ON ALL ECONOMIC, ENVIRONMENTAL, SOCIAL, AND GOVERNANCE FRONTS.

BY STATING THIS COMMITMENT, WE EXTEND OUR RESPONSIBILITY TO CATER TO THE NEEDS OF ALL OUR STAKEHOLDERS.

”

I am pleased with our overall performance in 2018 considering the circumstances. Not only have we survived but we managed to create value in a number of areas as well as maintain our position as one of the leading investors in the Kingdom. Most important, I believe we have emerged from what I view as one of the worst years the Saudi economy has ever seen with a strong balance sheet, lower debt, surplus cash available for new investments, more confidence and engagement from our people, and preserved our excellent reputation for reliability and always meeting our obligations towards all stakeholders. Furthermore, our claim to be building great businesses is credible and sound considering the leadership positions of a good number of our companies such as Nesma & Partners, Saudi Readymix, Masheed, i2, Velosi, Samara, and Arkaz. I don't know of any major infrastructure-related project in the Kingdom in which we are not involved through one or more of our subsidiaries and JVs. However, we still have a great deal to do to improve but we have a strong base from which to develop and I see the economy moving in a much more positive direction in 2019 with exciting potential for the next 3-4 years.

In alignment with our mission to accelerate the sustainable growth of our subsidiaries, the year 2018 witnessed the initiation of our Sustainability Integration Roadmap (the Roadmap). The plan merited a rigorous stakeholder engagement exercise that involved key teams across eight of our subsidiaries. The Roadmap aligns with global sustainability references such as the United Nations Sustainable Development Goals, the United Nations Global Compact, and The Global Reporting Initiative. It also abides by specific objectives in the Saudi Vision 2030 and with industry-related best practices. The Roadmap has been critical in guiding us to embed top performance indicators across our operations, beginning with our investment principles as a holding company and evolving to address how our subsidiaries meet the needs of their clients.

The intersectional value of the sustainability report and Roadmap allowed us to take an honest look at the impact of our operations. One area in which we plan to introduce stronger monitoring and mitigation systems is environmental responsibility. We are conscious of the negative ecological effects linked to our products and services. Although we supervise our consumption of natural resources and measure our carbon footprint using the Greenhouse Gas Protocol, we plan to abide by additional global environmental standards in the coming years.

Saudi Readymix, our largest subsidiary, has been especially active in rooting environmentally-responsible metrics into the core of its operations. In 2018, the company saved over 140,000 tons of CO2 emissions through the use of carbon-neutral alternatives in its core product: concrete mixes. Another example is Samara, one of our subsidiaries in the transportation sector, which introduced a journey management system in all vehicles that charts not only the best routes for drivers but also generates significant savings in fuel consumption and carbon emissions.

Our journey towards creating a sustainable business is not possible without our most valuable asset: our people. We celebrate a workforce of more than 3,700 employees of 23 different nationalities. At the same time, we contribute to the Saudization goals of our country. This year, our local talent increased by 3%, representing 21% of our total workforce. To attest to our commitment, we persist in creating programs to attract, develop, and retain Saudi talent.

We have taken additional steps this year to increase the number of women in our workforce. Despite women representing only 1% of our employees, we are happy to report that two of our female colleagues now hold prestigious positions in our senior management team. We commit to continue working on recruitment and training programs to secure a more gender-diverse workplace.

Alturki Holding has had a long history in forging long-term partnerships with the public sector, non-profit organizations, and social entrepreneurs. Our financial and in-kind support contributed to the development of four key areas within our social responsibility, including Quality Education, Health & Wellbeing, Women Empowerment, and Community Support & Philanthropy. This is a testament that Alturki will always be a community partner that prioritizes the creation of shared value.

I want to thank all the stakeholders who helped us begin our sustainability reporting journey and invite both feedback and opinions duly. The long-term success of our company depends on the balance of social, environmental, and economic factors of our business, and we trust our stakeholders to hold us to the highest expectations.

Rami Ali Alturki



ABOUT ALTURKI HOLDING

(102-1), (102-2), (102-3), (102-4), (102-6), (102-7), (102-10), (102-53)

Alturki Holding (“Alturki”) is a premier investor, sustainability pioneer, and partner of choice for building responsible businesses in Saudi Arabia and the Middle East and North Africa (MENA) region. A key facilitator in the development of modern Saudi Arabia, Alturki is credited with being involved in almost every major infrastructure project in the Kingdom since the company was established in 1975.

Over the last four decades, Alturki has built and expanded a portfolio of leading businesses across an array of sectors, including building materials, infrastructure, information and communication technologies, oil field services, real estate, and more. The Company continues to invest in key strategic sectors while growing its influence in trending industries such as upstream oil and gas technologies, healthcare automation, and alternative market segments that aim to positively transform business models and society through mechanization while harnessing the potential of the fourth industrial revolution.

A progressive investment partner and one of the largest employers in the Kingdom, Alturki supports Saudi Arabia’s Vision 2030 by facilitating economic diversification and supporting societal development. The Company is committed to joint advantages across all Environmental, Social and Governance (ESG) topics and invests amenably to acquire business resilience by promoting the development of the economy, improving the general quality of life, and preserving the planet for generations to come.

التركي ALTURKI

Building Great Businesses



MISSION

To accelerate the sustainable growth of all our businesses.



VISION

To be the premier investor and partner for building sustainable businesses in Saudi Arabia and the MENA region.



VALUES

We PERFORM to create value every day and promise each year to be better than the year before:



1 / PASSION

We are passionate about building companies that positively impact the society and economies in which we operate while preserving our natural environment for generations to come.



2 / EXCELLENCE

We are devoted to delivering excellence across our businesses, and to exceed expectations through learning and transformation initiatives.



3 / RESPECT

Respect for our country, employees, partners, suppliers, and public stakeholders should be apparent in all that we do.



4 / FUN

We brainstorm, collaborate, experiment, recognize efforts, and reward achievements; we believe if you love what you do, you will do it with love.



5 / OPENNESS

Creative ideas are welcome. We maintain open and transparent communications with stakeholders to achieve shared successes.



6 / RELIABILITY

For over 40 years, we have consistently delivered on our promises.



7 / MEANING

We work with purpose, engaging our employees to provide value to our society, economy, and the environment at large.



MEMBERSHIPS & ASSOCIATIONS

(102-12), (102-13)

Organization	Membership Type
The National Readymix Committee - Council of Saudi Chambers	Founding Board Member
U.S - Saudi Arabian Business Council	Board Member
Saudi Standards, Metrology and Quality Organization (SASO)	Board Member



BUSINESS OVERVIEW

Our Investment Philosophy mandates that Alturki prioritizes seeking out and investing in ventures that function within common strategic sectors. Alturki's portfolio primarily includes mergers and acquisitions, joint ventures, and greenfield investments, and are controlled wholly by Alturki.

Investments made outside these criteria will be propitious and decided by the management. They may include mergers and acquisitions, recapitalizations, pre-public offering financing, restructurings, and other similar private transactions.

Additionally, publicly listed companies within Alturki's geographic focus may also be considered. Alturki is willing to accept minority positions in non-strategic investments. Regardless of whether the venture is within the criteria or not, Alturki expects every one of its investments to be sustainable.

The current operational structure places the Holding company in the position of the legal owner of the portfolio, encompassing the subsidiaries, and joint ventures. This hierarchy safeguards the ability of an overruling entity to supervise the actions of subsidiaries to ensure that policies are within the scope of the affiliate's allotted functions.



A BRIEF OVERVIEW OF OUR SUBSIDIARIES

Over the last four decades, Alturki has built and accelerated the growth of a portfolio of leading businesses across an array of sectors, including building materials, infrastructure, information and communications technologies, oil field services, real estate and more.

Alturki works to accelerate the sustainable growth of all of its businesses and manages a diverse yet synergistic portfolio of leading local, regional and global companies.





SAUDI READYMIX



Established in 1978 and a wholly-owned subsidiary of Alturki, Saudi Readymix Concrete Co. is the leader in the production and supply of quality ready-mixed concrete and related products in Saudi Arabia. The Company has completed prestigious projects for both the public and the private sectors providing comprehensive concreting solutions and services to the highest international standards.

The majority of the Company's factories, which adhere to strict self-imposed quality control and have purpose-built, onsite quality testing laboratories, are officially approved as suppliers to major governmental and industrial authorities, including Saudi Aramco, SEC, SABIC, Royal Commission, MoDA, Maaden, MOI, to name a few.



. Vision

To be the most trusted provider of concrete solutions in the Middle East.



. Mission

To provide peace of mind to all stakeholders in an innovative and sustainable manner.



. Key Achievements:

Saudi Readymix has supplied millions of cubic metres of concrete to thousands of projects in both the public and private sectors, including:

- King Abdullah Financial District - QTY/m³ 1,200,000
- Al-Imam Mohammed Ibn Saud Islamic University - QTY/m³ 400,000
- Informational Technology Communication Complex - QTY/m³ 400,000

ARKAZ



Arkaz is a prominent player in the Gulf region's construction chemicals industry, providing innovative, cost-effective and high-quality building products and concrete admixtures to the region's leading industry professionals. Arkaz's wide array of specialised construction chemical solutions facilitate exceptional performance, both commercially and technically, delivering long-term durability and resistance to harsh elements for residential, commercial, and infrastructure projects of varying sizes.



. Vision

To be a reputed and trusted supplier of Construction Chemicals in the Middle East.



. Mission

To provide the special products that ensure our customers' quality.



. Key Achievements:

Proposals that Arkaz collaborated on include:

- Riyadh Metro – expected to create over 15,000 jobs in the Kingdom
- King Abdul Aziz Road Development (KAAR), a project that includes transportation, parking and utility infrastructure
- Jazan Economic City Marine Structure, a project that will enable the export of surplus crude oil

MASHEED



A wholly-owned subsidiary of Alturki, Masheed was established in 2013 to source and deliver high-quality building materials to facilitate projects across the Kingdom. The core business of Masheed is in the trading of high-quality cement throughout KSA; however, the Company is also one of the leading players in the provision of lumber, working globally with leading suppliers. The Company is also a leader in Cementitious Materials such as Fly Ash, Microsilica and GGBFS in the Saudi Arabian market. Masheed also operates in Egypt and sources materials for its growing network of customers throughout Africa and Asia.



. Vision

To be one of the top three companies in the Middle East and Africa, dealing in commodity building material-related trading and solutions.



. Mission

To deliver value to all our stakeholders in a sustainable manner.



. Key Achievements:

Some key projects Masheed has worked on include:

- Maritime Ras Al Khair
- Riyadh Metro
- Jabal Omar Development in Mecca



CONSTRUCTION & INFRASTRUCTURE

MUSANADAH



مساندة
MUSANADAH
Property Services

Musanadah is a premier provider of integrated facilities management services in Saudi Arabia. The Company delivers a turnkey facilities management solution including hard and soft services, security, construction, building maintenance and engineering consultancy, all designed to maintain and protect the value of the facility. Musanadah is the Facilities Management company of choice for master developments, residential communities, industrial and commercial properties and is trusted by top-tier clients.



. Vision

To be the preferred Integrated Facilities Management service provider of choice.



. Mission

To deliver sustainable Integrated Facilities Management services to exceed our clients' and stakeholders' expectations.



. Key Achievements:

Musanadah is proud to have contributed to the following ventures:

- King Abdul Aziz Center for National Dialogue – provided IFM services, event management, and BMU services
- Honeywell – provided IFM services, construction, fit-outs, logistics, and technical support
- Saudi Aramco



INFORMATION, COMMUNICATIONS TECHNOLOGIES & DISTRIBUTION

INMATECH



Inma Tech integrates innovative information technology systems focused primarily on the Healthcare sector in Saudi Arabia. The Company also provides advanced automation solutions to Healthcare as well as the Commercial and Industrial sectors.



. Vision

To become the main partner for value-added technology, power, and solutions faculties.



. Mission

To implement intelligent insights and operational excellence through integrated solutions while pushing for sustainable corporate growth and superior financial returns.



. Key Achievements:

InmaTech's list of clientele includes:

- Saudi Aramco
- Saudi German Hospitals
- King Faisal Specialist Hospital & Research Centre



TRANSPORTATION

SAMARA



Operating since 1982, Samara asserts its position as a trailblazer for all services related to long-term corporate vehicle leasing, corporate chauffeur services, car rental, resale, and customized transportation in the region. Customer satisfaction takes precedence for the company as it consistently provides top-quality and hassle-free mobility solutions. Samara has been privileged to contribute to the in-Kingdom Total Value Add (IKTVA) Program by 41%. By exceeding expectations, Samara has been able to build a client base that includes some of the world's top brands.



. Vision

To be the go-to provider of ground mobility solutions in the Kingdom.



. Mission

To provide safe and reliable transportation to the benefit of our customers and the community.



. Key Achievements:

Samara's clientele includes:

- Saudi Aramco
- British Airways
- Nestlé



ENERGY & INDUSTRY

SAWAFI



Sawafi provides innovative technologies and services to the Kingdom's upstream oil and gas industry. These services include Drilling Enhancement, Completion, Artificial Lift, and Well Characterization. Sawafi's upstream oil field service solutions are designed to enhance production in a safe and sustainable manner. Sawafi's products and services have contributed towards 29% to the in-Kingdom Total Value Add (IKTVA) Program and rely upon maximizing production efficiencies to dispatch highly-differentiated technology products and services.



. Vision

To be a dependable and dominant provider of upstream oil field services solutions.



. Mission

To deliver technologies that enhance production in a safe and sustainable manner.



. Key Achievements:

Sawafi has been proud to collaborate with several large-scale projects, including:

- Saudi Aramco
- Halliburton
- Schlumberger

INMA STEEL



Inma Steel Fabricators Co. Ltd. is a market leader in custom-built process equipment fabrication and specialized industrial preventive and corrective maintenance services. Established in 1984 and a wholly-owned subsidiary of Alturki, Inma Steel serves end-users in the core sectors of Oil & Gas Processing, Refineries, Petrochemicals, Fertilizers, Power & Desalination and Chemical Process Industries. The Company has a long track record of delivering projects for clientele from its fabrication facility in Al-Jubail, Saudi Arabia, including equipment installation, mechanical repairs, and plant turnaround & shutdown services.



. Vision

To be the preferred process, equipment fabricator, and associated service provider in Saudi Arabia.



. Mission

To seamlessly blend technology with the methodology to supply clientele with their specific requirements.



. Key Achievements:

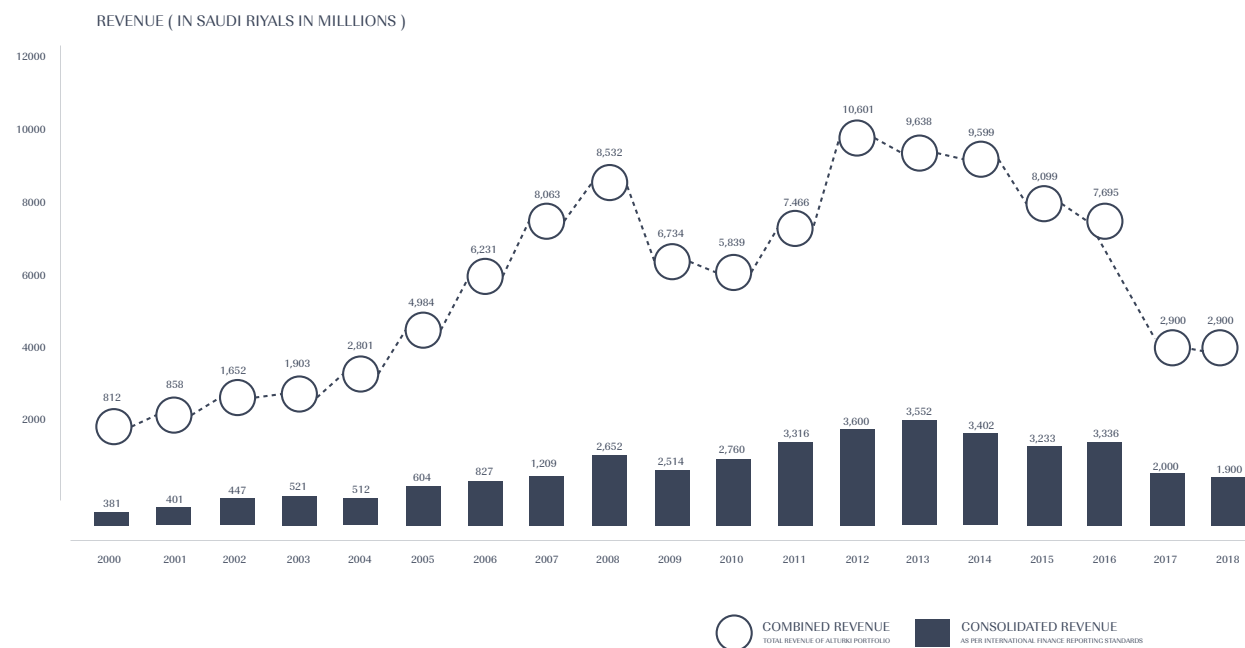
Some companies that INMA Steel has worked with are:

- Sipchem
- Samref
- Petro Rabigh



OUR BUSINESS PARTNERS





Accelerate the
Sustainable
Development
& of emerging subsidiaries
■ transition them to maturity by 2021
or close/sell them

MODERATE PORTFOLIO
DIVERSIFICATION
& for both FINANCIAL
WHOLLY-OWNED SUBSIDIARIES

PHASE OUT ■■■■■
THE HOLDING'S SUPPORT SERVICES
to emerging subsidiaries

Maximize the valuation of
MATURE SUBSIDIARIES
by increasing their Earnings before
Interest, Taxes, Depreciation and Amortization
(EBITDA) & their MARKET LEADERSHIP

IMPROVE GOVERNANCE
SYSTEMS
& only retain value-maximizing joint ventures

RE-PRIORITIZE the
HOLDING'S CORE
FROM DEVELOPMENT & INVESTMENT
INTO INVESTMENT AND DEVELOPMENT



HOW ALTURKI MANAGES SUSTAINABILITY

At Alturki, we define sustainability as:

“

“The daily creation of economic value, through responsible investment, while positively impacting our people and the environment in which we operate.”

