



سيسكو  
**SISCO**  
الشركة السعودية للخدمات الصناعية  
Saudi Industrial Services Company

# 2021 ESG REPORT



# CONTENTS

<b>CHAIRMAN'S MESSAGE</b>	4	<b>2. GOOD GOVERNANCE AND STRONG INTUITION</b>	40
<b>ABOUT THIS REPORT</b>	6	Governance, Ethics and Compliance	42
<b>SISCO AT A GLANCE</b>	8	Data Privacy and Cybersecurity	47
Corporate Profile	8	Financial Performance	48
Business Sectors	9	<b>3. SUPPORTING OUR COMMUNITIES</b>	50
Our Vision & Mission	9	Community Investment and Engagement	52
<b>SUSTAINABILITY AT SISCO</b>	10	Sustainable Procurement	54
Our Stakeholders	12	Customer Experience	56
Our Materiality Assessment	13	<b>4. SUSTAINABLE ENVIRONMENT AND INFRASTRUCTURE</b>	60
Our Sustainability Framework	14	Climate Change and Energy	62
Alignment with National & International goals and standards	15	Technology and Innovation	65
<b>2021 HIGHLIGHTS</b>	16	Environmental Management	66
<b>1. EMPOWERING PEOPLE</b>	18	Water and Waste Management	68
Talent Attraction, Development and Retention	20	<b>APPENDIX A. SISCO STAKEHOLDER MAP</b>	74
Employee Engagement & Satisfaction	27	<b>APPENDIX B. GRI CONTENT INDEX</b>	76
Parental Leave	20		
Health and Safety	30		
Diversity and Equality	36		
Nationalisation	38		



# CHAIRMAN'S MESSAGE



Welcome to our Corporate ESG Report for 2021. The past year continued to present challenges to governments, businesses, and individuals as the global pandemic further evolved and the climate crisis took centre stage. At SISCO Group, we remained steadfast in our determination to achieve our business goals and progress our commitments towards sustainability.

SISCO Group continues to develop a talented and engaged workforce that is valued and respected, and our 2021 employee satisfaction survey results are a testament to this. In 2021, we continued to implement government and internal protocols to manage the spread of the pandemic and provided the support and means for our employees to receive their COVID-19 vaccinations. We also modified employee performance appraisals to

include ESG factors, aligning accountability and incentives with ESG targets throughout the Group.

In 2021, we achieved some key wins in terms of our environmental performance, and we are focused on developing improved methods for monitoring our environmental impacts. This will enable us to implement more effective environmental management strategies across our business going forward.

Across SISCO Group, we progressed key community initiatives aimed at improving the lives of our community members. We delivered our products and services to customers throughout our business sectors to the highest quality and level of customer service.

SISCO Group also demonstrated resilience in overcoming a very challenging operating environment by delivering strong financial results, reporting the highest revenue in the Group's history. This further reinforces our reputation as the partner of choice for large-scale projects across our three core sectors.

We are integrating our corporate strategy with our ESG strategy to further entrench the principles of sustainability into all aspects of our business, including our risk management process. We are developing key corporate policies on social and environmental issues that will formalise our commitment to achieving our ESG goals.

This report highlights SISCO Group's sustainability performance and achievements in 2021, as

well as our contribution to achieving local and international sustainability goals. Moving forward, we will continue to lead by example by implementing key sustainability initiatives and continuously improving our performance on relevant ESG issues.

I sincerely thank our customers, partners, shareholders, and wider community for their unwavering trust in SISCO Group. I would also like to thank our employees and management team for their dedication, hard work and commitment.

**Aamer Abdullah Alireza**  
Chairman of the Board

# ABOUT THIS REPORT

Welcome to Saudi Industrial Services Company (SISCO)'s Sustainability Report highlighting the company's sustainability activities, performance, and progress. This report also highlights SISCO's future commitments and objectives to integrate Environment, Social and Governance (ESG) best practices across SISCO and its subsidiaries.

## Reporting Period

**2021**

This report covers economic, social, and environmental performances and activities from 1st January 2021 to 31st December 2021. It presents our approach and commitment towards sustainable development within the region.

## Reporting Standards



This report has been prepared in accordance with the GRI Standards: Core option. It focuses on the material sustainability issues of relevance to SISCO and its stakeholders. The GRI content index is provided in Appendix B. Additionally, this report emphasises SISCO's key efforts and commitment towards supporting international and national standards, visions, and objectives, including the Sustainability Accounting Standards Board (SASB) Guidelines, United Nations Sustainable Development Goals (SDGs), Saudi Vision 2030 and the National Standards of Sustainability (Ministry of Commerce and Industry).

## Reporting Boundaries

This ESG Report focusses on SISCO Group including its subsidiaries. All data presented in this report is for SISCO Group including its subsidiaries unless otherwise stated.

## Reporting Boundaries

This ESG Report focusses on SISCO Group including its subsidiaries. All data presented in this report is for SISCO Group including its subsidiaries unless otherwise stated.

### Ports & Terminals



### Logistic Parks & Services



### Water Solutions



## Inquiries and Feedback

SISCO welcomes any feedback or inquiries related to this report on our email: [ir@sisco.com.sa](mailto:ir@sisco.com.sa)

# SISCO AT A GLANCE

## Corporate Profile

Saudi Industrial Services Company (SISCO) was established by a group of well-known prominent Saudi Businessmen in 1988 as a publicly joint stock company, with the aim of developing and investing nationally in industrial estate support services. When the Saudi Exchange Market (Tadawul) was created in 2003, SISCO was listed then on Tadawul. SISCO is now considered one of the Kingdom's most prominent companies, undertaking large-scale capital investment in desalination plants, ports and container terminals, industrial estate development, bonded and re-export zones and other key projects.

At SISCO, we set the benchmark of firsts: first private desalination plant in Saudi; first bonded and re-export zone in Saudi; first private build

and operate container terminal in Saudi. All these businesses and projects are world class, profitable and sustainable businesses adding to the Saudi Arabian economic growth and expansion. SISCO's revenue is derived from our shareholding in our subsidiaries, affiliate companies and other strategic investments.

SISCO and our subsidiaries, demonstrate the highest standards of effectiveness and efficiency in all aspects of business operations in order to acquire a leading position in the relevant markets. We are committed to operating in a work environment that achieves maximum productivity and offers healthy returns for our stakeholders



## Business Sectors

### Ports & Terminals

SISCO Group's port and container terminal business is a proven market leader in increasing productivity and sets a benchmark for efficient operations. Red Sea Gateway Terminal Company (RSGT) is at the forefront of our success in this segment; from inception and construction to currently ranking among the top container terminals in operational productivity internationally. Our ports sector is a prime player in supporting the Saudi Vision 2030.



### Logistic Parks & Services

SISCO Group set up the first bonded and re-export zone in the Kingdom in 1999. The business has grown rapidly to include a diverse range of logistics services; developing new logistics parks and hubs to cater for increasing demand of logistics, warehousing, distribution, transportation, and value-added services.



### Water Solutions

From water desalination to distribution and treatment, SISCO Group's water companies lead the way as private suppliers to the industrial sector and beyond. SISCO Group is ideally positioned as an active player to participate in the privatisation initiatives of the vision 2030.



## Our Vision & Mission

### Vision

To enable the economic transformation and prosperity of the Kingdom of Saudi Arabia.

### Mission

To become the partner of choice for leading public and private organisations by acting as a long-term anchor shareholder, operating, and developing key infrastructural projects in Ports & Terminals, Logistics Parks & Services, and Water Solutions.



# Sustainability at SISCO

At SISCO Group, we have adopted an operating philosophy that aligns with the triple bottom line of sustainability. That is, the integrated management of our environmental, social, and economic performance, for the benefit of all our stakeholders. With this approach, we seek to support the 2030 Sustainable Saudi Vision and strengthen the Kingdom's economic development while contributing to enhanced social and environmental outcomes.

We believe that a sustainability-oriented approach to our business strategy will improve our risk management results and provide us with a competitive edge. This will facilitate our expansion into new and growing markets, and drive business performance.

We are committed to growing our business in a responsible manner that benefits our employees, our shareholders, our partners, our customers, our community, and our environment. We seek to minimise, offset, or eliminate any negative impacts we identify along our value chain and continuously aim to improve our processes and systems to achieve our goal of being a more sustainable business.

# Our Stakeholders

Our stakeholders are key to our success as a business, and in our journey towards being more sustainable. By creating open, transparent, and meaningful dialogue with our stakeholders, we can understand and prioritise the key issues that matter most to them, and, to our business.

At SISCO, we continuously seek to improve our methods of engagement with our stakeholders in order to capture their feedback regarding our

business and operations. By creating effective communication channels and promoting inclusiveness amongst all our stakeholder groups, we can progress our performance on key material issues and identify novel issues that impact our stakeholders. This guides our sustainability approach, ensuring that key material issues and adequately addressed through effective actions plans and the appropriate allocation of resources.



Our detailed stakeholder map is presented in Appendix A

# Our Materiality Assessment

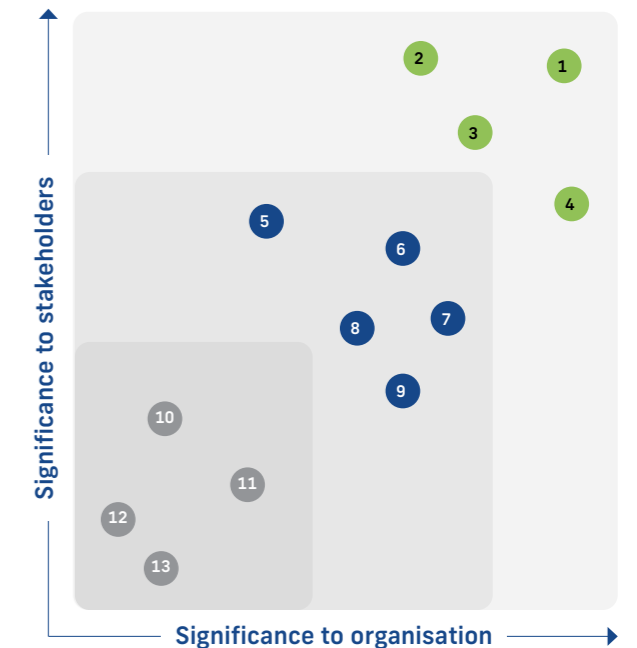
At SISCO, it is our responsibility to understand the key issues that are important to our stakeholders and have a potential material effect on our business. To achieve this, we continuously examine local and global trends in the industry, identify key risks, and establish the key issues that can affect our business and our stakeholders.

Through the materiality assessment process, we have identified 13 material issues, which if not managed properly, have the potential to impact SISCO Group. We have ranked these material issues based on significance to SISCO Group and significance to our stakeholders.

By mapping these key social, environmental, and economic topics, we can assign actions to address them. We can then set relevant KPIs, verify our reporting requirements, and determine where to focus our resources.

The materiality assessment process is an important and ongoing part of sustainability management at SISCO Group. That is why we aim to engage with our stakeholders and update our materiality matrix and topics on a regular basis. This will ensure that new topics and emerging issues are identified and addressed accordingly. Our most recent materiality assessment was conducted in 2021 and will be reviewed again as part of our next annual sustainability report.

**The materiality assessment process is an important and ongoing part of sustainability management at SISCO Group. That is why we aim to engage with our stakeholders and update our materiality matrix and topics on a regular basis.**



**Most Important**

- 1 Governance, Ethics and Compliance
- 2 Talent Attraction, Development & Retention
- 3 Climate Change and Energy
- 4 Health & Safety

**Very Important**

- 5 Data Privacy and Cyber Security
- 6 Technology and Innovation
- 7 Community Investment & Engagement
- 8 Environmental Management
- 9 Water and Was management

**Important**

- 10 Sustainable Procurement
- 11 Diversity and Equality
- 12 Financial Performance
- 13 Customer Experience

# Our Sustainability Framework

At SISCO Group, sustainability is an integral part of our corporate strategy and a catalyst for strong business growth in a responsible manner. This enables us to create value for all our stakeholders including our customers, employees, investors, business partners and society as a whole. SISCO's sustainability framework is centred around four key pillars that encompass what sustainability means for the company. This framework aligns with our vision and mission as a business, forming the foundation of our company ethos and guiding our decision-making process.



# Alignment with National & International goals and standards

We have aligned our material issues and our sustainability framework with key global and regional sustainability guidelines and initiatives. By mapping our material topics to the goals and focus areas of these initiatives, we can ensure that our efforts are directed towards priority sustainability issues, and we can monitor and benchmark our performance effectively.