”

We believe sustainable business practices that tackle local and global socio-economic challenges not only serve the community but also can increase returns. Furthermore, we believe that the moral case to invest in sustainable businesses is even stronger for family-owned corporations, as the practice inherently favors long-term impact.

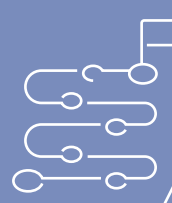


THE BUSINESS CASE FOR SUSTAINABILITY

The global conversation on sustainability is growing, and queries on the business case of sustainability often come into question. The answers are made of a combination of business drivers that apply to all industries and drivers that are specific to certain industries.

Considering Alturki's nature of business and subsidiaries, the sustainability drivers outlined below are critical:

Drivers	Strategic Implications
1. Compliance & Risk Management	Measuring, monitoring, and reporting sustainability performance helps Alturki Holding stay ahead of emerging Environment, Social, and Governance disclosure requisites and guards the company's reputation by demonstrating operational transparency and responsiveness to stakeholder needs.
2. Support National Plans & Contribute to Local Communities' Development	The national plans and priorities are designed to achieve responsible growth. The Saudi Vision 2030 and the country's ratification of international pacts, such as the Paris Agreement and the United Nations Sustainable Development Goals (UN SDGs) issue clear guidelines with which national companies can align. Through sustainable investing and sustainability management at Alturki Holding and its subsidiaries, the company will be able to link its performance to national sustainability commitments and duly quantify relevant measures and report on them in both a national and an international context.
3. Ability to Acquire High-Quality Companies	Through the authorization of a sustainable investing approach, Alturki Holding will be able to identify investment opportunities in sectors, companies, or projects with strong ESG performance.
4. Brand Value & Reputation	Alturki Holding and its subsidiaries' brand value and reputation will enhance through: <ul style="list-style-type: none"> - Demonstrating corporate commitments to responsibly managing environmental, social, and economic impacts - Adhering to ethical standards and national and international frameworks on corporate sustainability and sustainable development. - Improving stakeholders' perception of the company through transparency and reporting - Enhancing employees' perception of the company, helping to attract, retain, and motivate new and existing employees.
5. Sustainability as the Next Step in Management Excellence	Alturki Holding prides itself on being a leader in promoting sustainable investing and contributes to the national priorities and plans systematically. Attaining management excellence is most feasible as the company seeks to leverage sustainability-related policies, a sound framework, and the Roadmap to serve its stakeholders. Progression of the company's status will involve systematic accountability and engagement with stakeholders.



ALTURKI'S SUSTAINABILITY INTEGRATION ROADMAP

During 2018, Alturki delved into the formation of its first Sustainability Integration Roadmap (the Roadmap). This organization-wide plan included the following steps:

Aligning with national and international guidelines:

We analyzed goals and objectives included in the United Nations Development Goals (SDGs), the United Nations Global Compact (UNGC), the Global Reporting Initiative (GRI), and the Saudi Vision 2030 to assimilate our own KPIs within their key themes.

Aligning with Alturki's strategic plans and operational models:

We ensured that the development of the Roadmap is conducive to the advancement of current and future plans of the company.

Conducting a benchmarking analysis:

We analyzed the sustainability efforts of national and international peers in Alturki's industries to gain valid points of reference.

Conducting a rigorous stakeholder engagement and developing a materiality matrix:

This enabled us to identify topics that are integral to Alturki's management and its stakeholders.

Developing the Sustainability Integration Roadmap:

This included the development of our sustainability pillars, focus areas, KPIs, and measurable targets.

Conducting a gap analysis:

We identified gaps in operations to gauge the current state of monitoring and reporting on the selected sustainability KPIs.

Engaging with Alturki's subsidiaries:

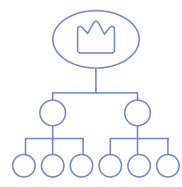
This final step secured the collective buy-in and stewardship across all departments and subsidiaries.



WHAT THE SUSTAINABILITY INTEGRATION ROADMAP ACHIEVES

The Sustainability Integration Roadmap enables Alturki Holding and its subsidiaries to achieve the following:





ALIGNMENT WITH SUSTAINABILITY GUIDELINES & BENCHMARKS

To ensure that the Roadmap is influenced by a spectrum of sustainability priorities to achieve the intended impact, we referred to the guidelines and benchmarks set out below. To view precisely which elements of each framework we align with and how, please refer to the GRI Standards Content Index at the end of this report.

First: The United Nations Sustainable Development Goals (UN SDGs):

The Sustainable Development Goals are the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including those related to poverty, inequality, climate, environmental degradation, prosperity and peace and justice. The Goals interconnect and to leave no one behind it is essential that we achieve each Goal and target by 2030 .



1. No Poverty



2. No Hunger



3. Good Health



4. Quality Education



5. Gender Equality



6. Clean water and sanitation



7. Renewable Energy



8. Good jobs and Economic growth



9. Innovation and infrastructure



10. Reduced inequalities



11. Sustainable cities and communities



12. Responsible Consumption



13. Climate Change



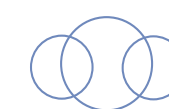
14. Life below water



15. Life on Land



16. Peace and Justice



17. Partnerships for the goals

Second: The United Nations Global Compact

The United Nations Global Compact (UNGC) aims to mobilize a global movement of sustainable companies and stakeholders to create a better world. To make this a reality, the UNGC supports companies to:

- 1. Do business responsibly by aligning their strategies and operations with Ten Principles on human rights, labor, environment and anti-corruption;
- 2. Take strategic actions to advance broader societal goals, such as the UN Sustainable Development Goals, with an emphasis on collaboration and innovation.



Fourth: The Saudi Vision 2030:

Vision 2030 is a bold, yet practical scheme that expresses Saudi’s long-term goals and expectations and is built upon the country’s originality. It directs aspirations towards a new phase of growth, to create a vibrant society in which all citizens can fulfill their ambitions and succeed in a thriving economy.

Third: The Global Reporting Initiative (GRI):

GRI helps businesses and governments worldwide understand and communicate their impact on critical sustainability issues such as climate change, human rights, governance and societal wellbeing, to execute benefit and gain for all. The GRI Sustainability Reporting Standards are developed with true multi-stakeholder contributions and rooted in public interest.



Fifth: Industry Benchmarks

As we acquire new subsidiaries and grow our portfolio, we refer to sustainability best practices within our specific industries to set standards and contribute to the viable development of these industries.



STAKEHOLDERS' ENGAGEMENT & MATERIALITY ANALYSIS

(102-21), (102-40), (102-42), (102-43), (102-44)

Our stakeholders have been critical to our success since the beginning. Their inputs and perspectives have enabled us to concentrate on areas that fueled our growth. We follow the definition of stakeholders as per GRI: individuals and entities that can be affected by the work and services that Alturki provides or those who influence our ability to achieve our objectives or complete our functions.

As our business expands, either by acquiring new subsidiaries, expanding to new markets, or offering new products and services, we update our list of stakeholders and identify new methods to engage them.

Below is a list of our current stakeholders, along with engagement methods and discussion topics. Since this report is written from the perspective of Alturki Holding, customers are considered to be stakeholders of subsidiaries and are listed here as part of the “subsidiaries” stakeholder group.

We usually engage our stakeholders through several means and remain attentive to their responses. In 2018, these were the engagement methods chosen:

Stakeholder Group	Engagement Method & Frequency	Topics of Discussion
Owners & Board of Directors	<ul style="list-style-type: none"> • Board Meetings: 3 times a year • Internal communication platforms, emails, calls, or in-person meetings: ongoing 	<ul style="list-style-type: none"> • Shareholder value growth • Business development • Governance, ethics and compliance • Risk management • Business continuity
Employees	<ul style="list-style-type: none"> • Internal communication platforms, emails, calls, or in-person meetings: ongoing • Employee Engagement Survey: annually or as needed • Team meetings: periodic • Performance appraisals: annually 	<ul style="list-style-type: none"> • Career path development • Training and development • Rewards and recognition • Work-life balance • Succession planning
Subsidiaries (including Management, Customers and Supply Chain)	<ul style="list-style-type: none"> • Meetings with subsidiary management teams: ongoing • Internal communication platforms, emails, calls, or in-person meetings: ongoing • Reporting on business development practices: ongoing • Supplier Code of Conduct: ongoing 	<ul style="list-style-type: none"> • Business development • Timely and quality project delivery • Revenue diversification • Growth and expansion • ESG considerations when onboarding and evaluating suppliers

Stakeholder Group	Engagement Method & Frequency	Topics of Discussion
Lenders	<ul style="list-style-type: none"> • Emails, calls, and in-person meetings: ongoing 	<ul style="list-style-type: none"> • Meeting contractual obligations • Payment terms and conditions
Local Communities	<ul style="list-style-type: none"> • Meetings with non-profit organizations and community groups: as needed • Community-needs assessment through engaging specific stakeholders: as needed 	<ul style="list-style-type: none"> • Quality Education • Vocational training • Youth empowerment • Sustainable jobs • Ending poverty
Government Entities	<ul style="list-style-type: none"> • Through government visions, policies, laws, and regulations: ongoing 	<ul style="list-style-type: none"> • Compliance with all governmental laws and regulations • Providing updates and communications in response to regulatory requests

To create the Sustainability Integration Roadmap and develop our Sustainability Report, we carried out a Materiality Assessment according to the guidelines of the GRI Standards. We worked with an external, neutral agency specialized in sustainability management to conduct the exercise. The assessment involved the stakeholders of the Holding and the eight subsidiaries included in the scope of this report.



PHASES OF THE MATERIALITY ASSESSMENT

(102-46), (102-47), (102-44)

First

Identifying Relevant Sustainability Topics

Alturki Holding identified the relevant sustainability topics that could potentially be significant to the Holding, subsidiaries, and stakeholders. We took the below steps to identify the topics:

1. Researching and benchmarking against our industries and peers
2. Country context as defined in national plans and visions
3. Sustainability guidelines and best practices
4. Previous engagements with Alturki's stakeholders

Second

Prioritizing Topics

- Internal stakeholder: A Risk-Based Approach: The assessment applied to internal stakeholders discerned the exposure to risk by assessing the gaps in Alturki Holding's management approach for each material topic. Therefore, if a topic was not included in the company's strategies, policies, and procedures, and if the company's performance in this regard was not being measured, benchmarked, and reported to top management, then this topic was classified as a high priority.

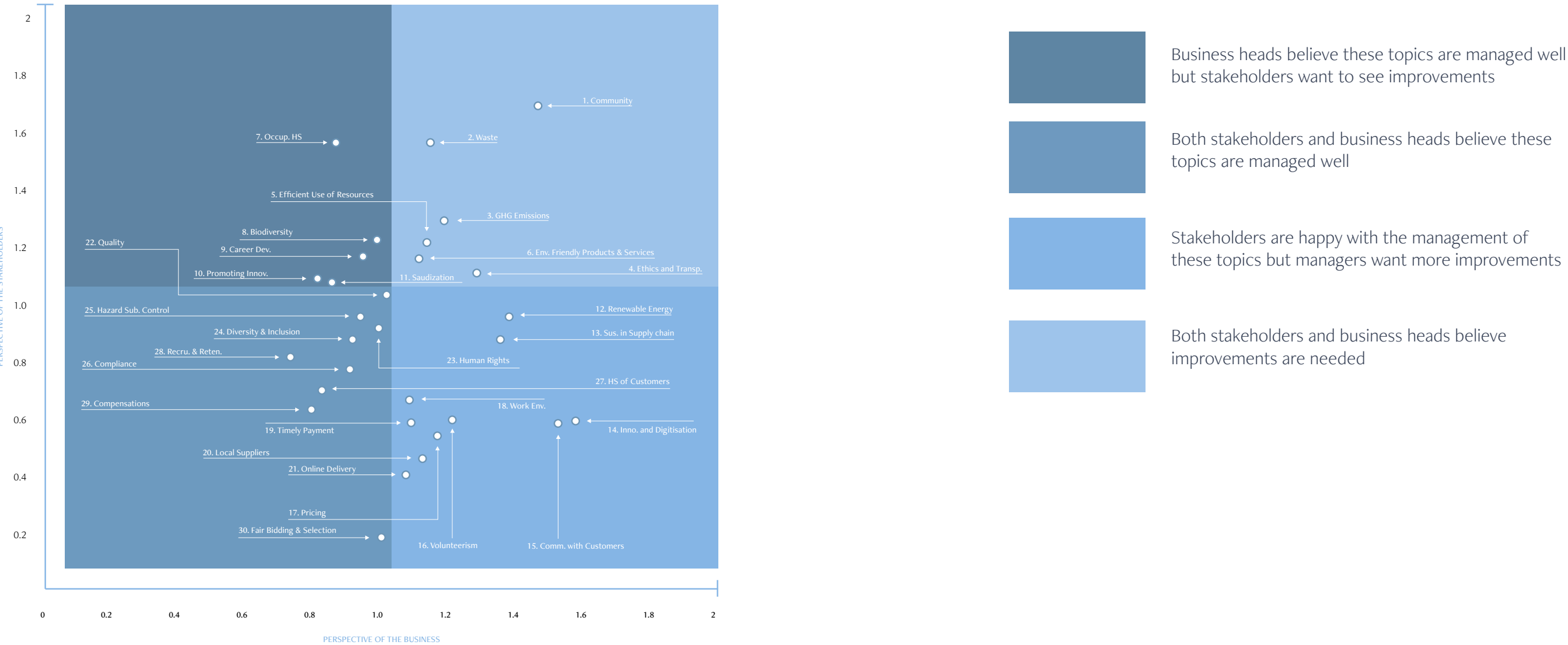
- External stakeholder: An Importance and Satisfaction-Based Approach: The assessment applied to external stakeholders allowed them to state the importance of the topics from their perspective while assessing the company's performance on each topic.