We acknowledge that we must play our part in transitioning towards a more sustainable future for all. This is why, at SISCO Group, we have identified how we can contribute towards the United Nations Sustainable Development Goals (UN SDGs). We are committed to supporting the SDGs by aligning our business practices with these goals and ensuring that we are operating in a manner that positively contributes to the goals through relevant targets. Please refer to the start of each chapter of this report to see how SISCO Group is contributing to the SDGs.



We have used international standards on sustainability reporting and accounting to guide how we monitor and report our impacts on sustainability issues.



We have aligned the SISCO Group ESG management process with the national vision by incorporating key components of the Saudi Vision 2030, which outlines a sustainable path for Saudi Arabia's future. The vision sets out the Kingdom's importance on the global stage while providing insight into its unique challenges, culture, and opportunities.



The National Standards for Sustainability highlight the disclosures of the greatest importance to the Saudi, with the aim of advancing Vision 2030. These disclosures have provided additional guidance on our sustainability management journey and are addressed within this report.





# 2021 Highlights



WE ACHIEVED AN OVERALL SCORE OF 93% IN EMPLOYEE SATISFACTION SURVEYS CARRIED OUT FOR SISCO GROUP.

WE INTRODUCED OUR STUDY LEAVE POLICY WHICH PROVIDES ALL EMPLOYEES WITH FULL PAY DURING LEAVE FOR EXAMINATIONS.



SISCO CONVERTED 50% OF ITS VEHICLE FLEET TO HYBRID VEHICLES IN AN EFFORT TO REDUCE FUEL CONSUMPTION AND GHG EMISSIONS.

IN 2021, WE REDUCED OUR SCOPE 1 GHG EMISSIONS BY 8% AND OUR WASTEWATER RECYCLING VOLUMES NEARLY DOUBLED.



OUR NEW CORPORATE STRATEGY ALIGNS WITH VISION 2030, TAKING FULL ADVANTAGE OF THE POSITIVE MOMENTUM RESULTING FROM THE GOVERNMENT'S MATERIAL INVESTMENTS IN WATER, TRANSPORTATION, AND LOGISTICS.



IN 2021 WE SIGNIFICANTLY INCREASED OUR VOLUNTEERING EFFORTS ACROSS THE GROUP. SISCO ALSO PROVIDED 1,680 MEALS TO LOW INCOME FAMILIES.

RSGT WAS NAMED "TERMINAL OPERATOR OF THE YEAR" FOR THE MIDDLE EAST AT THE SHIPTEK 2021 INTERNATIONAL CONFERENCE IN THE CUSTOMER EXPERIENCE & SERVICE CATEGORY.

LOGIPOINT WON THE 'LOGISTICS HUB OF THE YEAR AWARD' AT 'HEROES OF THE PANDEMIC AWARDS' BY TRANSPORT AND LOGISTICS MIDDLE EAST, 2021.



CHAPTER 1  
**Empowering our People**

Our employees are the heart of our business, and integral SISCO Group's success. We are committed to building and maintaining an outstanding workforce by attracting, training, and retaining talented individuals. Our employees are offered a range of training and upskilling opportunities to develop their full potential.

We are committed to maintaining the highest standards in health and safety at our facilities, and throughout our operations. Our employees are provided with ongoing OH&S training and are encouraged to adopt the safety culture we have established at SISCO Group.

We combat any form of discrimination to provide our employees with an inclusive and safe work environment that encourages openness, acceptance, and equal opportunity for all.

**MATERIAL ISSUES COVERED**

- Talent Attraction, Development and Retention
- Health and Safety
- Diversity and Equality

**SAUDI VISION 2030 PILLAR**



<p><b>3</b> GOOD HEALTH AND WELL-BEING</p>	<ul style="list-style-type: none"> <li>• 3.8 – Achieve universal health coverage</li> <li>• 3.9 – Reduce illnesses and death from hazardous chemicals and pollution</li> </ul>
<p><b>4</b> QUALITY EDUCATION</p>	<ul style="list-style-type: none"> <li>• 4.3 – Equal access to affordable technical, vocational, and higher education</li> <li>• 4.4 – Increase the number of people with relevant skills for financial success</li> <li>• 4.7 – Education for sustainable development and global citizenship</li> </ul>
<p><b>5</b> GENDER EQUALITY</p>	<ul style="list-style-type: none"> <li>• 5.1 – End discrimination against women and girls</li> <li>• 5.5 – Ensure full participation in leadership and decision making</li> </ul>
<p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>	<ul style="list-style-type: none"> <li>• 8.1 – Sustainable economic growth</li> <li>• 8.2 – Diversify, innovate, and upgrade for economic productivity</li> <li>• 8.4 – Improve resource efficiency in consumption and production</li> <li>• 8.5 – Full employment and decent work with equal pay</li> <li>• 8.7 – End modern slavery, trafficking, and child labour</li> <li>• 8.8 – Protect labour rights and promote safe working environments</li> </ul>
<p><b>10</b> REDUCED INEQUALITIES</p>	<ul style="list-style-type: none"> <li>• 10.1 – Reduce income inequalities</li> <li>• 10.2 – Promote universal social, economic and political inclusion</li> <li>• 10.3 – Ensure equal opportunities and end discrimination</li> <li>• 10.4 – Adopt fiscal and social policies that promotes equality</li> </ul>

# Talent Attraction, Development and Retention

At SISCO Group, we aim to recruit and retain the best talent, improve our nationalisation efforts, and invest in the development of our employees to build capacity and provide career progression opportunities.

continue to cultivate a diverse, high-performing, and engaged workforce. We are doing this by maintaining a safe and welcoming work environment, providing relevant training, and upskilling opportunities, and offering competitive employment packages.

In order to enhance business success and meet current and future challenges, we must



## Our Workforce

At SISCO Group, we ensure that our people, their rights, and conditions of employment are respected at all times. Our employment policy, and HR policy (including recruitment), are aligned with the Group's corporate strategy. This includes our legal compliance obligations under the Saudi Labour Law to ensure fair and ethical employment practices.

SISCO Group provides diverse benefits to employees who qualify for housing, transportation, and phone allowances. Other employee benefits include annual bonuses based on the company's performance, annual airline ticket for non-Saudi employees, health insurance, schooling allowances, and loyalty rewards for every employee who completes a five-year tenure period at SISCO Group.

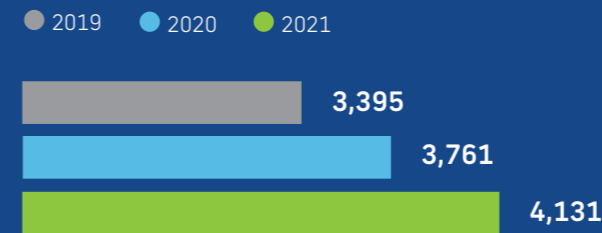
SISCO Group prohibits employment of children under the age of 18 years and all forms of forced labour. We provide equal development opportunities for employees to perform their roles effectively while supporting any career advancement aspirations.

Despite the ongoing COVID-19 challenges in 2021, we saw a 9.8% increase in our overall workforce, due particularly, to robust growth in the logistics sector of our business.

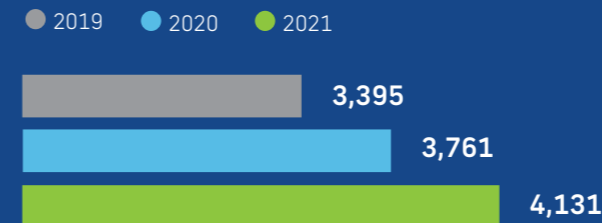


### WORKFORCE

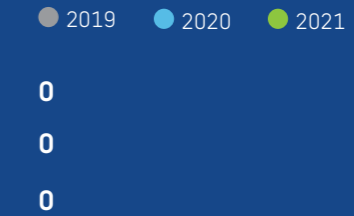
#### Total number of employees (#)



#### Full time employees (#)



#### Part time employees (#)



#### BY EMPLOYMENT LEVEL

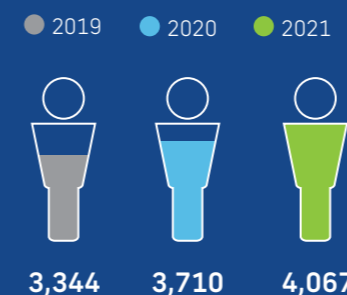
	2019	2020	2021
Full time employees in senior management (#)	53	57	56
Full time employees in middle management (#)	150	155	214
Full time staff (not senior or middle management) (#)	3,192	3,549	3,861

#### WORKFORCE AGE PROFILE

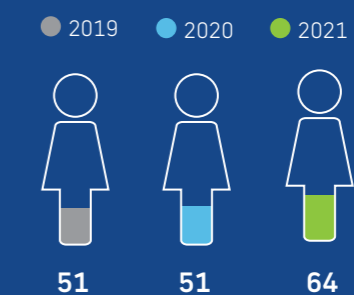
	2019	2020	2021
Workforce by age 18-30 (#)	1,053	1,118	1,021
Workforce by age 31-50 (#)	2,134	2,399	2,807
Workforce by age 51+ (#)	208	244	303

#### WORKFORCE BY GENDER PROFILE

##### Male full-time employees (#)



##### Female full-time employees (#)



## Hiring and Turnover

Our recruitment policy at SISCO Group was developed to ensure a fair, consistent and appropriate recruitment and selection process at all times and is consistent with company policies and national legislation. The policy also seeks to document the steps taken by different stakeholders involved in the recruitment process to select the most suitable candidate. The SISCO pre-recruitment cycle, is a comprehensive process designed to ensure the most appropriate candidates are shortlisted. Candidates must then go through a recruitment process and upon selection, the new recruits are taken through an onboarding process where they are briefed and supported on company policies, work customs, and regulations. Our subsidiaries follow a similar recruitment process, adopting policies and procedures which are aligned with Saudi labour law.

Across SISCO Group, we provide equal opportunity employment, where possible, to people of different races, religions, nationalities, and gender. We also seek to encourage people with disabilities to join our workforce.

Despite continued economic challenges in 2021 as a result of the ongoing pandemic, SISCO Group's hiring and turnover rates remained stable. In 2021, we hired a total of 771 new employees, across various employment levels and age groups in SISCO Group. We hired 23 new female employees, which is a rate of 3.1% and a 2% increase in comparison to 2020 female new hires.

Our overall employee turnover rate in 2021 remained stable at 11.7%, similar to our 2020 turnover rate. This is another indication of the stable work environment we have been striving to maintain, particularly through times of uncertainty and economic slowdown due to the COVID-19 pandemic.

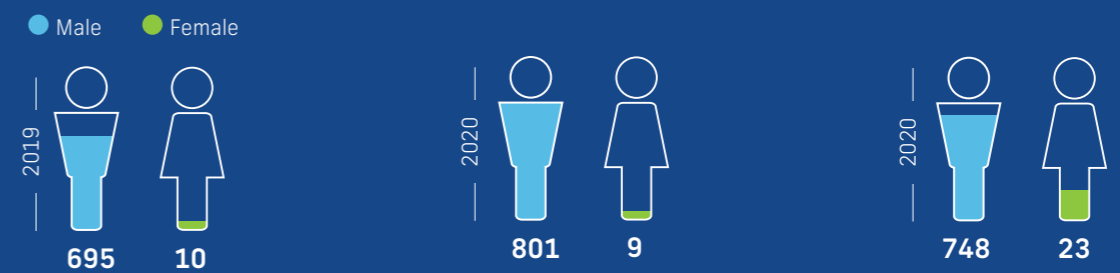


### HIRING AND TURNOVER

#### New employee hires by employment level



#### New employee hires by gender



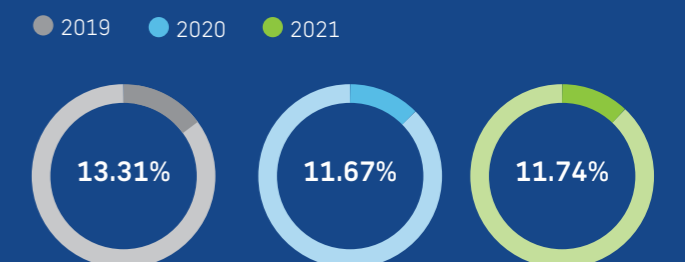
#### NEW EMPLOYEE HIRES BY AGE

	2019	2020	2021
Workforce by age 18-30 (#)	349	277	298
Workforce by age 31-50 (#)	346	488	467
Workforce by age 51+ (#)	10	45	6

#### Total number of employees who left the organisation (#)



#### Turnover rate (%)



#### TURNOVER BY EMPLOYMENT LEVEL

	2019	2020	2021
Senior management (#)	4	5	6
Middle management (#)	30	26	30
Staff (#)	418	408	449

#### TURNOVER BY GENDER

	2019	2020	2021
Female (#)	6	9	8
Male (#)	446	430	477

#### NEW EMPLOYEE HIRES BY AGE

	2019	2020	2021
Workforce by age 18-30 (#)	166	157	148
Workforce by age 31-50 (#)	260	253	296
Workforce by age 51+ (#)	26	29	41

## Training & Development

At SISCO Group, we believe that training, development and upskilling our employees is imperative not only for maintaining a successful business, but to ensure that employees feel empowered and fulfilled. Our training and development programmes are designed in a way that allows employees to acquire the knowledge and skills they require to perform effectively in their roles while also enabling and supporting them to achieve their individual career progression and professional development goals.


We have implemented a department-based competencies framework across SISCO Group that enables employees to create a customised career development path. The Career Path programme in an online tool that can be easily tracked, and milestones/achievement recorded. The programme enables employees and their function heads to track progress and facilitates meaningful discussion around employees' short and long-term aspirations and goals. This system also aims to ensure that business units can have access to a sufficient number of qualified employees at the right time and can easily check the range of talent and skills available across the workforce.

To maintain training effectiveness and relevance,


employees undergo an assessment at the completion of each training course. This also allows employees and their function heads to monitor employee progress and make any necessary adjustments to their development plan.

We also provide support to employees who wish to pursue further studies, in the form of sponsorship and study leave. Employees who wish to advance their education either regionally or internationally across a range of fields and industries, are offered the necessary support to do so by SISCO Group. We recently implemented a new Study Leave Policy which allows employees to take fully paid leave in order to complete their examinations.

As part of our performance and development process, SISCO Group nominates employees for certain training programmes based on leadership assessments or as part of a succession plan. In addition, we recently implemented a promotion policy which provides employees with a clear and formalised process. SISCO Group also offers internal recruitment opportunities for employees who wish to develop or diversify their work experience by exploring new job positions within the Group (either vertically or horizontally).

RSGT carries out mandatory HSE training for all staff members. Additional training is identified during the annual performance appraisal cycle. Training and development opportunities such as coaching, mentoring, personal and leadership development programmes, etc., are available to all employees.



Tawzea undertakes employee performance reviews for all employees twice annually. This enables employees and functional heads to monitor progress more effectively and make necessary adjustments to training and development plans. Performance reviews are connected to a competencies framework which allows for effective and relevant training and development goals to be set. In 2021, Tawzea also implemented a new internship programme for graduates in collaboration with local universities.



In 2021, LogiPoint implemented a new 360 Programme to evaluate manager-level positions as part of its succession planning efforts. In addition, the company increased the number of training hours for employees with a focus on e-Learning courses that aligned with training needs analysis (TNA), through platforms such as LinkedIn Learning.

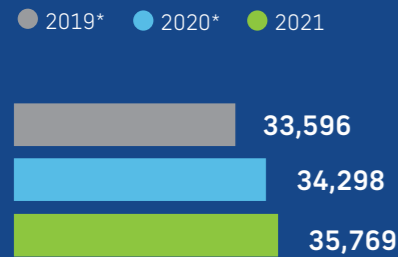


A total of 220 S.A TALKE employees received leadership training during 2021 in an effort to develop employees who demonstrate an interest and/or talent for leadership. This supplement's S.A TALKE's comprehensive training and development programme which includes employee performance appraisals as well as employee recognition.

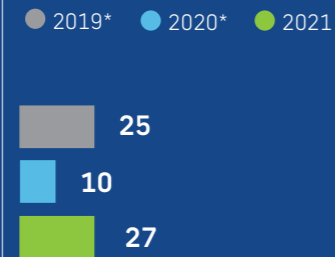
In 2021, we saw a 4% increase in the total number of training hours for employees across SISCO Group. The average hours of training per employee remained stable while the average hours of training for female employees increased significantly. This is due to an increase in both the number of female employees across SISCO Group as well as the number of female employees participating in training.

TRAINING

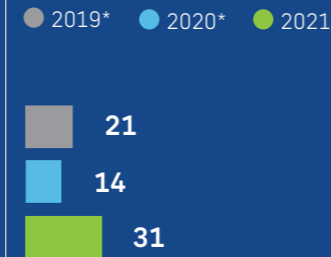
Total hours of training for employees (#)



Training hours per employee on sustainability aspects (#)

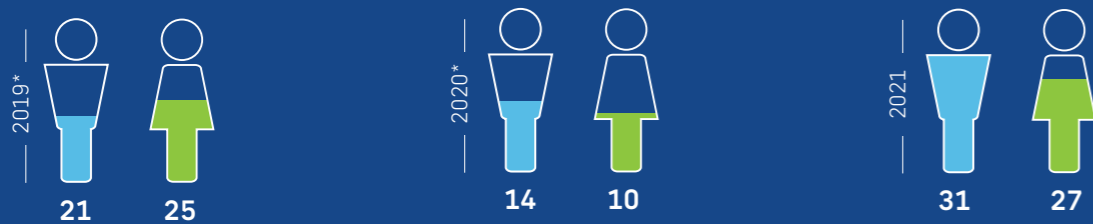


Average hours of training per employee (#)



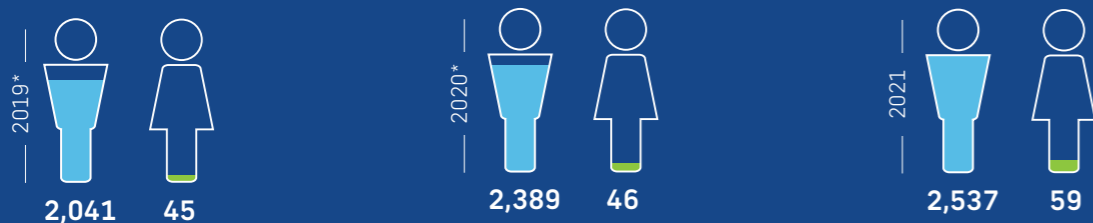
Average hours of training per employee (#)

● Male ● Female



TRAINING SESSIONS

● Male employees participating in training (#) ● Female employees participating in training (#)



\* Figures have been rectified.



# Employee Engagement & Satisfaction

At SISCO Group, we make a concerted effort to gauge employee engagement and satisfaction levels across our business. We believe this not only provides us with important insights into employee morale and motivation levels, but it also provides an opportunity for employees to feel valued, respected, and have confidence that their concerns are heard.

Direct and indirect appraisals of employee performance are carried out each year at SISCO Group which includes a mid-year as well as an annual performance review. This provides an important platform for employees to engage with their function heads not only on job performance and career development aspects, but other aspects associated with their experience at SISCO Group.

SISCO Group continues to undertake a comprehensive employee engagement survey every two years, which also involves all its

subsidiaries. The survey covers areas such as sustainable engagement, strategy and direction, senior leadership, line management, performance management, training, communication, culture and values, quality and customer focus, development opportunities, work organisation, remuneration considerations, safety and other SISCO Group and subsidiary-specific questions. The purpose of the survey is to provide insight into the Group's areas of strength and weakness. Once all feedback from the surveys is collected and analysed, we conduct a benchmarking assessment of the results and, develop action plans to address pertinent issues and enhance employee satisfaction.

# 93%

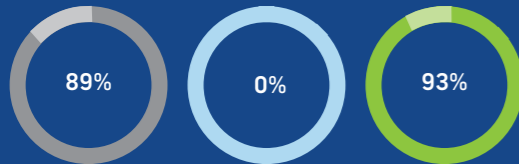
Employee Satisfaction Score

Our 2021 employee engagement and satisfaction survey demonstrated an average satisfaction level of 93% across SISCO Group. This is a 4% increase in employee satisfaction in comparison to our 2019 survey which is a testament to the significant efforts put in place across the business to increase employee engagement, address employee satisfaction issues, and provide a work environment where employees feel valued, respected, and fulfilled.

EMPLOYEE ENGAGEMENT AND SATISFACTION

Employee engagement (%)

● 2019 ● 2020 ● 2021



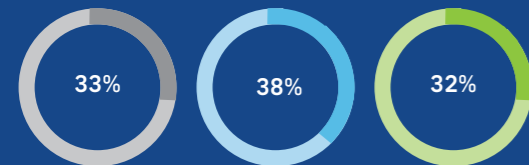
Full time employees who received a performance and career development review (#)

● 2019 ● 2020 ● 2021



Percentage of employees with received a performance and career development review (%)

● 2019 ● 2020 ● 2021

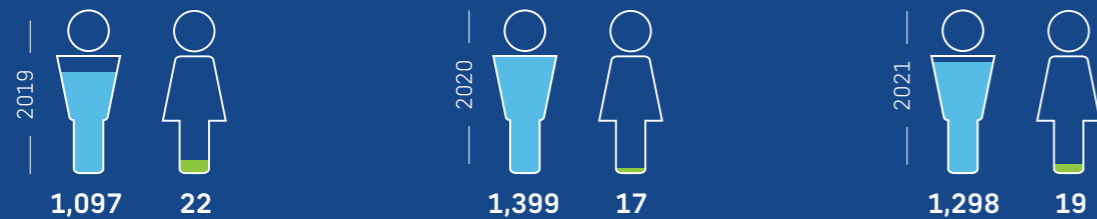


PERFORMANCE AND CAREER DEVELOPMENT (BY EMPLOYEE LEVEL)

	2019	2020	2021
Senior management employees that received performance and career development review (#)	29	34	30
Middle management employees that received performance and career development review (#)	95	109	111
Non-management employees that received performance and career development review (#)	994	1,270	1,176

Performance and career development (by gender)

● Male employees that received performance and career development review (#) ● Female employees that received performance and career development review (#)



WAGES AND BENEFITS

	2019	2020	2021
Salaries paid (includes standard elements basic pay and consolidated allowances etc.) (SAR)	207,630,193	264,491,000	258,915,751
Benefits paid (includes elements such as Pension, Gratuity, Medical Insurance, Annual Passage, Education etc.) (SAR)	42,028,736	45,201,503	44,805,526



# Parental Leave

We are proud to say that between 2019 and 2021, all female employees taking parental leave returned to work at SISCO Group, and 100% of these employees remained employed with us following a twelve-month period.

Parental Leave	2019	2020	2021
Number of female employees that took parental leave	2	2	1
Number of female employees who returned to work after parental leave ended (return to work)	2	2	1
Number of female employees returned from parental leave who were still employed twelve months after return to work (retention)	2	2	2
Return to work rate (%)	100%	100%	100%



Absentee Rate

	2019*	2020*	2021
Number of female employees that took parental leave	43,787	50,300	22,038**
Number of female employees who returned to work after parental leave ended (return to work)	541,870	665,554	670,247
Number of female employees returned from parental leave who were still employed twelve months after return to work (retention)	8.08%	7.56%	3.29%

\* Figures have been rectified.

\*\* 2021 figure is lower than previous years due to a change calculation method.

# Health and Safety

At SISCO Group, we are committed to maintaining the highest standards in health and safety at our facilities, and throughout our operations. Our employees are provided with ongoing Health, Safety and Environment (HSE) training, and we consider the adoption of a safety culture one of the fundamental elements to the way we conduct our business. We are proud of our excellent health and safety track record and are committed to continuously improving in this key area. We have implemented relevant HSE policies and procedures that are relevant to each of our subsidiary's operations and activities.

Our Health and Safety Department at SISCO Group is responsible for the operation of our Occupational Safety & Health (OSH), Health &

Hygiene (HH), and Management Safety Walkthrough (MSW) audits and inspections. The department is also responsible for the assessment of health and safety risks associated with work activities and provides workers with the necessary guidance and tools to identify hazards at the worksite before undertaking any activities. Once identified risks are removed or managed, work may proceed. As per our Code of Conduct, all employees and third parties are expected to abide by the health and safety rules and report any violation of health and safety.

## Health and Safety – Employees

As the COVID-19 pandemic continued to evolve during 2021, we took all necessary actions to maintain the health and wellbeing of all employees across SISCO Group. Part of our workforce continued to work remotely as per Ministry of

Health guidelines, and other ministry protocols including the wearing of face masks, maintaining hygiene, and sanitising workstations continued to be applied. Our designated quarantine areas remained available for workers across the Group.