THE RESULTING 31 TOPICS WERE:

1	Profitable Growth	16	Business Ethics and Transparency
2	Sustainable Investment	17	Prioritizing Local Subcontractors and Suppliers
3	Waste Management and Recycling	18	Timely Payment
4	Product and Service Innovation, Smart Solutions and Digitization	19	Workplace Diversity and Inclusion
5	Ongoing Communication with Customers	20	Talent Recruitment and Retention
6	GHG Emissions and Air Quality	21	Biodiversity Preservation
7	Integrating Sustainability Criteria into the Selection, Evaluation, and Recognition of Sub-Contractors and Suppliers	22	Health and Safety of Customers
8	Renewable Energy	23	Human Rights
9	Efficient Use of Natural Resources	24	Occupational Health and Safety
10	Environmentally-Friendly Products and services	25	Product and Service Quality
11	Community Development	26	Career Planning and Development
12	Competitive Prices	27	Performance-Based Compensation
13	Operational Excellence	28	Hazardous Substances Control
14	Work-Life Balance and Friendly Work Environment	29	Compliance with Laws and Regulations
15	Employee Volunteerism	30	Fair Bidding and Selection of Suppliers
		31	Saudization

Third / Developing the Materiality Matrix

In the third step, we organized the topics into the Materiality Matrix below, which had four quadrants as follows:



Material Issue	Corresponding GRI Standards Material Topic	Impact Boundaries	Page Number
Profitable Growth	Economic Performance	Owners, Board of Directors, Subsidiaries	46
Sustainable Investment	Economic Performance	Owners, Board of Directors, Subsidiaries	46
Waste Management and Recycling	Effluents & Waste	All stakeholders	139
Product and Service Innovation, Smart Solutions, and Digitization	Organizational Profile (Products & Services)	Subsidiaries	95
Ongoing Communication with Customers	Organizational Profile (Products & Services)	Subsidiaries	97
GHG Emissions and Air Quality	Emissions	All stakeholders	133
Integrating Sustainability Criteria into the Selection, Evaluation, and Recognition of Sub-Contractors and Suppliers	Supplier Environmental Assessment, Child labor, Forced or Compulsory Labor, Human Rights Assessment, Supplier Social Assessment	Subsidiaries	125,127
Renewable Energy	Energy	All stakeholders	73,75
Efficient Use of Natural Resources	Material	All stakeholders	137

Material Issue	Corresponding GRI Standards Material Topic	Impact Boundaries	Page Number
Providing Environmentally-Friendly Products and Services	Energy, Water, Biodiversity, Material, Emissions	All stakeholders	141,143,145
Community Development	Local Communities	Local Communities	167-145
Competitive Prices	Organizational Profile (Products & Services)	Subsidiaries	75
Operational Excellence	Organizational Profile (Products & Services)	Subsidiaries	99-91
Work-Life Balance and Friendly Work Environment	Employment	Employees, Subsidiaries	123,125
Employee Volunteerism	Local Communities, Employment	Employees, Local Communities	167
Business Ethics and Transparency	General Disclosures	Owners, Board of Directors, Government Entities	81,83,85
Prioritizing Local Subcontractors and Suppliers	Supplier Social Assessment	Subsidiaries, Local Communities	125,127
Timely Payment	Organizational Profile (Products & Services)	Subsidiaries	73,75
Workplace Diversity and Inclusion	Employment	Employees, Subsidiaries	107,109
Talent Recruitment and Retention	Employment	Employees, Subsidiaries	121-115
Biodiversity Preservation	Biodiversity	All stakeholders	73,75
Health and Safety of Customers	Customer Health & Safety	Subsidiaries	73,75



OUR SUSTAINABILITY FRAMEWORK

(102-12), (102-15)

The next step was to create the Sustainability Framework along with strategic Pillars, Focus Areas and KPIs to provide a clear plan for implementation for both the Holding and the subsidiaries.

Alturki's Framework includes three Pillars (represented by the outer circle) and nine Focus Areas (represented by the inner circles):



Alturki Sustainability Framework

For each Focus Area identified in our Sustainability Framework, we have developed a description and a commitment.

Focus Area	A Sustainable Investment	B Corporate Governance & Management
Context	Companies are no longer evaluated based on their financial performance alone. The sustainability of a company is better assessed by looking at its economic, environmental, social, and governance potential, thus providing a holistic picture of the company's trajectory. By expanding the evaluation process of potential investments to include ESG criteria, Alturki will be able to make better investment decisions that create long-term shareholder value.	Corporate governance is essential for ensuring legal and regulatory compliance, shareholder protection, and sustainable value of the company and its investments towards stakeholders. It is crucial to integrate sustainability considerations at all levels of the governance structure at Alturki Holding and its subsidiaries so that decision-makers consistently prioritize sustainability.
Commitment	We are committed to creating sustainable value for all stakeholders. Our first step towards honoring this commitment is represented in developing the company's sustainable Roadmap per global best practices and Alturki's values.	We adopt strict corporate governance practices to improve our decision-making procedures towards creating sustainable value for stakeholders, improving compliance and risk management, and instilling a culture of accountability.

Focus Area	C Operational Excellence	D Customer Service	E Our People
Context	Operational excellence is imperative, regardless of industry and market conditions. It has financial and environmental benefits, such as maintaining assets in good condition thus saving maintenance costs, costs of interruptions and losing market share. Achieving environmental efficiencies and responsibilities leads to a reduction in consumption of natural resources (e.g. input material, energy and water) which, in turn, reduces waste generated from operations. A productive workforce and data transparency should support operational excellence practices.	Corporate focus on client service and satisfaction isn't the sole result but is becoming a necessary investment for companies to ensure they promote novelty and brand value. This is far more prevalent with the current digital trends. Some businesses identify the digital transformation as a threat, but others count it as an opportunity to progress. Investing in product and service changes, personalized customer experience, and product and service delivery collectively assure client satisfaction and loyalty.	Attracting the best talent is the first step towards investing in an efficient workforce. This must be supported by continuous training to empower employees and hone their skills. Also, providing a friendly work environment that safeguards employees' health and wellbeing contributes to maintaining talent.
Commitment	We promote a performance culture based on passion, excellence, respect, fun, openness, reliability, and meaning.	We maintain communication with our customers to address their priorities. We collaborate with them to foster innovation, high-quality standards, and timely delivery.	We invest in a responsible, professional, and competent workforce. We attract and develop talent, build an open and respectful work environment, promote employee wellbeing, and manage occupational health and safety risks.

Focus Area	F Supply Chain	G Our Environmental Impact
Context	In competitive and complex industries where demands for the delivery of high-quality products and projects are at competitive prices, a significant need for effective management of the supply chain has emerged.	Environmental responsibility is a moral responsibility, as natural resources are being overconsumed and threatened. The building material industry, a significant chunk of Alturki Holding's portfolio, is a large global consumer of resources and raw materials.
Commitment	We collaborate with our suppliers to achieve mutually beneficial sustainability and ethical standards.	We manage our environmental impact across the value chain and seek to achieve efficient use of natural resources, reduce emissions and waste, and promote higher environmental awareness.

Focus Area	H Financial Performance	I Community Impact
Context	Achieving economic value is an essential task for the private sector; however, creating responsible and sustainable economic value is what shareholders should seek. Sustainable financial value creation is increasingly being considered a growth opportunity, as laws, markets, and consumer behaviors are shifting to embrace responsible practices. To achieve this, companies should implement robust financial management systems, manage ESG risks, and promote ESG innovation at strategic and operational levels.	Alturki Holding's subsidiaries work in sectors that are vital to socio-economic development. These sectors play additional roles in providing the basis upon which other sectors can operate and expand through creating physical facilities required for the production and distribution of products and services. Additionally, Alturki Holding and its subsidiaries contribute to job creation and have the potential for generating employment in alternative sectors.
Commitment	We maintain a stable and profitable financial performance.	We inject economic value into the community via job creation and other direct and indirect programs. We are committed to societal development through social-impact programs, pro-bono work, donations and employee volunteering.



CORPORATE GOVERNANCE & MANAGEMENT

(102-16), (102-17), (102-18), (102-22), (102-23), (102-24), (102-25), (102-26), (102-28), (405-1)





OUR GOVERNING & OPERATING MODEL

The Board



The shareholders of the Holding elect the Board of Directors, overseen by the Founder of the Holding (the Chairman). The Board appoints the President of the Holding, who becomes a de officio member of the Alturki Board. Other members of the Alturki Board include executive and non-executive directors nominated by the Chairman, as per the Remuneration and Nominations Board Committee's recommendations.

On behalf of shareholders, the Alturki Board is responsible for supervising the management of the affairs of the Holding. The Alturki Board acts as the ultimate decision-making body of the Holding, except on those matters reserved to or shared with the shareholders of the Holding under the laws of Saudi Arabia. The current board includes five members, who are all industry experts that meet at least three times per year. New members can join as the Board sees appropriate.

The President of the Holding manages and develops the Holding's portfolio, based on high-level strategic objectives approved by the Alturki Board itself. To deliver on his/her portfolio management and development duties, the President is in charge of devising a Holding Operating Model – e.g., hiring people, setting incentives and culture, and developing formal structures and processes. The Holding Operating Model is reviewed periodically by the Board. The Holding is audited by the Internal Audit team, on behalf of the Chairman of the Alturki Board and the Audit Committee.

The Delegation of Authority (DOA) is the document that reflects and formalizes the fiduciary delegation of decision rights from the Shareholders (Alturki Board) to the Management of both the Holding and the Subsidiaries. The Chairman of the Alturki Board must approve any changes in the DOA. Internal Audit is in charge of monitoring the proper application of the DOA.

Board Members:

1 / **Khalid Alturki**
Chairman, Executive

3 / **Rasha Alturki**
Board Member, Non-Executive

5 / **Gianvito Lanzolla**
Board Member, Independent

2 / **Rami Alturki**
CEO & President, Executive

4 / **Martin Mellish**
Board Member, Non-Executive

The Board's Role in Evaluating Economic, Environmental & Social Risks

The Board members have an agenda of items to debate and determine during their periodic meetings. These topics include economic, environmental, and social risks to judge and act upon if needed. The Board then assigns each agenda item to the committees as required. The committees then proceed to take necessary actions and, subsequently, updates the Board on progress.



BOARD COMMITTEES

(102-33)

Alturki Holding has adopted an oversight structure that manages wholly-owned subsidiaries according to each level of performance and maturity, as illustrated in the following diagram:

Company Stage	Oversight
Early Stage	VP assigned by Holding
Intermediate Stage	Executive Committee
Mature Stage	Board of Directors

The Audit Committee

This committee assists the Board of Directors in fulfilling its responsibilities, in case of an oversight, regarding the Company's Financial Statements, compliance with legal and regulatory requirements, risk management framework, the performance of internal/independent audits, and to ensure the independent auditor's qualifications and objectivity.

The Remuneration & Nominations Committee

This committee has the responsibility to form reward policies at a subsidiary and a group-wide level. These policies are in line with the Alturki core values and adhere to current circumstances to encourage accountability amongst employees.

Subsidiary Governance Framework

Each Subsidiary is fully-owned by the Holding and headed by a Managing Director (MD) or a CEO for mature companies who are appointed by the President. Each subsidiary adheres to the following yearly processes, which are managed by the Holding:

- Strategy review
- Budget and plans
- Subsidiary performance appraisal
- Letter to the shareholders

The MD/CEO of the subsidiary is responsible for:

- Developing a strategy involving top-down targets and guidelines set by the Holding, within the boundaries of the Holding governance framework
- Managing day-to-day strategy execution within the limits of the DOA and the Holding governance framework
- Leading the organizational development of the subsidiary
- The Subsidiary's financial performance and meeting targets as set by the Holding ExCom

The Holding exerts its governance mandate on the Subsidiary through the Subsidiary ExCom. The Subsidiary ExCom is headed by the President, or by a Holding VP nominated by the President. Within the boundaries of the DOA, the Subsidiary ExCom – or Board for mature companies – is the ultimate decision-making body of the Subsidiary, except on those matters reserved to or shared with the shareholders of the Holding under the laws of Saudi Arabia. The **Head of the Subsidiary ExCom** is responsible for:

- Monitoring the MD/CEO strategy execution and alerting the Holding ExCom on any significant deviations from plans, targets, and budgets
- Complementing the MD and management of the subsidiary in the development of the subsidiary's strategy, in both the short and long-term
- Leading the subsidiary's long-term strategic development
- The subsidiary's financial performance and meeting targets as set by the Holding ExCom



ETHICS & COMPLIANCE

(102-16), (102-17), (103-1), (103-2), (103-3), (205-1), (205-2)

. ETHICS COMMITTEE

Our Ethics Committee consists of one director or more who are elected by the Board of Directors. Members of the Committee are appointed and may be removed from the Committee by the Board. The actions of this Committee are decided through a majority vote of the present members of the Committee, at which a quorum is present or by unanimous written consent. Moreover, the duties of this Committee include reviewing the company's Code of Conduct, Compliance, Treatment and Investigation of Complaints, and Misconduct, Evaluation, and Correction of any Conflict of Interest, while monitoring the effectiveness of such actions.

. ALTURKI'S CODE OF CONDUCT

The Code of Conduct (CoC) of Alturki Holding aims to provide standards for business conduct expected of relevant personnel with regards to work and information security ethics, a healthy and safe work environment, and the rules and regulations adopted.

The goal of the CoC is to promote ethics, honesty, and professionalism within the company and among its employees. Alturki Holding believes in being an integrated institution and that the actions of a single employee have corresponding ramifications on the institution and its reputation as a whole.

This Code of Conduct is a guide for all employees in their daily business transactions with customers, agents, vendors, and business partners. The CoC also provides a structure regarding ethical matters to create and maintain a culture of honesty, integrity, and professional competence. Breach of this Code is unacceptable and may result in disciplinary action, termination, litigation, or dissolution of all business relations with Alturki.



Our Code of Conduct includes facets that guide our employees all aspects of their work including:

First / Business Ethics:

All Alturki business operations and relationships should be based on the highest degree of business ethics, taking into account professional behavior and integrity. The following features are critical to observe routinely:



Second / Protection of Company Assets and Resources

All employees are expected to safeguard all types of digital company assets and resources, including:



Third / Know Your Customer (KYC)

Alturki uses KYC as a way to identify its clients and make sure that services are not used intentionally, nor unintentionally, in money laundering, terrorist financing, drug trafficking, or other illegal trades. Alturki’s employees should stay vigilant to any suspicious operations.

Fourth / Information Security

- Corporate Information: it is vital to control the flow of data and information within Alturki, and to protect information about the company. Deliberate misuse of Alturki’s information for personal gain or the benefit of any external party is prohibited and is a severe breach of the CoC.
- Employee Information: all employees who are working with personnel information shouldn’t disclose such information to any unauthorized individual or institution.
- Public Representation: all employees are prohibited from representing the company in public through social media channels without prior permission from the President or the Communications Department.

Fifth / Corporate Social Responsibility

Alturki is committed to behaving ethically and contributing to economic development while improving the quality of life of its employees, their families, and the community at large. Alturki’s Corporate Social Responsibility (CSR) focuses on creating, developing, and supporting powerful and compelling initiatives in the field of human development.

Sixth / Whistleblowing

Employees should report any possible or witnessed violations of the Code of Conduct, such as improper practices, illegal or unethical behavior, or conflict of interest in practices. Alturki is committed to protecting employees and assisting them to speak out so that concerns or issues can be escalated and dealt with effectively, thus serving the interests of Alturki, its employees, shareholders, and other stakeholders. The whistleblowing policy offers employees a secure and straightforward way to raise their concerns to the Ethics Committee.

Seventh / Grievances and Complaints

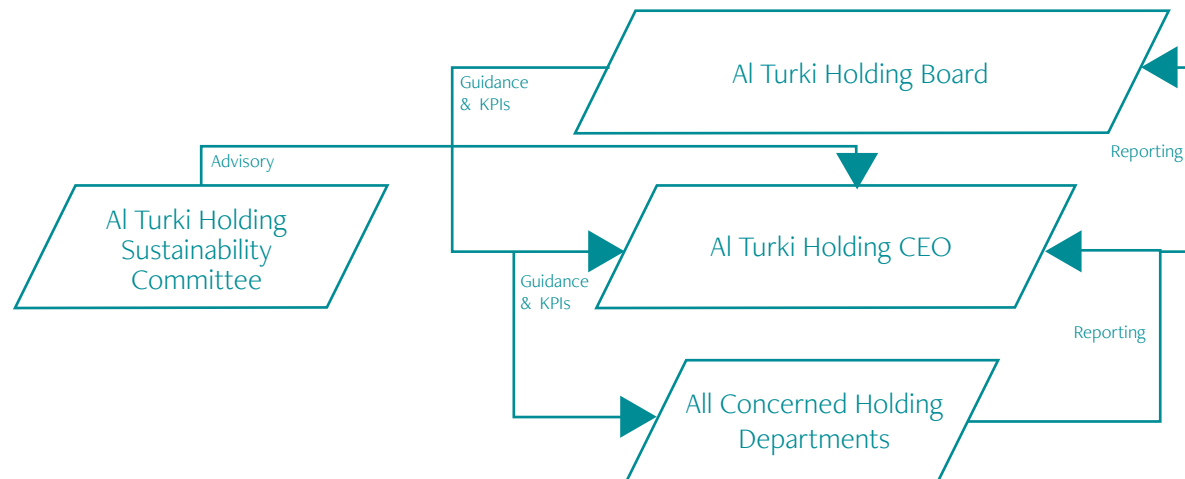
Employees should report any violation of the CoC. Questions or concerns about proper conduct may be addressed to Alturki Holding’s HR Manager or the Internal Audit Director.