For RSGT, slips, trips and falls were the most common injury event in 2021. After a thorough investigation of each incident, root causes were immediately identified, and corrective actions taken. These included:

- Conducting Safety Toolbox talks on a routine basis with a focus on slips, trips, and falls
- An HSE focus on vessel hazard reporting as well as near miss and safety observations
- Ensuring 100% vessel inspections are undertaken on a routine basis
- Providing refresher training such as HSE Safety Inductions, Life Saving Rules and eSMS Observation Reporting for all employees and contractors.

- Celebrating Saudi World Health Day and providing Flu and Meningitis vaccines to employees.
- RSGT Clinic provided general health check-ups for employees which included cholesterol, Uric Acid, and blood glucose tests.
- COVID-19 vaccine (second dose) provided to all RSGT employees including internal contractors in coordination with JIP (Jeddah Islamic Port) and Saudi MOH (Ministry of Health).
- During Cancer Awareness Week, awareness sessions on breast cancer were held.

Two Safety Stand-Downs lasting one hour each were conducted in April (coinciding with International Labour Organisation (ILO) World Day for Workplace Safety, and again in October (with a COVID-19 focus]).

RSGT organised several health and wellbeing events in 2021 for its employees. These included:



In 2021, the Ministry of Health collaborated with Jeddah Islamic Port (JIP) to conduct COVID-19 vaccine drives for port workers. Transportation was organised for LogiPoint employees to JIP clinic in order to receive their vaccination. In addition, frequent HSE presentations were delivered to employees throughout the year, which covered subjects such as:



Safety during summer



"3 Rs" Reduce, Reuse, Recycle



Workplace Housekeeping



Driving Rules



Manual Handling





**In 2021, we organised a general health and dental check-up for our employees at SISCO Group. Approximately 50 staff members benefited from the initiative which was designed to help employees manage their physical and mental wellbeing and encourage healthy lifestyle behaviours.**

The year also focussed on employee awareness about COVID-19 vaccinations and organising vaccination drives in collaboration with the Ministry of Health. Employees were provided with the necessary support such as transportation and time-off in order to get their vaccination.

At Tawzea, awareness sessions and communication revolved around the emerging COVID-19 situation in the Kingdom and staying safe during the pandemic. Tawzea ensured the availability of all the necessary PPE and sanitising equipment and material required to continue work during the pandemic. Several updated documents and procedures were communicated to the employees on a routine basis regarding disinfection, cleaning, and social distancing protocols. Employee status check procedures continued to be carried out to check for any symptoms of physical or mental illness during the year. In addition, health checks from Al-Tawuniyah company were offered to employees at several sites to assess the general physical health of staff such as blood pressure, eye functionalities and weight.

Tawzea has maintained compliance with ISO 45001:2018 (occupational health and safety (OH&S) management system) where requirements were 100% achieved in 2021.



Health and Safety - Employees	2019	2020	2021
Work hours (employees)	11,243,424	12,583,679	10,180,726
Employee fatalities (#)	0	0	0
Employee lost time injuries (#)	16*	14*	4
Employee total recordable injuries (#)	19	26	25
Employee occupational illnesses (#)	15	26	6
Total number of emergency response drills conducted (#)	29	17	140
Safety incident investigations initiated (#)	32	184	343
Safety incident investigations completed (#)	32	184	210
Employee rate of recordable work-related injuries	0.34	0.41	0.49

In 2021, there were zero employee fatalities, and only 4 employee lost time injuries – a significant decrease in comparison to 2020. Despite considerable expansion in some of our business sectors resulting in several new operational work sites, our employee total recordable injuries were slightly less than 2020.

The high rate of employee vaccinations across the Group combined with enhanced COVID-19 management measures and employee awareness, contributed to a significant decrease in the number of employee occupational illnesses in 2021.

The substantial increase in the number of emergency drills conducted in 2021, can be attributed to our subsidiary S.A TALKE and the considerable expansion of its operations due to being awarded several new projects between 2020 and 2021. The difference between the number of safety investigations initiated versus the number completed in 2021 can be attributed to the backlog of safety investigations awaiting delegation and

follow-up within the eSMS (Electronic Safety Management System) of our subsidiary RSGT. It is expected that these investigations will be completed and closed-out within the first and second quarter of 2022.

Tawzea has maintained compliance with ISO 45001:2018 (occupational health and safety (OH&S) management system) where requirements were 100% achieved in 2021.



## Health and Safety – Contractors

SISCO Group treats the health and safety of all personnel associated with its business as an absolute priority. This includes the health and safety of our contractors and sub-contractors. We are committed to ensuring adequate measures and protocols are in place for all our contractors, enabling them to undertake their work in a safe and confident manner.

Health and Safety – Contractors	2019	2020	2021
Work hours (contractors)	904,877	942,688	206,4433
Contractor fatalities (#)	0	1	0
Contractor lost time injuries (#)	0	0	2
Contractor total recordable injuries (#)	0	1	8
Contractor rate of recordable work-related injuries	0.00*	0.21*	0.78

\* Figures have been rectified.

In 2021, there were zero contractor fatalities, and only two contractor lost time injuries. A total of 7 recordable injuries were reported, which were classified as minor. All injuries sustained by our contractors/sub-contractors have been thoroughly investigated and appropriate actions taken to ensure similar incidents are avoided in the future.

At LogiPoint in 2021, one minor first aid case occurred to one of our employees who works as a yard operations officer. The employee was standing on a loading area when he was struck slightly by the bottom side of a pallet as the electrical forklift was lifting it. Fortunately, he only sustained superficial wounds. First aid was given to the employee and the incident was reported immediately. A refresher HSEQ induction course was provided for the employee, and all necessary awareness information, as well as specific safety operation procedures and layout plans were communicated to the employee and relevant staff members.

Another minor first aid incident occurred in 2021 which involved one of our subcontractors. Whilst the subcontractor, who works as a labourer, was sorting a cargo for the purpose of inspection, one of the bags (cargo) fell onto his right hand. Fortunately, he sustained only superficial wounds which required minor first aid treatment. The incident was reported immediately to all relevant parties. A refresher HSEQ induction course was provided for the subcontractor, and all necessary awareness information, as well as specific safety operation procedures were communicated to the subcontractor and relevant staff members.

## Health and Safety Training

In 2021, we invested heavily in health and safety training across SISCO Group. The number of hours of safety training delivered to our employees increased significantly while the average number of hours of HSE training increased by 28%. The total cost of training delivered across the Group

also increased substantially. We are committed to increasing health and safety training across SISCO Group, in an effort to provide our employees with the latest knowledge and skills required to undertake their work confidently and safely.



# Diversity and Equality

We believe that an inclusive and diverse workforce promotes productivity and wellbeing and reflects the culture and principles of an organisation. We employ and support employees from diverse cultural backgrounds and ages and have zero tolerance for any form of discrimination based on gender, age, race, or colour. Our commitment

to equity and diversity is supported by our HR policies on anti-harassment and equal employment opportunity. We recognise the importance of nationalisation within private industry and are striving to increase the representation of Saudi nationals at SISCO Group in an effort to support the Saudi Vision 2030 goals of achieving sustainable talent in the Kingdom. In addition, in line with Vision 2030, we are placing significant emphasis on increasing our hires of women at SISCO Group in order to reduce the gender employment gap in Saudi.



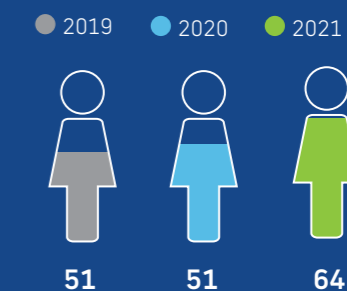
## Female Employment

At SISCO Group, we recognise the immense contribution that women in the workforce make across all fields and aspire to build a work environment that is gender inclusive and has zero tolerance for gender inequality or discrimination. That is why we offer mentoring and leadership development programmes for all female employees and provide suitable training for all positions held by female staff members.

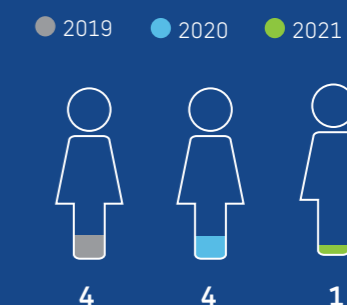
The nature of the work conducted by SISCO Group and its subsidiaries, the industries in which we operate, and cultural considerations have created some challenges with regards to attracting a higher number of female employees. We are, however, seeing a gradual shift to this 'norm,' particularly with the growing number of government initiatives and mandates aimed at encouraging and boosting female employee representation across all sectors. In an effort to attract and retain a higher number of female employees at SISCO Group, we are:

- Ensuring there is a zero gender pay gap for individuals engaged in the same role
- Ensuring all SISCO Group workplaces are suited to accommodate female staff and cater to their needs.
- Actively encouraging the nomination of female staff members to participate in the Group's LEAD programme for future leaders
- Provision of retention bonuses, nursery support, and transportation allowances by some of our subsidiaries

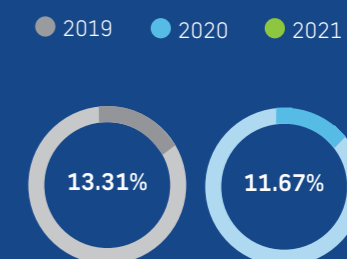
### Number of female employees (#)



### Females in senior management (#)



### Turnover rate (%)





# Nationalisation

At SISCO Group, we are focussing our recruitment efforts on attracting Saudi nationals to join our workforce. We continue to engage with professional recruitment agencies to help fulfil more of our senior level positions with Saudi applicants and are utilising our various media platforms to encourage more nationals to apply for positions at SISCO Group.

Our leadership management programme (LEAD), encourages and supports Saudi employees to develop the skills required to help them progress into more senior level positions within SISCO

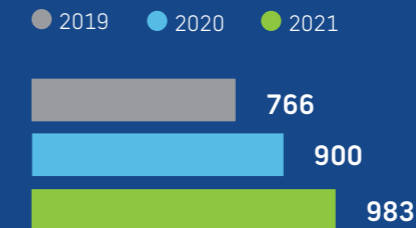
Group. In addition, our graduate programme, which runs every two years, provides Saudi graduates with job opportunities and experience across various business units within SISCO Group. We prioritise the hiring of Saudi nationals wherever possible and provide them with benefits such as 50% of a basic salary in lieu of an annual air ticket when taking annual leave.

## NATIONALISATION

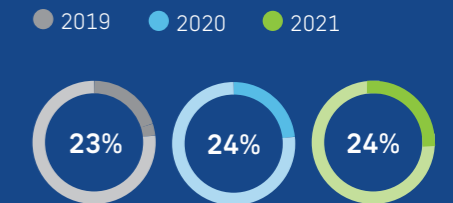
Nationals in senior management (#)



Nationals in senior management (#)



Nationalisation (%)



In 2021, we saw a steady increase in the number of nationals among our full-time workforce which was commensurate with the increase in the total number of employees at SISCO Group (i.e., approximately 9% increase).

Our overall nationalisation rate remained steady at around 24%. We have set ourselves an ambitious target of 50% Nationalisation within the next five years. We are committed to achieving this target through the implementation of additional initiatives aimed at attracting a higher number of Saudi nationals to join our workforce.



Kindasa achieved a 5% increase in its Nationalisation rate – the highest increase out of all SISCO Group subsidiaries. Kindasa’s workforce now comprises 35% Saudi nationals. Kindasa previously achieved the highest ranking in the Nitaqat programme for Nationalisation, a programme designed to increase the employment of Saudi nationals in the private sector. Kindasa has a strategic partnership with government programmes, focusing on skills development for nationals.



CHAPTER 2

# Good Governance and Strong Intuition

Operating our business with the highest level of integrity is a core principle at SISCO Group. We believe that consistent ethical behaviour from the Group's leadership through to our personnel 'on the ground' can cultivate a strong and lasting culture of trust, accountability, and transparency. This results in improved business performance and value creation for all our stakeholders.