SUSTAINABILITY GOVERNANCE

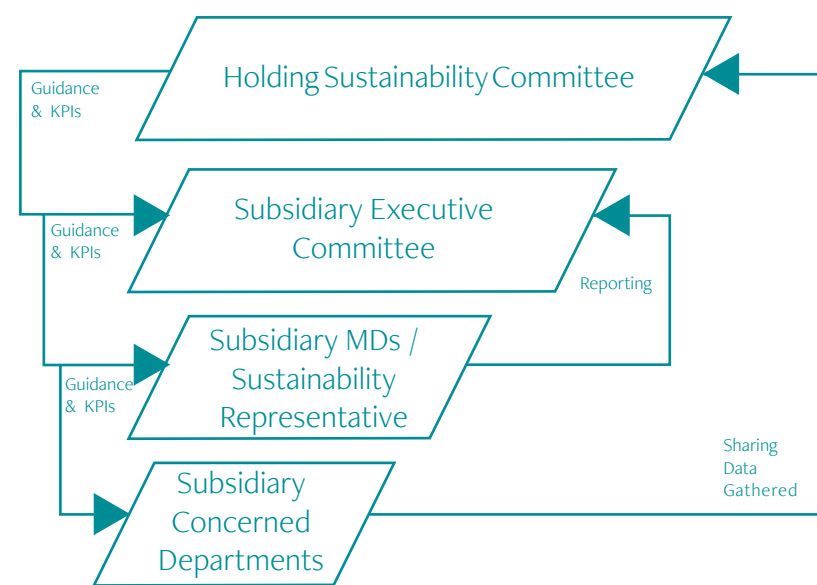
The development of the governance structure took into consideration the differing natures of Alturki Holding and its subsidiaries and resulted in creating two distinct structures. It governs the relationship between the Holding and subsidiaries and sets expectations for subsidiaries to take full ownership internally.

Alturki Holding Governance Structure



Alturki Holding Sustainability Department/Executive Committee	Alturki Holding Departments/ Committees	Alturki Holding Board
Regulates	Implements	Supervises & Approves
<p>The Holding Sustainability Department is responsible for the implementation of Alturki Holding's Sustainability Integration Roadmap. The Holding's Sustainability Manager is responsible for:</p> <ol style="list-style-type: none"> 1. Developing Alturki Holding's Sustainability Integration Roadmap 2. Guiding the Group's Investment Committee, Holding's managers, subsidiaries' Executive Committees, MDs, and Sustainability representatives to ensure proper implementation of the Roadmap 3. Developing Alturki Holding's annual sustainability report 4. Promoting Alturki Holding (internally and externally) as a sustainability pioneer 	<p>The departments/committees are responsible for the implementation of the sustainability action plan, in line with the Holding's Roadmap and targets. They are responsible for:</p> <ol style="list-style-type: none"> 1. The implementation of the action plans/strategic initiatives and targets in line with the Holding's Sustainability Integration Roadmap 2. Report monthly on the progress of the Roadmap's execution to the CEO 3. Provide all required data for the annual sustainability report 4. Promote sustainability among internal and external stakeholders, following the Holding's Sustainability Integration Roadmap 	<p>The Board is responsible for ensuring the alignment of the Holding departments' or committees' action plan, KPIs, and targets, with the Holding's Roadmap. The Board will:</p> <ol style="list-style-type: none"> 1. Review and approve the Holding's sustainability action plan and targets 2. Review the Holding's sustainability performance through the monthly progress reports 3. Ensure that the Holding reports on sustainability performance, and communicates these details to relevant internal and external stakeholders

Subsidiary Governance Structure



Effective implementation of the Roadmap without the full support from Alturki Holding’s Management Team and the Sustainability Representatives and Management teams of the subsidiaries would not be possible.

The entities involved in the Roadmap’s success are as follows:

Subsidiary’s Executive Committee	Subsidiary’s MD & Sustainability Representative
Supervises	Implements
<p>Executive Committees are responsible for ensuring the alignment of each subsidiary’s Sustainability Roadmap, action plan, KPIs, and targets, with the Holding’s Roadmap. Executive Committees will:</p> <ol style="list-style-type: none">1. Review and approve the Subsidiary’s sustainability action plan and targets2. Review the Subsidiary’s sustainability performance in the Committee’s quarterly meetings3. Ensure that the subsidiary reports on sustainability performance, and communicates these details to the Holding’s Sustainability Manager	<p>Subsidiary’s MDs and Sustainability Representatives are responsible for the implementation of the sustainability action plan, in line with the Holding’s Roadmap and targets. The MD provides all the necessary support to ensure that the</p> <p>Sustainability Representative has the authority to enact the action plan. Sustainability Representatives are responsible for:</p> <ol style="list-style-type: none">1. The implementation of the action plans/ strategic initiatives and targets in line with the Holding’s Sustainability Integration Roadmap2. Report monthly on the progress of the Roadmap’s execution to the MD and the Holding’s Sustainability Manager3. Annual sustainability reporting4. Promote sustainability among internal and external stakeholders, following the Holding’s Sustainability Integration Roadmap



OPERATIONAL EXCELLENCE

We strive for operational excellence in everything we do, and each subsidiary that joins Alturki Holding is held to the highest level of expectations to deliver on our commitments towards our customers and stakeholders. This mindset keeps us on track to perform commendably in different industries and economic conditions.



ORGANIZATIONAL READINESS TESTS

All emerging subsidiaries go through Organizational Readiness Tests that assess their performance against a set of rigorous qualitative and quantitative criteria. The Managing Director of each subsidiary is responsible for providing evidence to the Holding ExCom to ensure that the subsidiary contributes to the shown criteria:

Criteria	Description
Budgeting precision	Ability to forecast financial needs and expected performance with extreme precision
Strategy execution effectiveness	Ability to fully attain the targets set in the business plan
Subsidiary leadership	Proper succession planning for top management
Operational leadership	Proper succession planning for all heads of departments
Recruitment & Retention	Supervise and manage employee recruitment; focus on retainment initiatives in order to control turnover rates
Strategic vulnerability	Ability to diversify on all fronts, including revenue sources, customers, and suppliers, to minimize heavy reliance on a single source
Operational Vulnerability	Identifying current or potential critical vulnerability risks in sales, operations, production, services, human resources, and other departments
Brand Strength	The recognizability of the brand and its value
Certifications	Compliance with all mandatory certifications and seeking non-mandatory certifications to gain a competitive edge
Strategy process, budgeting, and financial reporting	Description of the allocation of all responsibilities, accountabilities, processes, and reporting
Corporate governance	Compliance with the governance model of Alturki Holding



INNOVATION & DIGITIZATION

Building an innovative culture is imperative for business growth as well as to our sustainability. Investing in innovation and digitization helps us become more efficient, gives us a competitive edge, and ensures we operate efficiently to serve our clients better. During this year, we have created the role of a Chief Digitization Officer at the Holding level, to plan and work with subsidiaries on rolling out their innovative products and services. Below is a list of some of the projects that our subsidiaries have been working on:

Masheed Automates its Processes



Masheed has invested in an Enterprise Resources Planning (ERP) system, which automates 85% of its processes. Its future plans include automating the remaining manual processes.

Sawafi Invests in The GunDRILL Reamer (GDR)

Sawafi invested in adding The GunDRILL Reamer (GDR) to its equipment, which utilizes a simple blade design that uses proprietary Tungsten Carbide Inserts (TCI). These inserts provide for greater reaming or stabilization, according to the drilling and formation conditions, while maintaining the gauge for extended durations. The GunDRILLTM Reamer uses the drilling Bottom Hole Assembly to improve hole shape, smoothness, and quality. The GunDRILLTM Reamer also reduces torque compared with the fixed-blade stabilizers.



Sawafi Presents Saudi Aramco with a New Technology to Aid Enhanced Oil Recovery (EOR)



In partnership with Chemical Tracer Inc (CTI), Sawafi presented a new technology to Saudi Aramco that helps in Enhanced Oil Recovery (EOR). CTI is a global oilfield service company focused on the prospects of oil production and enhanced oil recovery.

Samara Allocates Car Trips Efficiently using The Journey Management Plan

The Journey Management Plan allows for the automatic distribution of staff efficiently and fairly. Once a booking request comes in, the system checks available drivers, or drivers who are about to finish their current trip, and assigns the request accordingly. The system also ensures that no driver is assigned a maximum of two overtime hours per day. The system creates a smooth booking process both for the client and our operations team while ensuring the productivity of our drivers.



Inma Steel Moves to a State-of-the-Art New Facility



The new facility is equipped with the latest machinery according to best practices and standards. The facility enabled Inma Steel to improve energy efficiency by 10% and has improved productivity by around 15%, as it allowed staff to deliver materials and equipment to their client SABIC in a swift manner. Alongside these achievements, there was also a 10% reduction in health and safety incidents.



CUSTOMER SERVICE

Customer Service is a focal point in our Sustainability Framework. The subsidiaries of Alturki Holding put their customers at the heart of their work every day. We view the success of our customers as our responsibility and take measures to ensure that we deliver our products and services with quality, creativity, and punctuality.

A fruitful dialogue with customers is essential. Measuring customer satisfaction is indispensable to find out if we are meeting their expectations. We measure satisfaction in various ways, including customer satisfaction surveys and frequent customer feedback. Nonetheless, the subsidiaries ensure their adherence to the most rigid and stringent quality standards in design, procurement, fabrication, and inspection of a wide range of products and services that they offer.

As a result of developing Alturki Holding's Sustainability Integration Roadmap, a set of KPIs has been developed to be implemented by all subsidiaries:

KPI	Current Status	Going the Extra Mile
Customer Satisfaction	Currently, most subsidiaries measure customer satisfaction across the lifetime of a given project using qualitative and quantitative methods, including face-to-face interviews, phone calls, online surveys, and registers of customer complaints.	Subsidiaries are encouraged to implement the Net Promoter Score (NPS) as a global customer satisfaction tool that will allow them to benchmark results with global and national industry players.
Brand Value Index	Subsidiaries currently have an estimated valuation of their brand. Some subsidiaries hire external specialized agencies to conduct a more accurate measurement.	Subsidiaries will start using external agencies to value their brand index systematically
Customer-Driven Innovation	Subsidiaries collaborate with customers to create products and services based on their needs. Subsidiaries have systems in place that monitor customer complaints and categorize each based on their nature.	In the coming years, subsidiaries will start measuring the number of customer-driven innovation and quality ideas. This figure will be linked to annual growth targets to instill a culture of collaboration, creation, and innovation.
Customer Complaints	Each complaint is then addressed, whether it was related to quality, timeliness, communication, pricing, or any other aspect. All complaints then go through their designated channels to be addressed quickly and efficiently without jeopardizing the relationship with clients or affecting the quality of work.	Subsidiaries will further improve their current systems to measure the exact numbers of complaints received and use quantitative data to ensure that the number of complaints stays low.



BUSINESS CONTINUITY & RISK MANAGEMENT

(102-11), (102-30)

Alturki Holding views business continuity as a process that minimizes the amount of time and resources that are required to resume business after unforeseen issues arise and to maintain a sufficient business recovery capability aimed at:

- Delivering a proven capacity to manage business interruptions and to protect people, assets, data, brand, and reputation
- Improving responsiveness against business disruptions
- Providing a rehearsed method of response to an incident or crisis
- Avoiding failure of business activity

Once an incident is detected, our internal teams are equipped to handle the situation to make sure that the appropriate people are tending to critical functions. Alturki Holding and each of our subsidiaries have different policies and procedures for business continuity policies and procedures.

A key component of business continuity is how we ensure our people's safety and accessibility. We divide our process into three broad categories:

- Emergency Response
- Crisis Management
- Business Recovery

These three phases provide us and our subsidiaries with clarity in terms of planning and response actions required for any incident. Each subsidiary then develops its own set of policies and procedures tailored to its specific business operations and industry.



CREATING SOCIAL, ENVIRONMENTAL
& ECONOMIC VALUE

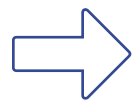




OUR PEOPLE

(103-1), (103-2), (103-3)

Our capable, committed, and productive employees are our most valuable asset. Creating a work environment in which our employees thrive and prosper is vital to our growth. We understand that ensuring the development and happiness of our employees is linked to creating a positive impact on all our stakeholders. Therefore, we consider it our obligation towards our employees and continuously work on the design, advancement, and implementation of best practices in HR.



EMPLOYEE ENGAGEMENT

(103-1), (103-2), (103-3)

A survey administered in Arabic, English, Hindi, Malayalam, and Urdu, sought to extract information on employee engagement and enablement for 2017 and 2018. The engagement rate was 51% in 2017 and rose to 74% in 2018. Results were compared with general, KSA, Middle East, and high-performing companies to allow for comprehensive conclusions.

Results Summary of the 2018 Engagement Survey:

ENGAGEMENT INDEX FOR AL TURKI HOLDING IS AT

Engagement Index in comparison to Kom Ferry Hay Group Norms;
Vs Trend (+3%)
Vs.KSA Country Norm (+1%), Middle East Regional Norm (+5%), General
Industry Norm (+6%) & High Performing Companies Norm (+1%)

74%

ENABLEMENT INDEX FOR ALL TURKI HOLDINGS IS AT

Engagement Index in comparison to Kom Ferry Hay Group Norms;
Vs Trend (-2%)
Vs.KSA Country Norm (+1%), Middle East Regional Norm (+9%), General
Industry Norm (+10%) & High Performing Companies Norm (+6%)

78%



DIVERSITY & INCLUSION

(103-1), (103-2), (103-3), (402-1)

We realize that diversity and inclusion are cornerstones of creativity for organizations. We welcome applicants from different backgrounds and adhere to national and international labor rights throughout the entire employment journey. We prohibit any incidents of discrimination based on race, ethnicity, nationality, gender, age, marital status, disability, religious beliefs – or any other characteristics protected by the law of the countries in which we operate or by international human rights.

Full-Time Employees – Broken Down by Gender (102-8), (405-1)

We are currently a male-dominated organization, with men accounting for 99% of our workforce. The reality we are dealing with is that female professionals in our countries of operation have yet to enter industries such as ours. This reality, however, is changing gradually with the Saudi Vision's clear mandate to employ and empower women across all sectors. We believe that both genders should have equal opportunities and access to career prospects across our subsidiaries. We aim to address the gender gap by creating recruitment practices that welcome more women into our workforce and achieve a gender-balanced workspace. We understand that this is not an overnight remedy and that we need to plan for it actively.

	2017		2018	
	Number	%	Number	%
Full-Time Employees	3,973		3,791	
Males	3,942	%99	3,748	%99
Females	31	%1	43	%1

Top Management - Broken Down by Gender (202-2)

We are currently a male-dominated organization, with men accounting for 99% of our workforce. The reality we are dealing with is that female professionals in our countries of operation have yet to enter industries such as ours. This reality, however, is changing gradually with the Saudi Vision's clear mandate to employ and empower women across all sectors. We believe that both genders should have equal opportunities and access to career prospects across our subsidiaries. We aim to address the gender gap by creating recruitment practices that welcome more women into our workforce and achieve a gender-balanced workspace. We understand that this is not an overnight remedy and that we need to plan for it actively.

	2017		2018	
	Number	%	Number	%
Top Management	66		75	
Males	65	%99	74	%99
Females	1	%1	1	%1

Newly-Hired Employees Annually – Broken Down by Gender (401-1)

We hired 766 employees in 2017 and 534 in 2018. The majority of these recruits were men, but we were able to achieve a slight increase of 1% in the percentage of women hired between 2017 and 2018. As it continues to remain a challenge to hold a gender-diverse workforce, we would like to acknowledge this minor increase, and we plan to build upon it in the years to come.

	2017		2018	
Gender	Number	%	Number	%
All Newly-Hired Employees	766		534	
Males	746	%97	513	%99
Females	20	%3	21	%1

Full-Time Employees – Broken Down by Age (405-1)

Alturki and its subsidiaries encourage applicants from all age groups. We are proud to state that the majority of our employees, 79%, fall within the youth categories of employees aged between 18 and 44. Youth unemployment is among the most critical issues that Saudi Arabia currently faces and we look to address this concern by offering talented youth with job opportunities.

	2017		2018	
Percentage	Number	%	Number	%
% of employees aged 24-18	199	%5	171	171
% of employees aged 34-25	1,657	%42	1393	%37
% of employees aged 44-35	1,546	%39	1,388	%37
% of employees aged 54-45	467	%12	694	%18
% of employees aged 55 and above	104	%2	145	%3

Full-Time Employees – Broken Down by Years of Service (405-1)

The majority of our employees, 77%, stay with us between 0 and 9 years.

	2017		2018	
Years	Number	%	Number	%
4 - 0 Years	1,617	%41	1,970	%52
9 - 5 Years	1127	%28	945	%25
14 - 10 Years	739	%19	587	%15
15+ Years	490	%12	289	%8

Full-Time Employees – Saudis and Expatriates (405-1)

As a Saudi company, we are committed to the professional development of Saudi nationals as per the objectives of the Saudi Vision 2030. Empowering Saudi talent contributes positively to the national economy and creates more job opportunities for future generations. In 2017, the percentage of Saudi employees was 18% and increased to reach 21% in 2018. We also hire expatriates from varied backgrounds, some of whom have spent several years adding to the Saudi economy and consider the nation their home. Conversely, some are recruited from abroad and join us with new experiences and enriching know-how. We welcome Saudis and expatriates alike to create a workforce that celebrates both local talent and diversity.

	2017		2018	
Nationality	Number	%	Number	%
Saudis	727	18%	782	21%
Expatriates	3,246	82%	3,009	79%



HEALTH, SAFETY & WELLBEING

(103-1), (103-2), (103-3), (403-2)

. OVERVIEW

Alturki is committed to the best standards in Health & Safety (H&S). We have developed Alturki H&S Guidelines to ensure that all policies and management systems are in place. Due to the different business activities of each subsidiary, the Alturki H&S Guidelines prescribe essential program requirements while giving each company the flexibility to develop its own H&S Management System. Although not a requirement, companies are encouraged to pursue the ISO Management System Certification in (Safety ISO18001) and Quality Management Systems (ISO 9001).

. H&S CORPORATE POLICIES

Alturki's H&S Program:

- Actively funds ongoing safety initiatives, training programs, and safety materials, with a philosophy of continuous improvement by adopting a program of inspections, auditing, and reporting.
- Requires the use of Personal Protective Equipment (PPE) to be worn by workers who are exposed to known hazards.
- Enforces and ensures all employees, as well as our contractors, are adequately trained and promote safe work practices.
- Participates in conducting safety inspections to detect, eliminate and minimize health hazards, unsafe working conditions, and environmental impacts on the air, soil or water.
- Actively investigates all incidents to determine root and underlying causes, and adopts corrective actions to prevent any recurrence.
- Runs an audit program that assesses and reviews existing programs to improve H&S Performance

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

. HEALTH & SAFETY TRAINING

The internal policies at the subsidiaries ensure that each risk category authorizes the appropriate onboarding and training in line with employee job requirements. All H&S training sessions are recorded, and employees' knowledge is verified to guarantee that it's always up to date. Furthermore, whenever subsidiaries receive new projects that require moving to new locations, facilities or working from supplier or customer locations, we ensure that any H&S requirements or training sessions are in place.





MONITORING KEY H&S METRICS

It is part of the Holding's policy agenda to record, investigate, undertake corrective actions, and maintain permanent records of all incidents, regardless of the severity. An incident is defined as having the potential to or has caused a near-miss, injury, illness, equipment/property damage, environmental impact, or reputational damage.

Health & Safety Performances - 2018

Subsidiaries	Total Worked Safe Hours	Number of Lost Time Injuries (LTIs)	Lost Time Injury Frequency Rate (LTIFR)	Number of lost Days from LTIs	Lost Time Injury Severity Rate (LTISR)	Number of Near Misses	Number of Permanent Disabilities	Number of Fatalities	Number of employees that received Health and Safety Training	Number of Toolbox Training Attendees
Arkaz	45,871	0	0	0	0	1	0	0	8	62
INMA Steel	1,056,402	0	0	0	0	2	0	0	185	1031
InmaTech	108,864	0	0	0	0	0	0	0	42	4
Masheed	244,920	0	0	1	0	0	0	0	118	0
Musanadah	47,152	0	0	0	0	0	0	0	40	237
Samara	1,749,372	0	0.0	0	0	0	0	0	100	547
Saudi Readymix	10,598,000	16	1.51	95	0.17	33	0	0	625	2801
Sawafi	14,960	0	0	0	0	0	0	0	0	6

. APPROPRIATE ACCOMMODATION FOR OUR LABOR WORKERS

Our subsidiaries employ a significant number of workers who require accommodation at working sites. All our accommodations are aligned with the guidelines of the Ministry of Labor and meet mandatory standards. Accommodations maintain high hygiene levels and are designed with comfortable living spaces that do not lead to overcrowded sleeping areas.

When running our own accommodation facilities, or outsourcing this operation to third parties, members of our subsidiaries conduct audit visits to ensure that the accommodations meet our criteria. In the case of breaches to the standards of hygiene, health, and safety, or any other issue, this is reported and addressed immediately.



TALENT MANAGEMENT (401-2), (404-3)

Attracting, developing, and retaining the right talent is a high priority at Alturki. We believe that a happy, empowered, trained, and forward-looking workforce is crucial to the sustainability of our organization.

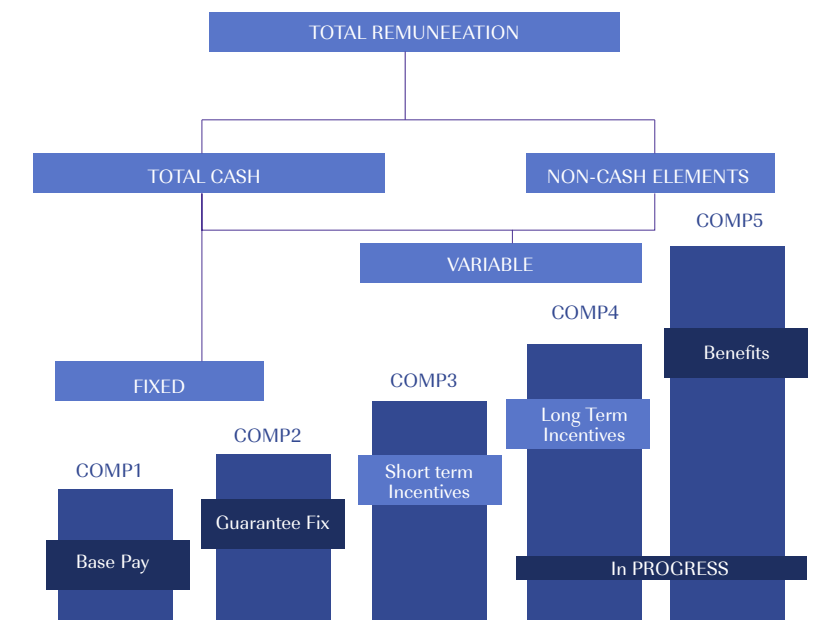
. DEVELOPMENT OF JOB-BASED CAREER PATHS

Our Human Resources team at the Holding level is currently working with all subsidiaries to develop enhanced career path plans for all types of jobs. These plans will enable employees to anticipate the trajectory of the careers they choose to join at Alturki.

SHORT-TERM INCENTIVE SCHEME (STI)

The STI Scheme has been designed to enhance a performance-centric culture through the provision of monetary rewards for achieving annual objectives. The guiding sentiments behind the program lie in investment, development, governance, and support to the Holding and subsidiaries. The rewards module for Alturki Holdings features the following remuneration elements:

CODE	DESCRIPTION
COMP1	Annual Base Salary (Annual Fixed pay for the year, compensation for the "job" paid monthly over 12 months)
COMP2	Annual Total Fixed Salary (TFS) (COMP1 or Annual Base Salary plus all guaranteed annial allowances such as Housing Allowance, Transprrta-tion Allowance & Special Allowance)
COMP3	Annual Total Crash Compensation (COMP2 plus short-term incentives)
COMP4	Annual Total Compensation (COMP3 plus value of long-term incentive programs)
COMP5	Annual Total Remuneration (COMP4 plus benefits such as: Education, Airfare Allowance, Medical Coverage etc.)





LEARNING & DEVELOPMENT

(103-1), (103-2), (103-3), (404-1), (404-2)

We invest in our employees' development through systematic learning programs both at the Holding and subsidiary levels. Our industries require technical knowledge that not only keeps us competitive but also guarantees the health and safety of our employees as they work on challenging construction sites and operate heavy machinery. Our initiatives aim to hone a variety of skill sets among our employees, including leadership and technical skills. Below is an overview of our learning and development programs.

Nesma Training Institute



Nesma is a vocational training institute that issues tailor-made curricula and interactive training plans. The institute boasts highly-equipped classrooms and workshops and requires all instructors to be certified by the Technical & Vocational Training Corporation (TVTC). The training programs have a duration of either six or nine months, depending on the specific industry. Nesma also has a mentoring program that is designed to increase the young Saudi talent's acumen by helping them connect and reach expected performance. Through their volunteering efforts, senior staff team up with young Saudi recruits to support their growth in the company through mentorship. We invest in 20 employees per year to attend training programs offered by NTI.

Saudi Petroleum Services Polytechnic



The Saudi Petroleum Services Polytechnic (SPSP) was established to meet the needs of the Petroleum Services Industry and to support Saudization.

With the support of numerous leading national and international petroleum service contractors as well as the Saudi Human Resources Development Fund (HRDF), SPSP has developed several industry-specific programs to provide well-trained Saudi labor who will be equipped to tackle basic technical jobs in the Petroleum Services Industry. Thus far, 200 of our Saudi employees have completed training programs offered by SPSP.

The Saudi Readymix Management Trainee Program



Saudi Readymix has a Management Trainee Program that aims to attract recent graduates, train them, and position those with immense potential to become future world-class leaders for the organization. This is done through a three-phase program to fast-track their careers at SRMCC to reach managerial positions, provided that they meet the jobs' competencies and standards.

- Phase 1: focuses on technical training and a few other interventions, which serve as the foundational phase.
- Phase 2: focuses on interventions to support a supervisory level.
- Phase 3: focuses on interventions to support growth for a managerial level.

The Trainee Program focuses mostly on technical skills, but Saudi Readymix plans to expand its scope to additional business focus areas included finance and operations.

Sandler Training for Sales Representatives

Our Sales Representatives receive training through Sandler, an independent training agency that specializes in selling systems, using the concept of "reinforcement training" for substantive change and lasting success. During 2018, around 100 employees participated in this training.



Client-Specific Training



Upon starting new projects with existing clients, or working with new clients, our employees often go through specific training practices required by that client, including:

- Orientations of the clients' project sites with a focus on technical learning in addition to health and safety considerations
- Specific training programs before granting employees worksite permits

Digital Learning through Coursera

All of our employees have open access to the online learning platform, Coursera, which provides hundreds of self-paced and peer-evaluated courses on a wide variety of subjects. We have purchased 500 licenses accessible to our employees at all times.



Supporting Higher Education



Alturki and its subsidiaries encourage employees who have attained a certain managerial level to pursue higher education. In 2017 and 2018, several of our employees received scholarships to continue their higher education and gain their Masters in Business Administration.

Average Annual Training Hours - Broken Down by Gender (1-404)

	2017		2018	
	Male	Female	Male	Female
Average Annual Training Hours	53	12	51	19

The number of training hours for female employees is significantly less due to several reasons:

- 1 The number of female employees is substantially less than male employees. Females represent only 2% of Alturki Holding's workforce.
2. Most of our female employees work in office-based jobs. Many training hours accounted for males are due to on-site health and safety and worker-permit training, which is not required for office-based jobs.

. TOTAL REWARD POLICY

Alturki Holding’s compensation and rewarding programs are designed to be:



PERFORMANCE DIRVEN

REWARDING PERFORMANCE by providing a favorable compensation structure for high-performing employees, as determined by the Alturki Holding Performance Policy



ALIGNED WITH BUSINESS GOALS

TO DRIVE BUSINESS SUCCESS, Alturki Holding uses compensation to reinforce goal alignment between individuals and business objectives



INDIVIDUALLY-DIFFERENTIATED

PROVIDING OPPORTUNITIES for above-market compensation and promotion based on demonstrated individual results and behaviors



COMPETITIVE WITH THE MARKET

PROVIDING COMPENSATION opportunities that are competitive with those of other companies with which we compete for talent acquisition



FAIR AND CONSISTENT

Alturki Holding’s COMPENSATION PROGRAM is designed in such a way that compensation opportunities for similar positions are internally consistent, equitable, and non-discriminatory across the subsidiaries



OPEN AND TRANSPARENT

OPENLY COMMUNICATING how pay programs work and how individual compensation is determined



GLOBALLY-ORIENTATED

Alturki Holding’s COMPENSATION PROGRAM is designed in such a way that compensation opportunities for similar positions are internally consistent, equitable, and non-discriminatory across the subsidiaries



COMPLIANT WITH LOCAL LAWS

Alturki Holding follows the Saudi Labor Law.

. SALARY MARKET SURVEY

We conduct a periodic salary market survey to set relevant salaries. The resulting data allow us to make informed decisions on compensation programs such as pricing jobs, analyzing pay trends, identifying pay practices, and establishing a salary structure.





EMPLOYEE WELLBEING

(103-1), (103-2), (103-3), (403-2)

. SUPPORTING EMPLOYEES DURING HARDSHIPS

To support the wellbeing of our employees, we identify circumstances where employees could have access to a Hardship/Personal Loan in the event of severe personal need or emergency relief. All full-time employees are eligible for the interest-free loan that equates to a maximum of three months' salary. Repayments are deducted from the employee's salary and loans must be repaid within ten months. Deductions should not exceed 30% of the employee's monthly net remuneration.

. PROMOTING WORK-LIFE BALANCE

LEAVE

A big part of promoting a work-life balance is to grant employees the leave that they are entitled to under the labor law. Employees are encouraged to use their vacation days, and arrangements are made among the team members to facilitate that. Alturki Holding and its subsidiaries grant employees the following types of leave:

- Annual Leave
- Sick Leave
- Family Bereavement Leave
- Hajj Leave
- National Holidays
- Religious Holidays
- Marriage Leave
- Parental Leave
- Unpaid leave

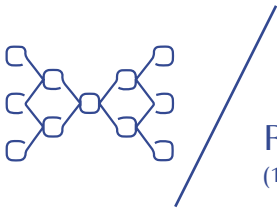


FLEXIBLE WORKING HOURS

We give our employees the flexibility of working either from 7:00 am to 4:00 pm or from 8:00 am to 5:00 pm, with a one-hour lunch break. Our employees also have the flexibility to work remotely when they need to attend to personal matters.

Parental Leave - Broken Down by Gender (3-401)

Year	2017		2018	
Gender	Male	Female	Male	Female
Employees Who Took Parental Leave	44	4	55	3
Employees Who Came Back to Work After Parental Leave	44	3	55	2
Retention Rate	100%	75%	100%	67%



RESPONSIBLE SUPPLY CHAINS
(102-9), (103-1), (103-2), (103-3), (412-1), (414-1)

Our supply chains have been established through the years thanks to long-standing relationships with our partners that we built based on trust and mutual benefit. Our regional and international partners work with us to deliver projects with the highest possible global standards.

All of our suppliers are expected to share the values stated in the Group’s Supplier Code of Conduct that constitutes an integral component of supplier selection and evaluation. Moreover, suppliers are also expected to replicate these principles further down supply chains. These codes and policies confirm the business integrity of the supplier, their adherence to fair competition, avoidance of any conflict of interest, and abidance to contractually-agreed Health and Safety measures to deliver goods and services that reliably meet Alturki’s specifications.

Nonetheless, Alturki expects that all suppliers have no cases of compulsory labor, slavery, or child labor. All employees working for our suppliers should be treated fairly, while their wages, benefits, and working hours must remain within the legal limits of the national labor law. Alturki holds the right to terminate its relationship with any supplier that breaches the above-mentioned contractual terms and conditions.

. SUPPLIER CODE OF CONDUCT

We expect all our suppliers to share the values stated in our Supplier Code of Conduct and to replicate these principles in their supply chain. The Supplier Code of Conduct details expectations related to business integrity, fair competition, privacy, intellectual property, fraud, conflict of interest, records management, and identification of concerns.

. ENGAGING OUR SUPPLIERS IN OUR SUSTAINABILITY JOURNEY

As a sustainable organization, we believe that our commitment does not stop at our Holding company and subsidiaries. We embody an inherent responsibility that extends to our suppliers and partners. Stemming from this belief, our Sustainability Integration Roadmap developed during 2018 includes critical KPIs that propel us to collaborate with our suppliers to engage them in our sustainability journey, thus creating a more profound and durable impact. These KPIs include:

KPI
% of suppliers and subcontractors evaluated based on sustainability criteria
% of procurement contracts that include shared sustainability targets and commitments
Number of suppliers and subcontractors rejected based on sustainability criteria
% of suppliers that went through sustainability awareness sessions and training across the supply chain
Number of SMEs created or supported through the supply chain
Total spending on sustainability incentives through the supply chain (SAR)

. CONTRIBUTING TO THE SAUDI ECONOMY BY RELYING ON LOCAL SUPPLIERS
(102-9), (204-1)

Both in our Holding company and subsidiaries, we work with suppliers across different industries to help us deliver projects, products, and services to our clients. We seek to work with Saudi suppliers whenever possible as we encourage the role they play in enriching the local economy and creating employment for Saudis.

We monitor the number of Saudi companies who, in their early years, saw a great deal of revenue contribution from Alturki and its subsidiaries. We aim for this number to consistently increase and take pride in supporting local entrepreneurs and SMEs.

Our clients echo his sentiment, namely Saudi Aramco, which has formed The in-Kingdom Total Value Add (IKTVA) Program. IKTVA aims to drive new domestic value creation to support a rapidly changing economic environment and foster future prosperity. Through this program, Aramco plans to capture value that produces long-term tangible benefits through quality jobs for a growing Saudi population, innovation, and diversification of industry and increased global competitiveness.