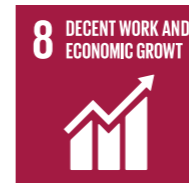
**MATERIAL ISSUES COVERED**

- Governance, Ethics and Compliance
- Data Privacy and Cyber Security
- Financial Performance

**SAUDI VISION 2030 PILLAR**



- 16.5 – Substantially reduce corruption and bribery
- 16.6 – Develop effective, accountable, and transparent institutions
- 16.7 – Ensure responsive, inclusive, and representative decision-making



- 8.1 – Sustainable economic growth
- 8.2 – Diversify, innovate, and upgrade for economic productivity
- 8.4 – Improve resource efficiency in consumption and production
- 8.5 – Full employment and decent work with equal pay
- 8.7 – End modern slavery, trafficking, and child labour
- 8.8 – Protect labour rights and promote safe working environments

# Governance, Ethics and Compliance

Supported by a robust risk management framework, we manage our financial and non-financial risks with strong governance and clear accountabilities for execution and progress reporting. We are committed to aligning our corporate risk framework with our sustainability framework to further entrench the principles of sustainability into our all aspects of our business.

Our corporate leadership team is committed to upholding elevated levels of governance that reflect industry best practice and conform with relevant regulations and standards. Our Board of Directors and executive management team provide guidance and support to facilitate responsible business management and strategic decision making, set the Group's core objectives, and assign accountability across the entire business. At SISCO Group, we expect all employees to behave and carry out their work in accordance with our Code of Conduct and other company policies. We ensure employees are aware of these policies and receive the necessary tools and training to work effectively while always ensuring respect for others. We do not tolerate any form of discriminatory behaviour, harassment, or

victimisation. We provide whistleblowing training to all our employees, enabling them to raise any concern where the interests of the organisation or any person or entity associated with SISCO Group may be impacted.



**SISCO has a 'Whistleblowing Box' for receiving anonymous reports on environmental, health, corruption and fraud concerns as well as any illegal activities. Reports are received by SISCO's internal auditor, who refers the incident to the Legal and Compliance Department for investigation and action.**

Tawzea has developed a Whistle-blower Programme to identify and eliminate risks emerging from financial, managerial, and employee related issues that may arise from human rights violations, work environment issues, and harassment in the workplace. This programme aims to provide workers with tools and solutions to promote a safe working environment that allows them to report any issues transparently without repercussion through multiple channels.

Before engaging in any new project or venture, SISCO's system of internal controls focus on minimising any risk to the company and its subsidiaries and undertaking necessary due diligence checks. SISCO's Legal Department evaluates environmental and social topics in relation to proposed acquisitions of target companies as part of the legal due diligence questionnaire, which contains questions on the environment within which the companies operate, as well as labour and employment issues.

During the HR Induction Programme, S.A TALKE employees are provided with training on company policies which covers employee code of conduct, disciplinary action, and grievances, as well as the company's anti-harassment, and anti-discrimination policies.

Investment decisions by SISCO are made after careful consideration of numerous factors including economic, tax and legal, environmental, and social, and any other significant factors that may impact SISCO's future investment decisions and strategy. Where applicable, appropriate disclosures are made to the Saudi Capital Markets Authority (CMA) to ensure compliance with regulatory rules and regulations. Shareholders can vote online without attending the meeting thorough the system of Securities Depository Centre Co. "Edaa" or proxy.

RSGT's supervisory and HSE teams undertake ethics and compliance monitoring for all operations on a regular basis. RSGT's Grievance & Employees' Voice Policy is in place to provide employees with the means to submit any concerns to the company. During the induction process, new employees are informed about RSGT's position on human rights, employee rights, and other company policies covered by HR policies and the RSGT Code of Conduct.



## Board of Directors

There is no change to the composition of members on our Board of Directors in comparison to 2020. Our Board of Directors comprises seven members, six male and one female. There are four independent members and three non-independent members. Board members are evaluated through evaluation forms, where each board member is evaluated by the other members.

Board of Directors	2019	2020	2021
Independent members of the Board of Directors	3	4	4
Non-independent members of the Board of Directors	4	3	3
Executive members of the Board of Directors	0	0	0
Non-executive members of the Board of Directors	7	7	7
Female members of the Board of Directors	0	1	1
Male members of the Board of Directors	7	6	6

SISCO's Board of Directors has established three committees, comprising board members and external independent experts. These committees are regulated by specific charters approved by the Board and committee members report their activities to the board annually. The committees are:



### Audit Committee

This committee meets at least once every quarter and assists the Board in fulfilling its oversight responsibilities; primarily in reviewing quarterly and annual financial statements, reporting financial and non-financial information, reviewing systems of internal controls, risk management, the audit process, and the related party transactions.



### Investment Committee

This committee assists the Board in reviewing the Group's major investment transactions and performances, oversee the Group's financial resources and advises on future financial strategy. The committee meets as and when required.



### Nomination & Remuneration Committee

This committee meets at least twice a year, to assist the Board of Directors in reviewing and approving the compensation to be provided to SISCO Corporation, Board members, Chief Executive Officer, and employees. In addition, the committee is responsible for overseeing the development, screening, and nomination of qualified individuals for membership of the Board and its committees.



New board members are provided with an induction programme where information on company policies, governance, and strategy are communicated. The Group also ensures training on ethical issues is provided to its subsidiaries and associated companies.

Executive remuneration and incentives are calculated based on the annual performance appraisal. This appraisal evaluates the executive member's efforts to achieve strategy targets and takes into consideration other general achievements during the year.



## Anti-corruption and anti-bribery

SISCO Group does not tolerate or engage in any form of bribery or corruption, and we strictly adhere to industry governance laws. We seek to ensure that all our employees and those associated with, or impacted by SISCO Group are treated with fairness, dignity, and respect.

New board members are informed about company policies on anti-corruption and anti-bribery as part of their induction programme. SISCO Group also provides training for subsidiary and

associated companies on ethical issues and the company's expectations of all individuals associated with the Group. As previously mentioned, our 'Whistleblowing Box' has been set up for receiving anonymous reports on environmental, health, corruption, and fraud issues as well as suspected illegal activities.

Our Internal Audit Department conducts periodic Fraud Risk Assessments, audits, and investigations.

## Grievances

Despite a significant increase in our workforce numbers, we had zero performance grievances filed during this reporting period. In addition, the number of employee grievances filed decreased significantly in comparison to 2020. All employee grievances filed in 2021 were addressed or resolved, except one case which is in the resolution process.

Grievance mechanism	2019	2020	2021
Number of performance grievances filed in the reporting period (#)	11	3	0*
Number of these performance grievance addressed or resolved (#)	11	3	0
Number of employee grievances filed in the reporting period (#)	12	107	37
Number of these employee grievance addressed or resolved (#)	12	93	36

\* No data available from RSGT due to performance appraisals for 2021 being concluded in March 2022.

## Compliance

Our performance and reputation as a business is contingent upon our compliance with Saudi government laws and regulations. At SISCO Group, we diligently monitor our performance across all our business sectors to ensure we meet all our legal and regulatory obligations.

Our Legal Department is responsible for all compliance related matters and reports any issues

directly to the Chief Legal Officer. Our Compliance Officer oversees the review of our business processes, documentation, and contracts to ensure compliance with laws and regulations. Staff are periodically trained on relevant compliance requirements and laws applicable to SISCO Group. Any compliance breaches are thoroughly investigated and actions taken to ensure they are not repeated.

Incidents of non-compliance	2019	2020	2021
Total incidents of non-compliance with laws and regulations	0	0	4
Total number of non-monetary sanctions	0	0	1
Percentage of legal and regulatory fines and settlements that resulted from whistleblowing actions (%)	0	0	0



# Data Privacy and Cybersecurity

At SISCO Group, we have established safeguards and protocols to protect all personal data, ensure compliance with privacy laws and strengthen our cybersecurity capabilities. The prevention, detection, management, and response to digital security risks are important aspects of our business and we are aware that any breach could affect our ability to operate effectively.

We have tools and procedures in place to help us identify any vulnerabilities within our networks. We constantly look for trends in the cybersecurity landscape to prevent and defend our systems from any potential threats. We utilise the latest in digital security technology based on international standards and best practices, and our IT infrastructure management team ensures effective crisis management systems are in place to deal with potential incidents.

In 2021, we continued to utilise our network for working remotely thanks to the digital security system upgrade carried out during the COVID-19 pandemic. No cybersecurity breaches were identified during 2021, and no leaks, thefts or losses of customer data were incurred. We did not receive any complaints from customers or regulatory bodies concerning any breaches of customer data.





# Financial Performance

Strong, sustainable financial performance creates value for our stakeholders and contributes to the vibrancy of the local economy. We are taking steps to further enhance our financial footing through a well-balanced business strategy that will deliver stable economic growth by minimising costs and maximising operating efficiencies. We will ensure adequate capital reserves are available to absorb losses, retain earnings for growth, and meet obligations in the event of adverse operating conditions.

SISCO Group experienced positive growth during 2021 with an increase in revenue of SAR 59 million (6.9%). We achieved gross sales of SAR 921 million (excluding construction revenue), the highest ever in the Group's history. The key driver for growth was our Ports and Terminals segment where revenue increased by 5.8% driven by consolidation of NCT (National Container Terminal) and an improvement in volumes, as well as a positive change in inspection tariffs.

For further details on our financial performance, please refer to the Financial Statements of the SISCO Group 2021 Annual Report.



During 2021, S.A TALKE managed to win three new projects, extending its services to overhauling of packaging lines and liquid transportation as well as the renewal of existing contracts. S.A. TALKE won the contract for operating all SABIC spares warehouses in Jubail, Riyadh and Yanbu. Despite slightly lower revenues than budgeted due to lower volume forecasts, S.A TALKE managed to achieve the budgeted net profit thanks to tight cost control and other operational efficiencies.



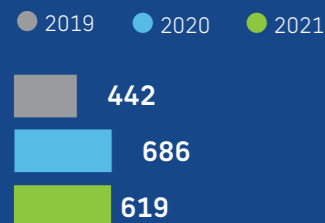
Red Sea Gateway Terminal (RSGT) was honoured for the 2021 "Regional Deal of the Year", at the annual Seatrade Maritime Awards ceremony, in Dubai, for the Middle East, Indian Subcontinent & Africa. In July of 2021, RSGT announced the formal approvals and completions of 20% equity share sales to both the Saudi Arabian Public Investment Fund (PIF), and Hong Kong-based COSCO Shipping Ports Limited (CSPL). The deal implied an enterprise value of USD \$880 million for RSGT. This was a significant milestone for RSGT and demonstrated the strength and confidence granted by the industry and the investment community in RSGT's strategic planning and implementation.



LogiPoint signed an agreement for the Built to Suit (BTS) Facility at Jeddah Logistics Hub (JLH) for United Warehouse Company. Warehousing was in high demand in 2021 with occupancy standing at 100%, and the addition of a multi-purpose facility in 2022 is expected to attract new international customers while growing LogiPoint's business with existing clients. The construction of Warehouse Village 5 has already been commissioned and is expected to be delivered in the second half of 2022. The new facility will have dedicated zones for handling frozen, chilled, ambient, and dry cargoes, and will introduce an additional zone equipped to handle pharmaceutical goods inside JIP.

## FINANCIAL PERFORMANCE

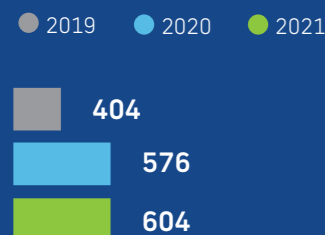
### Revenues (million SAR)



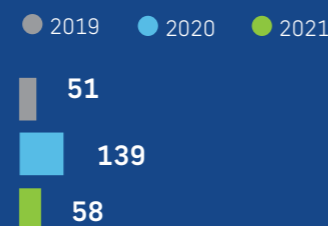
### Total assets (million SAR)



### Gross Profit (million SAR)



### Net Profit (million SAR)





CHAPTER 3

# Supporting our Communities

We are dedicated to creating shared value for all our stakeholders which is why we are leveraging our resources to be a driving force for positive change in our community. Creating, supporting, and contributing to community development initiatives is our way of ensuring that we have a positive and lasting impact that will improve people's lives. We provide our customers with a rich customer experience through the delivery of products and services of a consistent high quality.

We are committed to sourcing materials in an ethical and transparent manner. We strive to develop strong relationships with suppliers that are built on mutual trust, shared principles, and value giving. We aim to continuously increasing our local sourcing footprint wherever possible.

**MATERIAL ISSUES COVERED**

- Community Investment & Engagement
- Sustainable Procurement
- Customer Experience

**SAUDI VISION 2030 PILLAR**



<p><b>1</b> NO POVERTY</p>	<ul style="list-style-type: none"> <li>• 1.1 – Eradicate extreme poverty</li> <li>• 1.2 – Reduce poverty by at least 50%</li> </ul>
<p><b>3</b> GOOD HEALTH AND WELL-BEING</p>	<ul style="list-style-type: none"> <li>• 3.8 – Achieve universal health coverage</li> <li>• 3.9 – Reduce illnesses and death from hazardous chemicals and pollution</li> </ul>
<p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p>	<ul style="list-style-type: none"> <li>• 11.6 – Reduce the environmental impact of cities</li> </ul>
<p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<ul style="list-style-type: none"> <li>• 12.2 – Sustainable management and use of natural resources</li> <li>• 12.4 – Responsible management of chemicals and waste</li> <li>• 12.5 – Substantially reduce waste generation</li> <li>• 12.6 – Encourage companies to adopt sustainable practices and sustainability reporting</li> </ul>
<p><b>13</b> CLIMATE ACTION</p>	<ul style="list-style-type: none"> <li>• 13.2 – Integrate climate change measures into policies and planning</li> <li>• 13.3 – Build knowledge and capacity to meet climate change</li> </ul>
<p><b>17</b> PARTNERSHIPS FOR THE GOALS</p>	<ul style="list-style-type: none"> <li>• 7.1 – Mobilise resources to improve domestic revenue collection</li> <li>• 17.11 – Increase the exports of developing countries</li> <li>• 17.14 – Enhance policy coherence for sustainable development</li> <li>• 17.7 – Encourage effective partnerships</li> </ul>

# Community Investment and Engagement

SISCO Group operates a diverse portfolio across various business sectors. This provides us the unique ability to engage with and impact a wide range of community groups. We believe it is essential to use our resources and our influence in the industry to invest in and develop the communities we serve.

Through our core business activities, and our advocacy on critical issues we strive to generate positive social and economic value for our communities. This also includes monetary donations, volunteering activities, and our collaboration with key government and non-government groups to support community related initiatives.

In 2021, we focussed on increasing our volunteering activities by partnering with regional

organisations to support community initiatives. As a result, the total number of employees participating in volunteering activities, and total number of employee volunteering hours across SISCO Group increased significantly in 2021.



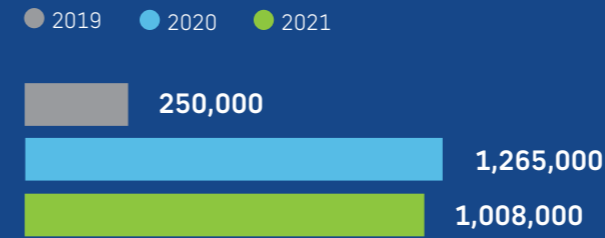
**In 2021, SISCO provided 1,680 meals to low income families**

As part of its commitment to local communities, RSGT, in cooperation with Etaam (Saudi Food Bank), filled and donated food boxes for distribution to needy families during the month of Ramadan in 2021. RSGT also organised various events and awareness campaigns for its employees and community members including World Environment Day, World Ocean Day, and Saudi National Day.

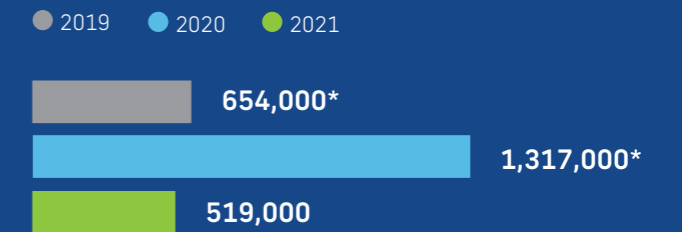


## COMMUNITY INVESTMENT

Total value of community investments (SAR) investments (SAR)



Donations and sponsorships (SAR) \*



\* Figures have been rectified.

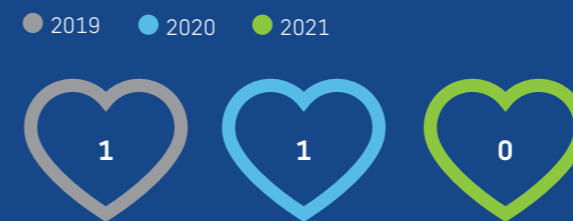
Total number of local community development programmes based on local community needs (#)



Total number of volunteers (employees)



Operations with significant actual or potential negative impacts on local communities (#)



Total number of employee volunteering hours



Tawzea is an associate sponsor of Dawah foundation and provided a financial donation in 2021. Dawah foundation is offers expat blue-collar workers in Jeddah Industrial City 1 with social activities, such as organizing group iftar during Ramadan and friendly competitive events like the annual bicycle race.

Tawzea also provides water services to low-income families free-of-charge.

# Sustainable Procurement

At SISCO Group, we are dedicated to progressing our sustainability efforts across our supply chain. We encourage suppliers to uphold the principles of sustainability management, and we undertake due diligence checks to ensure our suppliers engage in ethical sourcing practices.

In 2021, our procurement spending increased significantly due to expansions across all our business sectors which also led to a steep rise in our local procurement spending.

## SPENDING ON LOCAL SUPPLIERS

Total number of suppliers engaged (#)

● 2019 ● 2020 ● 2021



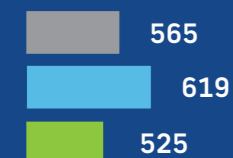
Total number of local suppliers engaged (#)

● 2019 ● 2020 ● 2021



Total number of SME suppliers engaged (#)

● 2019 ● 2020 ● 2021



Total number of women-owned suppliers engaged (#)

● 2019 ● 2020 ● 2021



Total procurement spending (SAR) (#)

● 2019 ● 2020 ● 2021



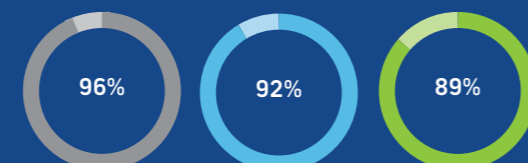
Total number of suppliers engaged (#)

● 2019 ● 2020 ● 2021



Percentage of spending on local suppliers (%)

● 2019 ● 2020 ● 2021



## Supplier Management

To ensure an elevated level of transparency and ethical practices we expect of ourselves extend throughout our supply chain, we demand similar behaviours from our suppliers. Our subsidiaries implement a Supplier Code of Conduct to ensure suppliers adhere to the Group's standards on key social and environmental matters.

We will give priority to suppliers that are found to be most compliant with these policies and demonstrate the principles within the code of conduct. We are committed to helping our suppliers along the way by providing guidance and support where necessary.

S.A TALKE has maintained its Responsible Care certification from the Gulf Petrochemicals and Chemicals Association. Responsible Care is a voluntary initiative for the global chemical industry to drive continuous improvement in safe chemicals management and achieve excellence in environmental, health, safety, and security performance. S.A TALKE also has Safety & Quality Assessment for Sustainability (SQAS) certification. Chemical companies use these assessments in their selection processes of new service providers and for the ongoing evaluation of the standards and performance of their existing service providers.

As part of the new government transformation currently underway through Saudi Vision 2030, entities such as the Local Content and Government Procurement Authority (LCPGA) have introduced new requirements on private sector parties in tendered projects across all sectors. Tawzea has been meeting these requirements pragmatically, such as by increasing the support requirements for firms to utilise local vendors and suppliers.



# Customer Experience

Customer experience and satisfaction are amongst our core objectives at SISCO Group. Our customers are a key stakeholder group, and it is critical for our continued business growth, that we engage with our customers effectively, and provide suitable avenues for feedback. SISCO Group takes into consideration the requirements, opinions, and preferences of customers when developing new products and services, and as part of our continuous improvement process.

Some of the initiatives we employ at SISCO Group to improve customer experience include:



Conducting routine online surveys to better understand customers' needs and gauge their level of satisfaction.



Organising customer insights activities to strengthen our relationships with customers.



Providing a consist level of service to all customers across our operations.

As a result of customer feedback, and to reduce the number of external parties entering the premises with the advent of the COVID-19 pandemic, RSGT moved to a more remote interactive platform named the RSGT BOT. The interactive chatting system enables customers to complete 99% of all processes and transactions online. The system was introduced in 2020 and further developed into a unified platform in 2021.

**RSGT was also named “Terminal Operator of the Year” for the middle east at the ShipTek 2021 International Conference in the Customer Experience & Service category. The award is in recognition of RSGT’s exemplary record of growth, service and ongoing expansion and achievements.**

In September 2021, S.A. TALKE celebrated 10 years of partnership with Saudi Chevron Phillips Company. S.A. TALKE always aims to recognise and understand customer expectations, align with their business objectives, and focus on delivering high-quality services to maintain customer satisfaction. Customer satisfaction is one of the critical factors S.A TALKE focusses on to develop long-lasting business partnerships and improve performance.

Tawzea made customer issue resolution a priority in 2021, where the customer service department resolved over 87% of customer requests on time, compared to 54% in 2020. Tawzea achieved a customer satisfaction rate of 97% in 2021. The company also enhancing the performance of its call centre through the implementation of the AVAYA unified communications system which reduces infrastructure costs and allows organisations to quickly and efficiently deploy applications from a centralised data centre.

LogiPoint’s achievements were widely recognised by the industry in 2021 with the company winning the following prestigious awards during the year:

- Supply Chain Hub of the Year Award’ at Logistics Middle East Awards. March 16, 2021. Dubai, UAE.
- ‘Logistics Hub of the Year Award’ at ‘Heroes of the Pandemic Awards’ by Transport and Logistics Middle East. July 12, 2021. Dubai, UAE.
- ‘Leaders in Logistics Real Estate Solutions’ at Logistics and Transport 2021 Awards by Logistics News Middle East. September 28, 2021. Dubai, UAE.



## Health and Safety – Customers

As part of our commitment to customer experience and to being a reliable organisation, we strive to safeguard the health and safety of our customers through product and service responsibility.


To ensure the safety of our customers and end-users, we employ measures and protocols to identify and minimise all risks from our products – including those arising from harmful materials or potentially unsafe functional features.

In 2021, we achieved a 29% reduction in the number of incidents of non-compliance with regulations, voluntary codes, or supplier standards, concerning the health and safety of our products, services, or handling/transport/storage of our products. Five incidents were recorded, which were classified as minor, compared to seven incidents in 2020.


Health and Safety – Customers	2019	2020	2021
Number of incidents of non-compliance with regulations, voluntary codes, or supplier standards, concerning health and safety of products, services, or handling/transport/storage of product	17	7	5



S.A TALKE conducts regular audits and inspections of project sites to verify that requirements related Health and Safety, Accountability and Process, Environment and Security are properly implemented. Any activities identified as having the potential to compromise product safety or customer health are eliminated or effectively managed. S.A TALKE has maintained its Responsible Care certification from the Gulf Petrochemicals and Chemicals Association. Responsible Care is a voluntary initiative for to drive continuous improvement in safe chemicals management and achieve excellence in environmental, health, safety, and security performance.



LogiPoint has a well-established procedure for handling customer perception and gaining feedback related to product and service safety. Where necessary, corrective measures are implemented according to customer feedback. This also applies to any customers complaints received, which are recorded for corrective and preventive actions. LogiPoint's HSEQ department conducts an internal audit (once annually as a minimum) to assess if customer feedback and complaints were properly recorded and addressed.

Tawzea's Quality Assurance department collects daily samples from the water network's main distribution points to analyse for increased sodium hypochlorite levels which can pose as a threat to customer health. Samples are tested against SASO, and GCC standards. In addition, randomised samples from clients are taken to check for compliance and to engage with customers to identify any concerns. The Customer Service department also conducts regular customer satisfaction surveys and questionnaires, and utilises a feedback tracking system (CRM) to evaluate risks related to customer health and product safety.

Tawzea has a process for identifying any water system leaks by calculating the difference between outlet and inlet flow metres throughout the system. This enables the company to undertake maintenance and repair activities immediately in order to reduce any risk of contamination and minimise system water losses. Tawzea's Maintenance Department conducts routine maintenance activities to check for defective or deteriorating valves, connections, or meters that may lead to contamination or changes in water quality. Tawzea also regularly engages customers who have communicated concerns regarding water quality to increase awareness regarding proper storage and disinfection methods where necessary.



# Sustainable Environment and Infrastructure

At SISCO Group, we are committed to reducing our negative environmental impact and supporting the Kingdom's Green Initiative. We are dedicated to reducing our carbon footprint by implementing effective energy efficiency initiatives and utilising innovative technologies and infrastructure throughout our business. We strive to continuously reduce our water consumption and waste footprint while identifying and managing climate-related risks associated with our operations.