As well as driving domestic value creation, IKTVA prioritizes consistency, and transparency to create a level playing field for more than 1,000 suppliers.

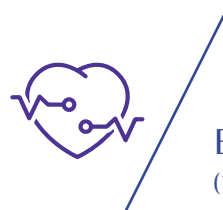
For more information on IKTVA, please refer to this link: www.iktva.sa.



. NUSANED BY SABIC

One of our major clients, the Saudi Arabian Basic Industries Corporation (SABIC), has founded an initiative called Nusaned. This initiative addresses some of the critical issues faced by local investors from idea generation to execution. The key resources and solutions that the program provides to support local investors include mentorship, education, capital, and funding. Nusaned is open to entrepreneurs, SMEs, local firms looking to expand, and international companies looking to set up or expand operations in KSA.

For more Information on Nusaned, please refer to this link: <http://lc.sabic.com/en/nusaned>.



ENVIRONMENTAL RESPONSIBILITY

(103-1), (103-2), (103-3)

Alturki Holding aligns with Saudi Arabia's commitment to the Paris Agreement under the United Nations Framework Convention on Climate Change, which the country signed on November 3rd, 2016. In addition, and coinciding with the United Nations Sustainable Development Goals, the United Nations Global Compact, the Global Reporting Initiative, and the Saudi Vision 2030, we fully understand that we cannot claim to be a sustainable organization without demonstrating our responsibility towards the environment.

The building and construction material industry makes up the majority of our portfolio and generates a significant environmental footprint if not managed consciously. Therefore, our subsidiaries have policies, regulations, systems, and procedures to monitor and manage their environmental impact. Their focus differs depending on the environmental area in which they have the most significant risk or impact, be it water, emissions, input materials, or waste.

. ASSESSING FUTURE INVESTMENTS BASED ON ENVIRONMENTAL RISK

(307-1)

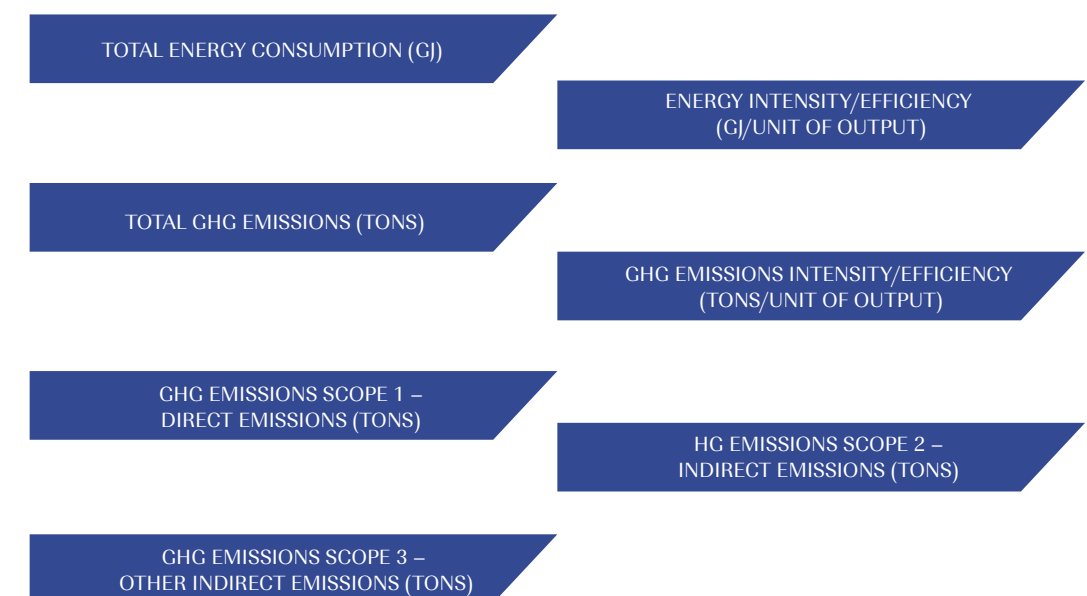
As of 2019, and as a component of our Sustainability Integration Roadmap, we will start assessing the investment decisions of Alturki Holding based on environmental, social, and governance performance. The Investment Opportunity ESG Risk Assessment Guideline includes metrics that will guide the decision-making process and ensure that all investment decisions go through the screening process. This process will help us augment our portfolio while exercising environmental stewardship practices.

As we begin our sustainability reporting journey, we invited specific subsidiaries to report on their environmental performance in this report. Other subsidiaries will be added to the scope of environmental reporting starting next year as data becomes available.

. ENERGY CONSUMPTION

(302-1), (302-3), (302-4)

Relevant KPIs to be Monitored by Subsidiaries as Part of the 2019 Sustainability Integration Roadmap:



. FUEL CONSUMPTION

Alturki Holding and its subsidiaries consume both petrol and diesel for on-road vehicles and off-road machinery. We monitor our usage and frequently introduce new technologies, processes, and regulations to control and minimize our consumption. Among the subsidiaries included in the scope of this report, Samara, a transport company, stands out as the biggest consumer of petrol. Samara’s Journey Management Plan system allocates trips and drivers efficiently and this has had a substantial and positive influence on controlling fuel consumption.

Petrol Consumption (Liters)				
	2017		2018	
	Used for On-Road Vehicles Owned or Leased by the Company	Used for Off-Road Machinery Owned or Leased by the Company	Used for On-Road Vehicles Owned or Leased by the Company	Used for Off-Road Machinery Owned or Leased by the Company
Alturki Holding	20,848	-	22,000	-
Arkaz	24,644	-	52,180	-
INMA Steel	-	1,547	-	2,297
Musanadah	90,000	-	100,800	-
Samara	7,488,419	-	5,168,387	-
Sawafi	6,240	-	6,240	-
Total	7,630,151	1,547	5,349,607	2,297

- Fields marked with a (-) represent data that is either not applicable or not available by subsidiaries
- The table excludes InmaTech, Masheed, and Saudi Readymix

Diesel Consumption (Liters)				
	2017		2018	
	Used for On-Road Vehicles Owned or Leased by the Company	Used for Off-Road Machinery Owned or Leased by the Company	Used for On-Road Vehicles Owned or Leased by the Company	Used for Off-Road Machinery Owned or Leased by the Company
Arkaz	57,258	82	52,489	100
INMA Steel	135,529	203,293	145,612	218,419
Musanadah	-	82	4,500	100
Saudi Readymix	32,236,187	15,953,662	30,275,438	15,333,187
Sawafi	-	1,000	-	1,000
Total	32,428,974	16,158,119	30,478,039	15,552,806

- Fields marked with a (-) represent data that is either not applicable or not available by subsidiaries
- The table excludes Alturki Holding, InmaTech, Masheed, and Samara

. ELECTRICITY CONSUMPTION

We purchase electricity from the Saudi Electricity Company. The breakdown in the table below shows the electricity consumption of the Holding company and the seven subsidiaries included in the scope of the report.

	Electricity Consumption (kWh)	
	2017	2018
Alturki Holding	128,174	133,801
Arkaz	247,760	304,640
INMA Steel	2,094,000	903,000
Masheed	846,416	751,678
Musanadah	487,256	964,622
Samara	1,155,578	1,825,861
Saudi Readymix	22,011,173	14,687,319
Sawafi	44,444	61,595
Total	27,014,801	19,632,516

- The table excludes InmaTech

. CO2E EMISSIONS

(103-1), (103-2), (103-3), (305-1), (305-2), (305-3), (305-4)

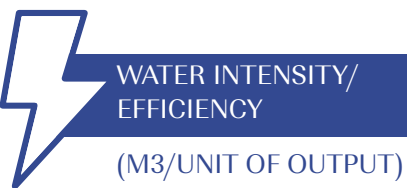
CO2e Emissions (Tons)			
Emission Scope	Companies Included	2017	2018
Scope 1 (Direct Emissions - Vehicles & Machines Owned or Leased by Alturki Group)	- Alturki Holding - Arkaz - INMA Steel - Musanadah - Samara - Saudi Readymix - Sawafi	164,441	151,202
Scope 2 (Indirect Emissions - Electricity Consumption)	- Alturki Holding - Arkaz - INMA Steel - Masheed - Musanadah - Samara - Saudi Readymix - Sawafi	23,754	17,263
Scope 3 (Indirect Emissions – Air Travel)	- Alturki Holding - Arkaz - INMA Steel - Masheed - Musanadah - Samara - Saudi Readymix	297	381
Total Emissions		188,492	168,846

- The GHG emissions reporting is in line with the GHG Protocol developed by the World Business Council for Sustainable Development, and additional guidance issued by the UK Government.
- The GHG emissions for Scope 1 have been calculated using carbon conversion factors published by the 2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories.
- The CO2 emissions (CO2e) for Scope 2 are in accordance with the ‘location-based’ method, which uses grid average emissions factors. There are no energy certificates nor supplier-specific information available in KSA; therefore, the ‘market-based’ method is not applicable here. Conversion factors relevant to KSA for Scope 2 have been obtained from the electricity/heat emission factors published by the International Energy Agency (IEA) - (2018-edition).
- The CO2e emissions for Scope 3 have been calculated using carbon conversion factors published by the International Civil Aviation Organization (ICAO).
- The considerable reduction of Scope 1 and 2 of CO2e was due to the overall decrease in the production of Saudi Readymix.

. WATER CONSUMPTION
(103-1), (103-2), (103-3)

Saudi Arabia faces dangerous levels of water scarcity and stress. A 2018 report published by UN-Water titled “Progress on Level of Water Stress” depicts a detailed analysis postulating that “32 countries are experiencing water stress of between 25 and 70 percent; 22 countries are above 70 percent and are considered to be seriously stressed; in 15 countries, this figure rises to above 100 percent, and of these, four have water stress above 1,000 percent. The four countries are Kuwait, Libya, Saudi Arabia, and the United Arab Emirates, where the demand for water is largely being met by desalination.”.

These alarming percentages make our responsibility for conscious water consumption even greater. We buy utility water from the Saudi National Water Company. Some of our subsidiaries consume a higher quantity of water for their operations. Saudi Readymix, for example, uses large amounts of water for its concrete mixes, to clean its machinery and vehicles, and to supply its employees’ accommodations with utility water. INMMA Steel uses utility water for its steel production processes. As for drinking water, we purchase bottled water from local suppliers and use water dispensers.



Water Consumption - 2018			
Utility Water (m3)	Arkaz	10,425	9,698
	INMA Steel	484	2,803
	Masheed	2,597	4,008
	Samara	9,982	10,278
	Saudi Readymix	1,602,852	1,449,792
	TOTAL	1,626,340	1,476,579
Drinking Water (Liters)	Alturki Holding	16,728	16,728
	Arkaz	11,520	11,520
	INMA Steel	260,000	288,000
	Masheed	20,664	18,597
	Musanadah	12,160	15,200
	Samara	15,456	18,597
	Sawafi	6,000	6,000
	TOTAL	342,528	374,642

- Utility water consumption excludes Alturki Holding and InmaTech
- Drinking water consumption excludes Saudi Readymix

. INPUT MATERIAL CONSUMPTION

Our subsidiaries monitor their consumption of input materials and use only what is necessary to avoid additional costs and waste. The table below shows the top input material used per subsidiary. The consumption levels fluctuate depending on project needs, but also on the introduction of monitoring processes and systems that help to calculate accurately what is required.

Relevant KPIs to be Monitored by Subsidiaries as Part of the 2019 Sustainability Integration Roadmap:

- Volume of input material used – broken down by type (tons)

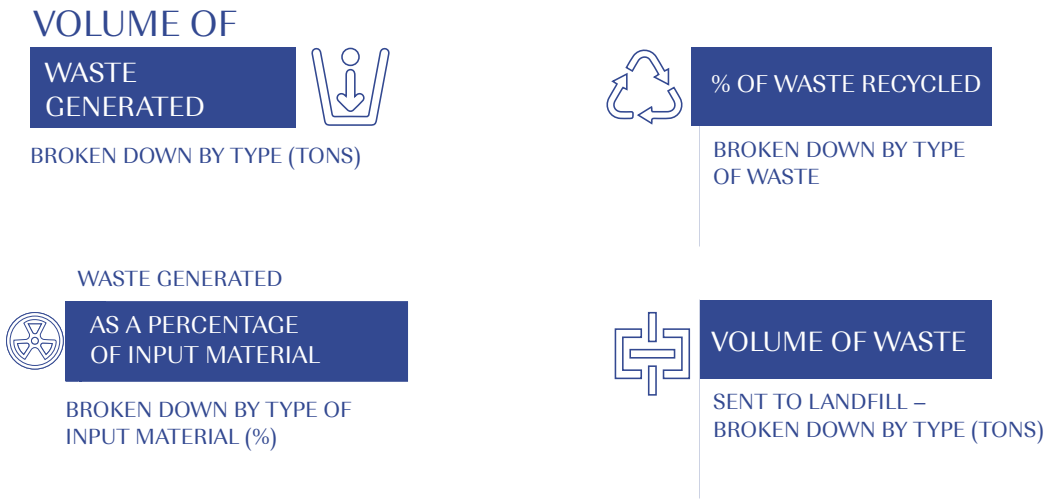
Material Consumption (Metric Tons)		2017	2018
Arkaz	SNF	2,910	2,038
	Poly Carboxylate	2,100	1,535
	Sodium Lignin	841	675
INMA Steel	Steel Plate	200	300
Saudi Readymix	Cement	2,014,000	1,710,000
	Aggregate	6,360,000	5,400,000
	Sand	4,134,000	3,510,000

- The table excludes Alturki Holding, Masheed, Musanadah, Samara, and Sawafi.

. WASTE MANAGEMENT
(103-1), (103-2), (103-3), (306-2)

Our subsidiaries monitor their waste materials and volumes to keep track of their efficiency and production. The table below shows the waste disposed of by each subsidiary, most of which is handled by specialized agencies. General waste, however, is disposed of in mixed landfills.

Relevant KPIs to be Monitored by Subsidiaries as Part of the 2019 Sustainability Integration Roadmap:



. HIGHLIGHTING THE ENVIRONMENTAL EFFORTS OF SAUDI READYMIX (103-1), (103-2), (103-3)

Khobar Green Factory by Readymix Concrete Company

Saudi Readymix has launched Khobar's Green Factory that is a highly technological and environmentally-friendly concrete factory. The company has conducted numerous scientific tests that follow the Health and Environmental Protection Standards to determine that the factory adheres to global standards and ensure environmental integrity. These tests included emission testing, active noise control, and waste water treatment, using equipment accredited by the General Authority of Meteorology and Environmental Protection (GAMEP) in Saudi Arabia, while also following the US Environmental Protection Agency (USEPA) standards. The company has designed an absorption system to reduce dust emissions and other particulates while mixing the concrete and filling raw materials into factory storage silos. The testing proved the level of emitted dust and extraneous matter was within the limit allowed by the Saudi Presidency of Meteorology and Environment (PME). The system also restores the emitted cement dust to secondary storage silos that become recyclable raw materials.

In addition, the company has installed a noise-canceling roof to provide a comfortable working environment and to reduce sound pollution. The testing on this proved the level of noise was within limits allowed by the Occupational Safety and Health Administration (OSHA) standards. Likewise, the tests also revealed that emission quantities in indoor air fall within boundaries permitted by the PME.

The industrial Wastewater Treatment System also falls within limits allowed by the PME. Moreover, the Refractory Concrete Treatment System recycles raw materials that are converted to gravel used in mixing. Saudi Readymix takes pride in administering state-of-the-art technology to provide a healthy and safe environment in a way that guarantees the sustainability of natural resources and capital for future generations.



Green Concrete

Saudi Readymix is the biggest company in Alturki Holding’s portfolio, with around 30 factories and facilities spread across the Kingdom of Saudi Arabia. This scale is also prevalent in the environmental impact of the subsidiary. As shown earlier, Saudi Readymix accounts for the vast majority (over 90%) of fuel, electricity, and water consumption of the Group. It is also responsible for the majority of air travel, material consumption, and volumes of waste disposed. Furthermore, the cement industry is one of the highest emitting sectors in the world, contributing to about 7% of global anthropogenic CO2 emissions, making the cement industry prime for CO2 emission mitigation strategies.

Saudi Readymix has allocated many resources to address these challenges and has innovated in various ways to enhance its concrete mixes’ quality, as well as ensure a lower environmental impact. The company is committed to the transparency of its supply chain, and even though it does not manufacture cement, it still accounts for it in its emissions and ensures development and enhancement in its production of concrete from purchased cementitious materials.