### MATERIAL ISSUES COVERED

- Climate Change and Energy
- Technology and Innovation
- Environmental Management
- Water and Waste Management

### SAUDI VISION 2030 PILLAR



<p><b>13</b> CLIMATE ACTION</p>	<ul style="list-style-type: none"> <li>• 13.2 – Integrate climate change measures into policies and planning</li> <li>• 13.3 – Build knowledge and capacity to meet climate change</li> </ul>
<p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p>	<ul style="list-style-type: none"> <li>• 7.2 – Increase global percentage of renewable energy</li> <li>• 7.1 – Universal access to modern energy</li> <li>• 7.3 – Double the improvement in energy efficiency</li> </ul>
<p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<ul style="list-style-type: none"> <li>• 9.1 – Develop sustainable, resilient, and inclusive infrastructures</li> <li>• 9.2 – Promote inclusive and sustainable industrialisation</li> <li>• 9.4 – Upgrade all industries and infrastructures for sustainability</li> </ul>
<p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<ul style="list-style-type: none"> <li>• 12.2 – Sustainable management and use of natural resources</li> <li>• 12.4 – Responsible management of chemicals and waste</li> <li>• 12.5 – Substantially reduce waste generation</li> <li>• 12.6 – Encourage companies to adopt sustainable practices and sustainability reporting</li> </ul>
<p><b>6</b> CLEAN WATER AND SANITATION</p>	<ul style="list-style-type: none"> <li>• 6.1 – Safe and affordable drinking water</li> <li>• 6.2 – End open defecation and provide access to sanitation and hygiene</li> <li>• 6.3 – Improve water quality, wastewater treatment and safe reuse</li> <li>• 6.4 – Increase water-use efficiency and ensure freshwater supplies</li> </ul>

# Climate Change and Energy

Climate change is one of the most urgent issues facing our planet, having widespread economic, political, and social consequences. We all have a key role to play in thwarting its impacts. As a capital-intensive and diverse company, SISCO Group is exposed to distinct types and degrees of local, regulatory, physical, and socio-economic risks associated with climate change. Therefore, we are committed to identifying and managing any climate-related risks associated with our operations.

In addition, we believe that it is important for SISCO Group to demonstrate leadership in regional and global efforts to mitigate the adverse effects of climate change. We recognise that we operate in an energy intensive sector which is why we are focussing our efforts on reducing our carbon footprint by minimising our energy consumption.

## Energy Consumption

We continue to implement energy efficiency measures across our business sectors. We have also been focussing on improving our collection and measurement methods to ensure we are accurately monitoring energy consumption throughout our operations. This has enabled us to identify our more energy-intensive areas and implement energy efficiency measures where greater outcomes can be achieved.



**In 2021, SISCO converted 50% of its company vehicles to Hybrid vehicles in order to reduce fuel consumption, and therefore greenhouse gas emissions. Hybrid vehicles typically achieve higher fuel efficiencies than conventional petrol-only vehicles and therefore produce much lower emissions.**



RSGT implemented various measures in 2021 to reduce its energy consumption, including:

- Retirement of 20 out of 148 older TT (Terminal Tractor) units and the introduction of 20 new, more efficient TTs to the fleet
- Introduction of 10 hybrid (diesel – electric) RTGs (Rubber Tyre Gantry Cranes)
- Retired or refurbished 9 out of 15 Liebherr RTGs

- Reduction in the number of diesel power generators (one out of seven with six remaining)

Despite an increase in production operations in 2021, these efforts have resulted in a 20% reduction in overall diesel energy consumption from operations and vehicles in L/TEU (twenty-foot equivalent). Electricity consumption also decreased 11% in kWh/TEU compared to 2020.



Despite a significant increase in operations and the commencement of various new projects across our business sectors, our total direct energy consumption decreased by 8% in 2021 compared to 2020. This also includes more comprehensive monitoring of fuel consumption from our subsidiaries LogiPoint and S.A. TALKE with respect to petrol consumption from vehicles.

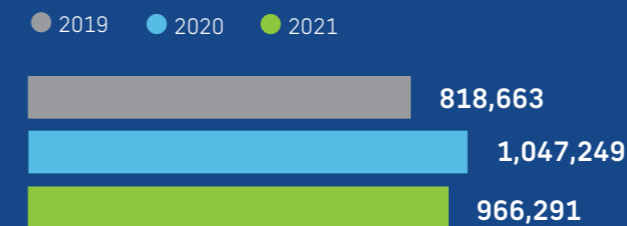
Our indirect energy consumption increased by 16% due to increased operations, however, our energy consumption intensity per square meter decreased by 9% in comparison to 2020.

DIRECT ENERGY CONSUMPTION	2019	2020	2021
Petrol consumption from operations (L)	103,728	48,797	31,901
Petrol consumption from vehicles (L)	95,131	98,836	405,409
Diesel consumption from operations (L)	21,000,012	26,500,696	24,006,058
Diesel consumption from vehicles (L)	206,480	720,488	847,153

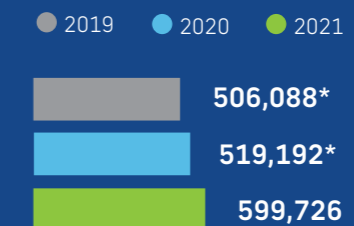
INDIRECT ENERGY CONSUMPTION	2019	2020	2021
Electricity consumption (branches, offices, etc.; kWh)	140,579,869	144,220,042	166,590,452

### ENERGY CONSUMPTION

#### Total direct energy consumption (GJ)



#### Total indirect energy consumption (Electricity, GJ)



#### Total energy consumption intensity (GJ/FTE)



#### Diesel consumption from vehicles (L)



\* Figures have been rectified.



## Greenhouse Gas Emissions

In an effort to reduce our carbon emissions, we have deployed various methods to better understand our energy consumption patterns. By monitoring direct and indirect energy consumption across SISCO Group, we can track our Scope 1 and Scope 2 carbon emissions respectively and take measures to reduce our total carbon footprint.

In 2021, we reduced our Scope 1 GHG emissions by 8% in comparison to 2020. Our Scope 2 GHG emissions, however, increased by 16%. Our total GHG emissions increased by 5%, while our GHG emissions intensity decreased by 4%.

GHG Emissions	2019*	2020*	2021
Direct GHG emissions (Scope 1) (tonnes of CO2eq)	57,461	73,509	67,814
Indirect GHG emissions (Scope 2) (tonnes of CO2eq)	91,939	94,320	108,950
Total GHG emissions (tonnes of CO2eq)	149,400	167,829	176,765
GHG emission intensity (tonnes of CO2eq/employee)	44	45	43


\* Figures have been rectified.



# Technology and Innovation

The dynamic trends and demands of an increasingly digitised world, mean that companies must continuously develop innovative methods to improve their products, processes, and services. At SISCO Group, we believe that the responsible use of modern technologies can enhance our ability to not only meet our business goals, but our social commitments and environmental responsibilities as well.

We are committed to nurturing a skilled workforce that is up to date with technological advancements and digital trends in order to meet the demands of the future. We seek to develop innovative products and services the meet customer expectations and enable us to operate more efficiently.



In 2020, as a result of technological innovation and customer feedback, and to reduce the number of external parties entering the premises with the advent of the COVID-19 pandemic, RSGT moved to a more remote interactive platform named the RSGT BOT. The interactive chatting system provided customers with the following:


- Container status
- Invoicing and payment
- Issuance of pick-up tickets
- MTY depot details
- Seal number details
- Line vessel schedules

In 2021, building on 2020 platform, RSGT launched a unified platform which continued to offer the 2020 RSGT BOT services, plus:

- 46 additional service contact points
- Key services including push notifications, value added services, and advanced payments including e-wallet

The new RSGT BOT platform was launched to meet the intent and requirements of SAUDI Vision 2030 and the global digital transformation. The BOT system enables customers to complete 99% of all transactions online.

RSGT was also named "Terminal Operator of the Year" for the middle east at the ShipTek 2021 International Conference in the Technology & Innovation category.



LogiPoint Initiated the implementation of the RAMCO ERP (Enterprise Resource Planning) system in 2021, providing a single integrated platform for seamless business operations. Additionally, in collaboration with the SFDA (Saudi Food and Drug Authority), LogiPoint implemented an innovative solution at the BRZ which makes it possible for perishables and food items to be inspected remotely using virtual technology. When fully adopted, this solution will bring speed and agility to the clearance of time sensitive food shipments while ensuring regulatory compliance.



# Environmental Management

SISCO's Health, Safety, Environment and Social Policy highlights the group's commitment to managing its environmental impact and protecting natural resources. Our Integrated Management System incorporates our environmental processes which are covered under ISO 14001 for which SISCO Group companies are certified.



Tawzea now updates the procedure of environmental risk assessment on a yearly basis. The company has kept up to date with regards to compliance with the government's proactive regulation increases, by undertaking relevant risk assessments, as necessary. Tawzea has maintained and continuously encourages positive HSE behaviours including maintaining zero damage to the environment. Tawzea has maintained compliance with the ISO9001:2015 (Quality Management System) and ISO14001:2015 (Environmental Management System), where requirements were 100% achieved. Tawzea has also initiated the process to obtain an environmental license from PME (Presidency of Meteorology and Environment) for Al-Qaseem and Al-Riyadh Industrial Cities' Wastewater treatment plants, respectively.



RSGT's Environmental Policy is integrated with its HSES (Health, Safety, Environment and Social) Policy. Similarly, the environmental aspects of this policy are integrated within the SMS (Safety Management System), and are further defined within the company's Environmental Management Plan and Waste Management Plan. This approach demonstrates the RSGT's commitment to environmental management and its integration into all aspects of the company's operations.



LogiPoint integrates its Environmental Policy within its HSEQ (Health, Safety, Environment and Quality) Policy that is signed by the CEO and subjected to annual review. LogiPoint maintains an environmental management system (ISO 14001:2015) within the integrated HSEQ management systems (HSEQ-IMS). Environmental activities are captured within the associated Environmental Aspects/Impacts Register to adequately identify potential environmental impacts associated with the company's activities and ensure the implementation of mitigation measures to eliminate or manage any potential adverse impacts on the environment.



S.A TALKE continues to undertake monthly environmental awareness sessions and environmental campaigns to increase employee awareness levels and emphasise its commitment to safeguarding the environment.

S.A TALKE continues to implement the Operation Clean Sweep® (OCS) initiative – an international programme designed to prevent resin pellet, flake and powder loss and help keep these materials out of the marine environment during handling by various entities along the plastics value chain.



# Water and Waste Management

We are committed to the responsible use of water resources at SISCO Group. That is why we are implementing water efficiency measures across our business and continue to look for innovative methods to preserve water resources through both efficiencies as well as reuse initiatives. We also

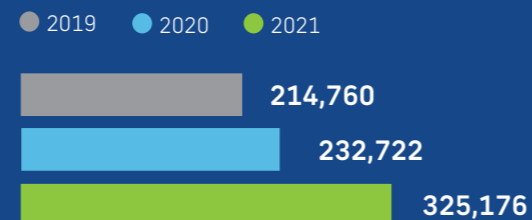
understand the impact of our waste generation on the environment which is why we are striving to reduce our waste footprint across our business sectors and increase our recycling efforts.

## Water Consumption

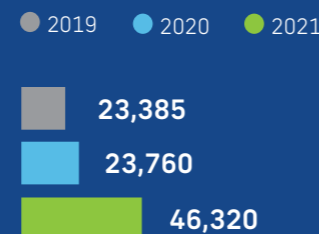
In 2021, our water consumption increased by 40% due to a significant increase in our operations, however, our recycled wastewater nearly doubled in comparison to 2020.

### WATER CONSUMPTION\*\*

#### Total water consumption (m3)



#### Recycled wastewater (m3)



\* Figures have been rectified.  
 \*\* Does not include SISCO parent company water and recycled wastewater data.



Tawzea operates a wastewater treatment system designed to treat residential and industrial wastewater, where the treated wastewater (effluent) can be used for irrigation of plants. Also, subsurface systems for treated wastewater distribution can deliver recycled water to Tawzea's customers at MODON (The Saudi Authority for Industrial Cities and Technology Zones) to be used for industrial city irrigation. The treated sewage effluent (TSE) has reduced MODON's reliance on an independent source or third party to provide irrigation water. Furthermore, reject water, which is the waste stream generated from raw water desalination using reverse osmosis (RO) technology, is used to aerate the roads of MODON's Oasis. Finally, Tawzea introduced two new water conservation initiatives in 2021, namely:

- Installation of water conserving fixtures (faucets, toilets, etc.) in Tawzea facilities
- Communicate and raise awareness about the importance of conserving resources.