The main component of cement is calcium carbonate. During cement production, calcium carbonate is converted into calcium oxides. It is estimated that one ton of Ordinary Portland Cement (OPC) emits around 0.9 tons of CO2. Total cement usage can be reduced by supplementary cementitious materials like Natural Pozzolan, Fly Ash, Silica Fume, and Ground Granulated Blast-Furnace Slag (GGBS), which are waste byproducts that would otherwise be discarded. It is proven that the strength and workability of the commodity have increased significantly by combining smaller quantities of cement with supplementary materials. Saudi Readymix has developed and manufactured a large number of mix designs that reduce the CO2 impact by significant percentages.

The table below shows the usage of Supplementary Cementitious Materials (SCMs) in the last four years. Overall the company’s concrete has gone from being 96% OPC (Ordinary Portland Cement), produced in a rotary kiln, where each ton emits around 0.9 tons of CO2 to having only 89% OPC. By doing this, Saudi Readymix has saved more than 400,000 tons of CO2 during the last four years.

	Unit	2015	2016	2017	2018
Cement (OPC)	Tons	2,247,200	2,005,623	1,641,836	1,413,309
GGBS		40,250	32,652	61,387	69,248
Fly Ash		6,926	10,099	41,474	66,759
Moderate Sulphate (MS)		40,485	38,152	24,648	26,991
Sum		2,334,861	2,086,526	1,769,345	1,576,307
Production	Cubic metre	5,930,907	5,325,270	4,403,279	3,863,304
Percentage of Cementitious Cement (OPC)		96.2%	96.1%	92.8%	89.7%
GGBS		1.7%	1.6%	3.5%	4.4%
Fly Ash		0.3%	0.5%	2.3%	4.2%
MS		1-7%	1.8%	1.4%	1.7%
CO2 Saved	Tons	78,985	72,813	114,758	146,698

Cramer, N.J., 2019. Mitigating Carbon Dioxide Emissions in the Cement Industry Through Carbon Capture and Storage.



As shown in the table below, Saudi Readymix was able to gradually and consistently reduce CO2 emissions per ton of concrete production and aims to maintain this slight decrease through carbon-neutral supplements.

	Unit	2015	2016	2017	2018
CO2 emissions per ton of concrete	Tons	0.813	0.807	0.790	0.783

. THE COMMUNITY IMPACT LEGACY OF SHEIKH KHALID ALTURKI

Our commitment to local communities is in part due to the legacy created by our Founder, Sheikh Khalid Alturki. Sheikh Khalid is a member of several Boards of Trustees and Boards of Directors of numerous Arab and International educational institutions. Hailed as a prominent successful businessman, his true passion for illuminating the importance of education and human development was evident throughout his life. He delivered many lectures and participated in several Arab international conferences and forums, advocating the significance of educational value and active citizenship. His beliefs and vision were translated through the launch of numerous initiatives that inspire individuals to reach their full potential, including the establishment of the Dhahran Ahliyyah Schools over which he presides.

As Sheikh Khalid grew Alturki across the years, he ensured that our commitment to local communities grows in unison. As a true champion of private-sector responsibility, he embedded empowering community causes as part of Alturki’s core mode of operation. Among the several topics, community needs, and focus areas Alturki led, Quality Education was always fundamental.

As an active corporate unit, we work hand in hand with members, partners, and organizations in our local community to identify needs and create relevant programs that have long-term resilience. We continue to identify ways in which we can grow our impact in existing focus areas and incorporate new areas as needed.

. DEVELOPMENT OF ALTURKI’S COMMUNITY IMPACT FRAMEWORK























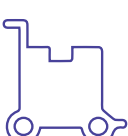

During 2018, we took the initiative of developing our Community Impact Framework to guide our future community investment programs. We followed a rigorous process, including benchmarking, materiality assessment, stakeholder engagement, and the development of focus areas.

MATERIALITY ASSESSMENT

FIRST: To identify potential impact areas, we analyzed three sources:



The revision of the above three resources generated 24 impact topics that we considered as follows:

- | | | | | |
|--|--|--|---|--|
| 
1. Quality Education | 
2. Vocational Training | 
3. Empowering youth | 
4. Sustainable Jobs | 
5. End Poverty |
| 
6. SMEs | 
7. SDG Partners | 
8. Empower PWDs | 
9. Health and Wellbeing | 
10. Clean Energy |
| 
11. Natural Resources Management | 
12. Minimise Climate Change | 
13. Empower Women | 
14. Responsible Consumption/Production | 
15. PPPs |
| 
16. National Culture/ Entertainment | 
17. Support Tourism | 
18. Sports Sector | 
19. Preserve Ecosystems | 
20. Conserve Marine Resources |
| 
21. Reduced Inequalities | 
22. Empower Children | 
23. Support Local Suppliers | 
24. Gender Equality | |

SECOND: Benchmarking

We analyzed the community investment focus areas of 32 local and international companies that have similarities to our industries. The benchmarking enabled us to better gauge which social impact topics needed further investment and which topics were perhaps under or over-served.

THIRD: Stakeholders Engagement

We then engaged with stakeholders through surveys to understand which focus areas are of interest.



FOURTH: Development of the Community Impact Materiality Matrix

The result of the Materiality Matrix highlighted the top five topics as:

- 1. Quality Education
- 2. Health and Wellbeing
- 3. Vocational Training
- 4. Youth Empowerment
- 5. Sustainable Jobs

FIFTH: Identifying a Focus Area for our Community Impact Framework

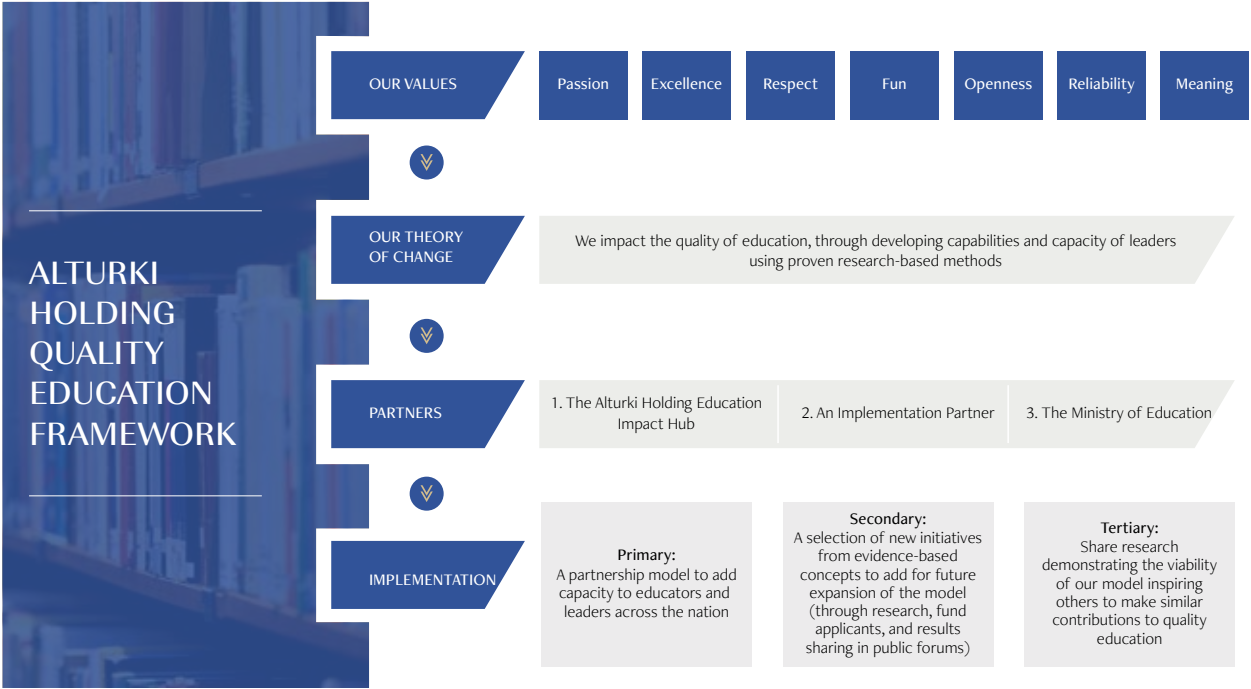
The topic of Quality Education received the highest rating from the stakeholders’ engagement exercise. We have therefore shaped our Community Impact Framework with Quality Education at its core.

SIXTH: Analysis of Country and Regional Context:

We then examined our country and regional context to understand better the current status of educational priorities, which would permit us to identify niche areas. The below references were used:

- 1. The Transformation of Education as part of the Saudi Vision 2030
- 2. The Saudi Ministry of Education
- 3. Regional and country research on education in MENA and in Saudi Arabia that is publicly available

SEVENTH: Development of Alturki Holding’s Quality Education Framework



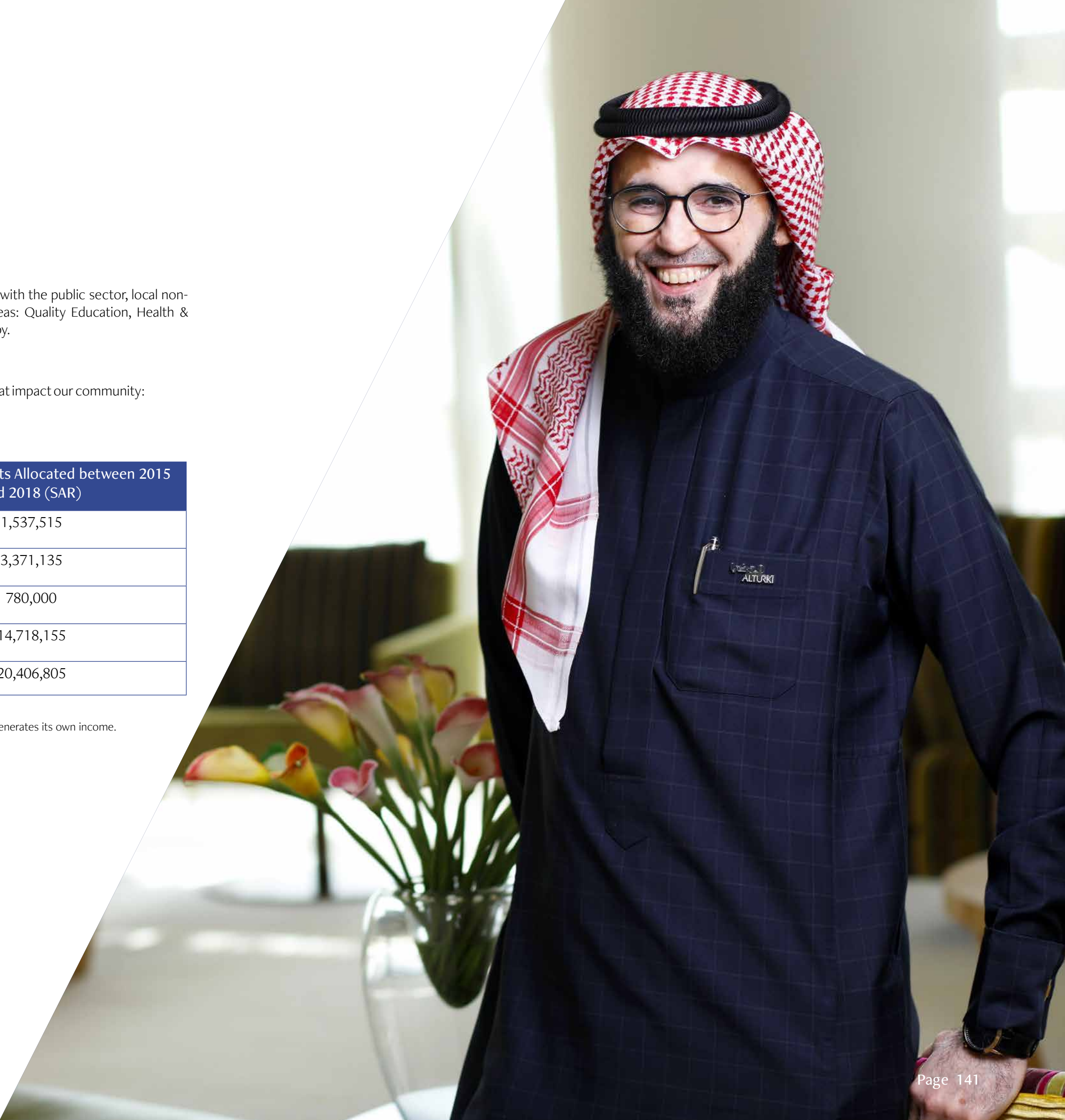
. AREAS OF ALTURKI’S COMMUNITY IMPACT

Alturki has a long history of creating enduring impact through partnerships with the public sector, local non-profit organizations, and social entrepreneurs. Our impact spans four areas: Quality Education, Health & Wellbeing, Women Empowerment, and Community Support & Philanthropy.

Since 2015, we have contributed over SAR 20.4 million towards seven areas that impact our community:

Community Impact Areas	Financial Amounts Allocated between 2015 and 2018 (SAR)
Quality Education	1,537,515
Health & Wellbeing	3,371,135
Women Empowerment	780,000
Community Support & Philanthropy	14,718,155
Total	20,406,805

*Excludes support for Dhahran Ahliyya School as the school is financially independent and generates its own income.



. QUALITY EDUCATION



مدارس الظهران الأهلية
Dahran Ahliyya Schools
مجتمع تعليمي غير ربحي
A not-for-profit learning community

DHAHRAN AHLIYYA SCHOOL (DAS)

Ahliyya School (DAS) in 1977. Inspired by Islam teachings, the mission of DAS is to empower each student to be compassionate, thinking, and a lifelong bilingual learner who makes a positive difference locally and globally. The school's vision is to provide a world-class education while staying true to an Arab and Islamic identity through a facilitative learning community that is sustainable and socially responsible.

DAS believes that excellent education touches both the hearts and minds of students. It develops their intellectual, personal, emotional, and social skills to learn and work in a rapidly transforming world. Correspondingly, it should provide them with a sense of belonging in their own country as well as an openness to their roles as citizens of the world, committed to taking action to help make their world a better place.



COMMITMENTS: FOUR CRITERIA FOR EVALUATING DAS EDUCATIONAL PROGRAMS

1. STUDENTS FEEL safe in school, confident that they will be respected and not exposed to bullying, physical or emotional, from faculty or
2. STUDENTS FEEL that what they are studying is useful to them all the time and interesting to them at least 65% of the time.
3. STUDENTS FEEL that they are being asked to apply higher-level thinking skills to their learning and that they are not being asked only to memorize.
4. STUDENTS FEEL that they can succeed in doing the work assigned and are confident that if they have trouble, they will be able to seek assistance from teachers who will help them LEARN rather than just achieve certain scores.

ESSENTIAL ELEMENTS OF A PROFESSIONAL LEARNING COMMUNITY

1. Commitment to continuous improvement
2. Shared norms and values
3. Collective focus on learning and shared responsibility for students
4. Collaboration
5. De-privatized practice
6. Reflective dialogue

EDUCATIONAL BOOK HOUSE

Alturki Holding opened Dhahran Ahliyya School (DAS) in 1977. Inspired by Islam teachings, the mission of DAS is to empower each student to be compassionate, thinking, and a lifelong bilingual learner who makes a positive difference locally and globally. The school's vision is to provide a world-class education while staying true to an Arab and Islamic identity through a facilitative learning community that is sustainable and socially responsible.



Classroom Management



Principals and Student Achievement



Building Motivation and Self-Esteem in Employees



Professional Learning Community at Work



Co-operative Learning



Understanding by Design



Strategies for Active Learning



Co-operative Discipline



Discipline with Dignity



Building Self-Esteem: Teacher's Guide



Building Self-Esteem: Administrator's Guide



Using Knowledge Maps to Improve Learning



Tools for Citizenship and Life



Parenting with Purpose



STEP: Systematic Training for Effective Parenting

SAUDI PETROLEUM SERVICES POLYTECHNIC (SPSP)



Alturki Holding supports SPSP, which was established to meet the needs of the Petroleum Services Industry and to support the Saudization process in the Kingdom of Saudi Arabia. It was founded by the Ministry of Energy, Industry and Mineral Resources, the Technical and Vocational Training Corporation, Saudi Arabian Chevron, Saudi Aramco, and Aramco Gulf Operations Company.

The Petroleum Services Industry consists of several contracting companies that service oil exploration, drilling, and production facilities in oil fields throughout the Kingdom of Saudi Arabia. These contractors work with major oil companies, such as Saudi Aramco, Saudi Arabian Chevron, AGOC, and others to explore new fields, develop others, and utilize the latest technology to extract oil and gas from the most challenging strata.

The industry is heavily dependent on expatriate workers, and therefore offers a significant source of jobs for well-trained and qualified young Saudis.

. HEALTH & WELLBEING

SMILE TRAIN



Smile Train is an international children's charity with a sustainable approach to a solvable problem: cleft lip and palate distortion. Many children around the world with cleft lips live in isolation and face difficulties in eating, breathing, hearing, and speaking. Cleft lip repair surgery is safe, and the results are immediate. Smile Train's sustainable model provides training, funding, and resources to empower local medical professionals in 90+ countries to provide 100% free cleft lip repair surgery and comprehensive care in their communities. Smile Train has transformed the lives of more than 1.5 million children by giving them the power of a smile.

PRINCE SAUD BIN NAIF PARK

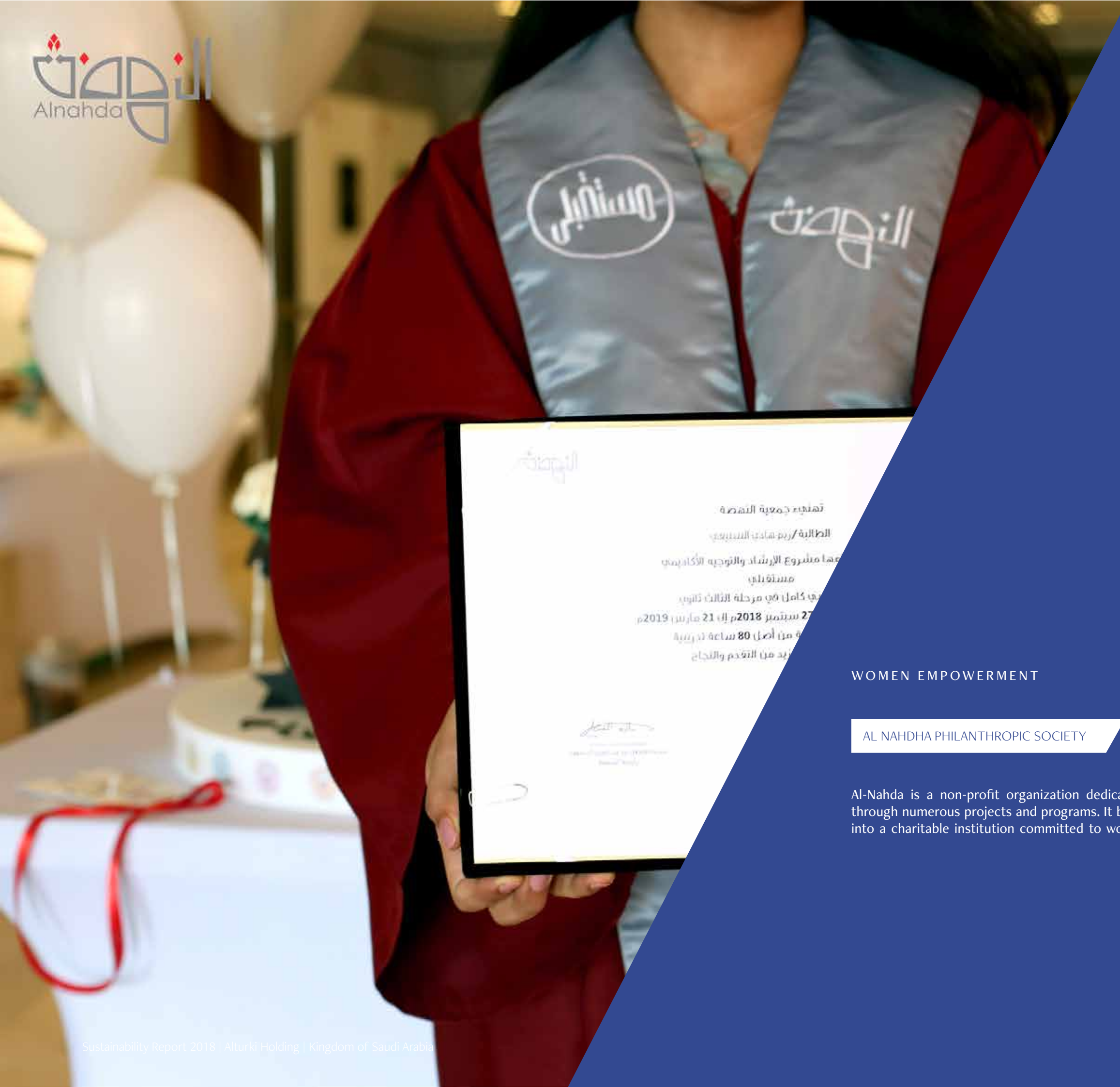


Alturki Holding supported the establishment of Prince Saud Bin Naif Park, which was designed to be a place of inspiration, providing an atmosphere of serenity and tranquility. Beauty, however, is not all that visitors enjoy when visiting the Park. As visitors wander between the lanes, they experience a breath-taking journey full of knowledge. While they read the various scripts that showcase Arabic calligraphy at its best and enjoy the beautiful architecture, the Park inspires them to connect to the grand Muslim civilization and relive its heritage.

The Park was designed to cater to everyone regardless of gender, age, or cultural background, indulging their minds, bodies, and souls. Moreover, the Park was designed specifically for full accessibility for the differently-abled. It breaks away from traditional design to facilitate education and learning while promoting individual and collective initiatives built on nurturing a culture of development and sustainability.

We wanted the Park to be a beacon of learning and knowledge, where visitors can acquire new skills and universal human values to help them become a positive force in their communities.





WOMEN EMPOWERMENT

AL NAHDHA PHILANTHROPIC SOCIETY



Al-Nahda is a non-profit organization dedicated to empowering women socially and economically through numerous projects and programs. It began as a volunteer effort, and with time has developed into a charitable institution committed to women's social and cultural growth.

. COMMUNITY SUPPORT & PHILANTHROPY

YOUTH IN



'Youth in' is a non-profit organization that was created by Alturki Holding. It focuses on developing youth workers' capacities by creating a professional community and providing vital tools to help youth build a positive impact in their local communities. Among these tools are guidelines, studies, initiatives, international establishments, training programs, and workshops.

Youth in Accomplishments include:

- Developing guidelines and studies
- Creating partnerships and initiatives with international establishments
- Conducting training programs and workshops

In 2017 and 2018, Youth in impacted 2,094 members of the local community, mostly young people. It produced five guidelines and four studies that are used as valuable resources to empower youth and provide a reference on best practices on working with youth.



ENDEAVOR



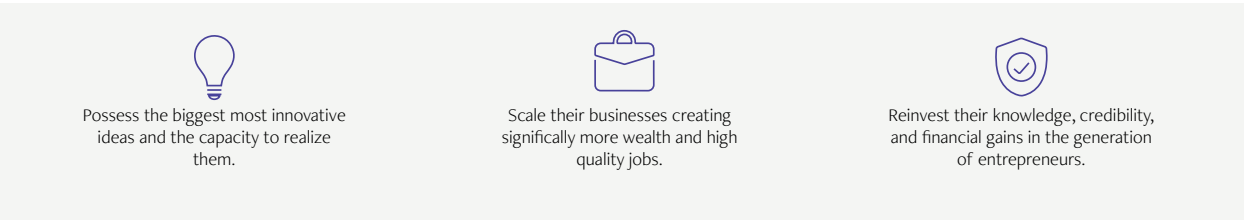
Alturki Holding supports Endeavor, an organization leading the global movement to select, mentor and accelerate the most capable entrepreneurs around the world. Endeavor Saudi Arabia commenced its activities in 2012 and celebrated its official launch on May 11, 2014, under the patronage of the Minister of Commerce and Industry. The Saudi chapter is Endeavor's fifth Middle East regional affiliate.

In recent years, entrepreneurship and innovation have become the meaningful economic growth engines of the country. Endeavor's unique model helps identify and support entrepreneurs who create quality jobs that multiply impact. Endeavor Saudi Arabia is spearheaded by local board members and business leaders who believe in Endeavor's mission and aim to be the catalyst for a thriving entrepreneurial ecosystem in the Kingdom.

Since the inception of Endeavor in Saudi Arabia, 17 companies, including 22 entrepreneurs, have been selected to go through rigorous mentoring and capacity building.

"Entrepreneurship is one of the keys to addressing the need of tens of thousands of new and innovative jobs in the Kingdom." — RAMI ALTURKI, ENDEAVOR OF SAUDI ARABIA CHAIRMAN





The Potential of High-Impact Entrepreneurs



EDUCATION FOR EMPLOYMENT



Alturki supports Education for Employment (EFE), a network of locally-run, not-for-profit organizations that provide young people in the Middle East and North Africa (MENA) with the instruments to start a job, become entrepreneurs, build their future, and give back to their communities. EFE creates public-private partnerships to build intensive, interactive, tailored training programs for jobs that are pre-committed by its business partners and provide companies with suitable talent. As a complementary pathway to economic opportunity, EFE's entrepreneurship program prepares young people to become entrepreneurs and provides access to tangible follow-up support.

EFE-Saudi Arabia publicly launched in 2017 to provide underprivileged and unemployed young Saudi women and men with demand-driven training directly linked to economic opportunities. Its establishment was guided by a private-sector advisory committee, along with seed funding and incubation from leading Saudi Arabian companies and foundations.

- OVER 3,000 SAUDI YOUTH LINKED TO EMPLOYMENT
- 54% OF EFE SAUDI ARABIA GRADUATES ARE YOUNG WOMEN
- 49 EMPLOYERS HAVE HIRED EFE-SAUDI ARABIA ALUMNI

ARAB THOUGHT FOUNDATION



The Arab Thought Foundation is an independent, international, non-governmental organization, which was founded in 2000 by His Royal Highness Prince Khalid Al-Faisal with the support and competencies of a group of intellectuals, investors, and businessmen, who identified with its message and principles of enlightenment. The Foundation is committed to instilling pride in the traditions, principles, and values of the nation by promoting responsible freedom, reinforcing Arab solidarity, strengthening the unifying Arab identity, while preserving the wealth diversity and plurality.

Through its contributions to intellectual and cultural efforts, ATF has adopted an approach based on fostering partnerships and co-operation with complementary relevant organizations, institutions, think-tanks, and research centers. It has also launched pioneering programs and projects aiming at endorsing the youth, modernizing the teaching and learning methods of the Arabic language, and highlighting the importance of dialogue and openness to the world's many languages and cultures.



EEFA SOCIETY FOR PEOPLE WITH DISABILITIES (PRINCE SULTAN REHABILITATION COMPLEX) - EASTERN PROVINCE

Alturki Holding is a Board member of the Eefa Society for People with Disabilities. We provide advice and financial support to help the organization with its mission to provide the highest standards in the rehabilitation and education of people with disabilities.



SAMARA DEDICATES CARS FOR PEOPLE WITH DISABILITIES



Through our subsidiary, Samara, we provide specialized cars to cater to the needs of people with physical disabilities; these vehicles were all fully booked for the year. We do not make a profit out of this service and look to increase the volume of these cars to serve a larger number of deserving customers.



MASAHET WATAN ART & CULTURE EXHIBITION



We support this festival, which every year on National Day celebrates arts and culture with artists from different backgrounds gathering to showcase their artistic talent and present work celebrating the heritage of Saudi Arabia.



SAUDI FOOD BANK



We provide financial support for the Saudi Food Bank, a non-profit organization that was founded by a group of private sector leaders in the Eastern Province with the goal of decreasing food waste and building community awareness around this concept.

The organization aims to:

- Educate local communities on food waste
- Gather additional food and distribute it to those in need
- Create job opportunities and train community members
- Create a culture of volunteerism
- Provide professional social work opportunities
- Create effective partnerships



Between 2017 and 2018, The Saudi Food Bank has provided over 7 million meals to more than 5,600 families

Initiative	Description	2017		2018	
		Hours	Volunteers	Hours	Volunteers
1. Alturki Giving Carnival	A humanitarian volunteering program in which our employees volunteer in the local community across various charitable causes	1,251	210	595	100
2. Alturki Fun Day	A day of activities and team-building exercises. It takes places in four regions; Dhahran, Riyadh, Jeddah, and Cairo	400	50	0	0
3. Alturki Sports Program	A series of sporting events across several regions to encourage our employees to live active and healthy lifestyles	0	0	100	25
4. Alturki Toastmasters	A series of workshops to promote communication and public speaking skills	144	6	144	6
5. Wives Club	A club dedicated to the wives of our employees, to invite them to come together in initiatives that celebrate their creativity	18	6	18	6
6. Kids Day	A day of fun activities for the kids of our employees	40	20	40	20
7. Company Trip	A day in which our employees' children visit our company and subsidiaries to see where their parents work, and instill in them values of hard work and collaboration.	48	8		0
Total		1,901	300	897	157

GRI STANDARDS CONTENT INDEX
(102-55)

. GRI 101: FOUNDATION 2016
GENERAL DISCLOSURES

GRI Standard	Disclosure	Page number(s) or URL references	Chapter	UN SDGs	Saudi Vision 2030	UNGC Principles
GRI 102: General Disclosures 2016	organizational Profile					
	102-1 Name of the organization	17	About Alturki Holding			
	102-2 Activities, brands, products, and services	17	About Alturki Holding			
	102-3 Location of headquarters	17	About Alturki Holding			
	102-4 Location of operations	17	About Alturki Holding			
	102-5 Ownership and legal form	25	About Alturki Holding			
	102-6 Markets served	17	About Alturki Holding			
	102-7 Scale of the organization	29,31,33,35, 37,39,41,43	About Alturki Holding			
	102-8 Information on employees and other workers	107	Creating Social, Environmental and Economic Value			
	102-9 Supply chain	125	Creating Social, Environmental and Economic Value			
	102-10 Significant changes to the organization and its supply chain	17	About Alturki Holding			
	102-11 Precautionary Principle or approach	99	Operational Excellence			

GRI Standard	Disclosure	Page number(s) or URL references	Chapter	UN SDGs	Saudi Vision 2030	UNGC Principles
GRI 102: General Disclosures 2016	organizational Profile					
	102-12 External initiatives	71	About Alturki Holding			
	102-13 Membership of associations	23	About Alturki Holding	GOAL 17: Partnerships to achieve the Goal		

. STRATEGY

GRI Standard	Disclosure	Page number(s) or URL references	Chapter	UN SDGs	Saudi Vision 2030	UNGC Principles
GRI 102: General Disclosures 2016	organizational Profile					
	102-14 Statement from senior decision-maker	13,15	Message from the Chairman & Message from the CEO	GOAL 16: Peace and Justice Strong Institutions	An Ambitious Nation.. Responsibly Enabled	Statement of Continuing Support
	102-15 Key impacts, risks, and opportunities	13,15	Message from the Chairman & Message from the CEO			

. ETHICS AND INTEGRITY

GRI Standard	Disclosure	Page number(s) or URL references	Chapter	UN SDGs	Saudi Vision 2030	UNGC Principles
GRI 102: General Disclosures 2016	organizational Profile					
	102-16 Values, principles, standards, and norms of behavior	83,85	Corporate Governance & Management	GOAL 16: Peace and Justice Strong Institutions	An Ambitious Nation.. Effectively Governed	No Specific COP Requirements
	102-17 Mechanisms for advice and concerns about ethics	83,85	Corporate Governance & Management			

. GOVERNANCE

GRI Standard	Disclosure	Page number(s) or URL references	Chapter	UN SDGs	Saudi Vision 2030	UNGC Principles
GRI 102: General Disclosures 2016	organizational Profile					
	102-18 Governance structure	79	Corporate Governance & Management	GOAL 16: Peace and Justice Strong Institutions	An Ambitious Nation.. Effectively Governed	Principles 1-10
	102-19 Delegating authority	79,81	Corporate Governance & Management			
	102-20 Executive-level responsibility for economic, environmental, and social topics	79	Corporate Governance & Management			
	102-21 Consulting stakeholders on economic, environmental, and social topics	61,63	How Alturki Manages Sustainability			
	102-22 Composition of the highest governance body and its committees	79,81	Corporate Governance & Management			
	102-23 Chair of the highest governance body	79,81	Corporate Governance & Management			
	102-24 Nominating and selecting the highest governance body	79,81	Corporate Governance & Management			
	102-25 Conflicts of interest	83	Corporate Governance & Management			
	102-26 Role of highest governance body in setting purpose, values, and strategy	81	Corporate Governance & Management			
	102-27 Collective knowledge of highest governance body	79,81,83	Corporate Governance & Management			

GRI Standard	Disclosure	Page number(s) or URL references	Chapter	UN SDGs	Saudi Vision 2030	UNGC Principles
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	102-29 Identifying and managing economic, environmental, and social impacts	87,89,65	Corporate Governance & Management			
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. STAKEHOLDER ENGAGEMENT

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	102-46 Defining report content and topic Boundaries	69	How Alturki Manages Sustainability	achieve the Goal	Unique Position	
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	103-2 The management approach and its components	47	About Alturki Holding			
	103-3 Evaluation of the management approach	47	About Alturki Holding			
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	103-2 The management approach and its components	129,131,133				
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GRI 418: Customer Privacy 2016	1-418 Substantiated complaints concerning breaches of customer privacy and losses of customer data	This information is handled by the legal department and is considered confidential				