Since 2016, RSGT's new cranes orders have been specified with air conditioning condensate water capture tanks to collect all water and reuse it for crane washing and crane window washing purposes. In addition, auto water taps are progressively being installed to minimise water consumption, while water meters have recently been installed across the company to accurately track water consumption with the aim of controlling and reducing consumption where possible. In 2022 RSGT plans to install a vehicle and equipment wash bay water filtering and recycling system to safely filter wastewater for irrigation and vehicle wash-down purposes.



LogiPoint commenced a contract with the NWC (National Water Company) to collect, treat and reuse wastewater generated. In 2021, over 22,000 m3 of wastewater was collected and reused by NWC. LogiPoint has also introduced preventative maintenance programmes to help minimise its water use, as well as other water efficiency measures such as the installation of sensors

## Waste Management

The impact of waste on the planet is becoming an increasingly critical issue that we must collectively address on both a local and global scale. We understand that as a large business in the region, we have a responsibility to manage our waste footprint in an effective manner. We are working towards improving our waste monitoring practices in order to determine the volume of waste we are sending to landfill, and identify waste-intensive areas within our operations.

In 2021, total waste generated from our facilities decreased slightly despite an increase in our operations. Hazardous waste disposed increased due to improved monitoring from our subsidiaries. The most notable change, however, was total waste recycled which showed a steep increase in 2021 thanks to the efforts of our subsidiary, RSGT which recently implemented some significant recycling initiatives.

WASTE	2019	2020	2021
Total waste generated (kg)	1,003,442	1,075,910	1,003,607
Hazardous waste disposed (kg)	18,516	24,703	99,484
Non-hazardous waste disposed (kg)	984,926	1,051,207	904,123

### Total waste recycled (kg)

● 2019 ● 2020 ● 2021



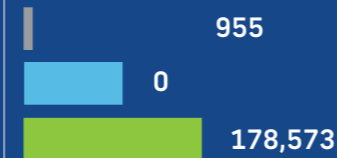
### Hazardous waste recycled (kg)

● 2019 ● 2020 ● 2021



### Non-hazardous waste recycled (kg)

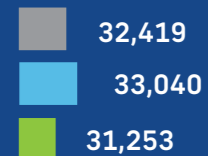
● 2019 ● 2020 ● 2021



## MATERIALS

### Total paper consumption (kg)

● 2019 ● 2020 ● 2021



### Total paper recycled (kg)

● 2019 ● 2020 ● 2021



\* Figures have been rectified.



Tawzea is currently exploring an initiative to use Automatic Meter Reading technology (AMR) for the purpose of reducing paper consumption for customer water meter readings, which are taken daily. Tawzea also plans to provide computers to WWTP (Wastewater Treatment Plant) operators to carry out data registration and daily operations and save paper in the process.

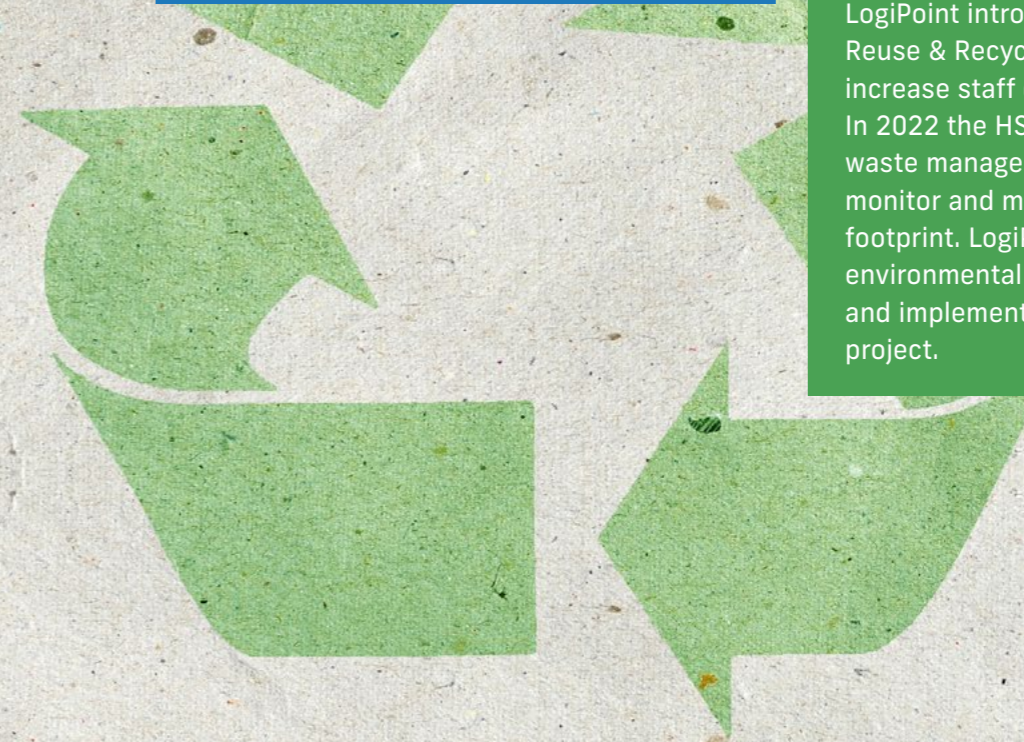
Tawzea has also introduced measures and initiatives to reduce the consumption of paper and promote its recycling as a measure to move the company away from physical forms and reports in favour of utilising electronic alternatives. Tawzea has also started a paper recycling programme with incentives to encourage employees to be more environmentally conscious and to promote and normalise the culture of recycling within the organisation.



In 2021, RSGT implemented various initiatives to monitor its waste footprint and improve its recycling efforts. RSGT recycles or repurposes most of its waste streams including steel and wire ropes, drums, batteries, and used oil. In 2022, RSGT also plans to align itself with government certified disposal agents for the disposal of IT related products such as printer cartridges, fluorescent light tubes, personal computers etc.



LogiPoint introduced the 3R (Reduce, Reuse & Recycle) campaign in 2021 to increase staff environmental awareness. In 2022 the HSEQ team will develop a waste management procedure to better monitor and manage the company's waste footprint. LogiPoint will also be working with environmental service vendors to develop and implement a company-wide recycling project.





# Appendices





## Appendix A. SISCO Stakeholder Map

Stakeholder Group	Importance to SISCO	Needs and Expectations	Methods of Engagement
<b>Customers</b>	Organic growth has been at the top of our priorities, as we strive to establish good relationships with our existing customers based on a win-win situation. We try to deliver value added solutions and the highest quality of products and services for our customers enabling us to widen the current scope as well as get additional business. We continuously aim to identify areas of improvement with the latest technology to deliver an unmatched experience to our customers.	<ul style="list-style-type: none"> <li>Innovative and sustainable products and services</li> <li>Efficient and pro-active customer channels</li> <li>Friendly and responsive customer service</li> </ul>	<ul style="list-style-type: none"> <li>Social media channels such as Twitter, Facebook, Instagram, and LinkedIn</li> <li>Customer service offices for SISCO entities</li> </ul>
<b>Our People</b>	The hard work, commitment, and contribution of every employee is integral to the success of SISCO. We have developed a unified talent management model to ensure that the firm is maximising its ability to attract, retain and nurture highly skilled employees with diverse skills and abilities across the board. SISCO entities pride themselves in maintaining the highest standards in health and safety at our facilities, monitoring carefully potential risks to our employees and our operations, to provide a safe working environment for our workforce.	<ul style="list-style-type: none"> <li>Employee engagement and growth, through cultivating a diverse and inclusive workforce.</li> <li>Providing a safe and secure work environment</li> <li>Fair compensation</li> <li>Recognition and rewards</li> </ul>	<ul style="list-style-type: none"> <li>Employee trainings including orientations, professional training, and certifications.</li> <li>Health and safety policies</li> <li>Social gatherings such as Annual Football tournament</li> </ul>
<b>Shareholders &amp; Investors</b>	We continuously aim to create value for our shareholders, by keeping a solid balance sheet with an impressive track record both financially and operationally. The nature of SISCO's investment projects and the activities of its subsidiaries, makes it a rewarding long-term investment opportunity for shareholders, investors, and potential stakeholders. We continue to ensure that companies in the group continue to implement best practices and correct academic and technical skills are available to the companies to help ensure the quality of work is appropriate and adequate in delivering the strategic objective of the group.	<ul style="list-style-type: none"> <li>Strong balance sheet and continuous cash flows</li> <li>Transparency and disclosure</li> <li>Incorporate ESG criteria into business operations and activities.</li> <li>Dynamic risk management</li> <li>Strong market position</li> </ul>	<ul style="list-style-type: none"> <li>Annual reports</li> <li>Corporate Governance reports</li> <li>Quarterly financial statements</li> <li>Board Meetings</li> </ul>
<b>Communities</b>	SISCO believes that as contributor to the economic future of the country, we also need to contribute to the community. Corporate social responsibility is deeply integrated into our business activities, reflected in our CSR programme, that aims to make a positive impact on the world.	<ul style="list-style-type: none"> <li>Social initiatives and programmes to promote well-being of the community.</li> <li>Partnerships with other organisation to address social concerns.</li> <li>Regular one-off, high participation low-cost activities</li> </ul>	<ul style="list-style-type: none"> <li>Donations to charitable causes</li> <li>Social welfare campaigns</li> </ul>
<b>Government Regulators</b>	Promoting a compliance culture is paramount to our strategy. SISCO demonstrates its responsibilities to its various stakeholders through developing and enhancing the company's transparency and accountability. We are committed to complying with all rules and regulations. We strive to raise the standards and levels of corporate governance in line with the regional and global best practices.	<ul style="list-style-type: none"> <li>Alignment to national strategies and visions (Saudi Vision 2030)</li> <li>Compliance with legal and regulatory requirements</li> <li>Protecting customers and shareholders</li> <li>Transparency and disclosure</li> </ul>	<ul style="list-style-type: none"> <li>Internal audit</li> <li>External audit</li> <li>Internal control and risk management systems</li> <li>Compliance department</li> <li>Audit Committee</li> <li>Annual Reports</li> </ul>
<b>Partners</b>	SISCO creates and maintains alliances and partnerships with various partners to facilitate consistent growth and strategic positioning. Strengthening partnerships with the best suppliers, distributors and trade partners allows us to meet our customer needs.	<ul style="list-style-type: none"> <li>New opportunities for engagement and interaction</li> <li>Open communication channels</li> <li>Fair and respectful treatment of suppliers</li> <li>Timely payments</li> </ul>	<ul style="list-style-type: none"> <li>Supplier survey to obtain feedback from suppliers.</li> <li>Supplier portal</li> <li>Procurement department</li> </ul>



# Appendix B. GRI Content Index

GRI Standard	Disclosure	Page number(s) and/or direct answers
<b>GRI 101: Foundation 2016</b>		
<b>GRI 102: General Disclosures 2016</b>		
<b>Organizational Profile</b>		
	102-1 Name of the organization	Saudi Industrial Services Company (SISCO)
	102-2 Activities, brands, products, and services	7-9
	102-3 Location of headquarters	8
	102-4 Location of operations	8
	102-5 Ownership and legal form	8
	102-6 Markets served	8
	102-7 Scale of the organization	9, 21, 48
	102-8 Information on employees and other workers	19-29
	102-9 Supply chain	54-55
	102-10 Significant changes to the organization and its supply chain	None
	102-11 Precautionary Principle or approach	42-46
	102-12 External initiatives	15
	102-13 Membership of associations	None
<b>Strategy</b>		
	102-14 Statement from senior decision-maker	4-5
<b>Ethics and Integrity</b>		
	102-16 Values, principles, standards, and norms of behavior	9, 42-43
<b>GRI 102: General Disclosures 2016</b>		
<b>Governance</b>		
	102-18 Governance structure	44
	102-21 Consulting stakeholders on economic, environmental, and social topics	12
	102-22 Composition of the highest governance body and its committees	44
	102-23 Chair of the highest governance body	44
	102-24 Nominating and selecting the highest governance body	44
<b>Stakeholder engagement</b>		
	102-40 List of stakeholder groups	12
	102-41 Collective bargaining agreements	74
	102-42 Identifying and selecting stakeholders	12, 74
	102-43 Approach to stakeholder engagement	13, 74
	102-44 Key topics and concerns raised	12
<b>Reporting practice</b>		
	102-45 Entities included in the consolidated financial statements	7, 9
	102-46 Defining report content and topic Boundaries	6-7
	102-47 List of material topics	13
	102-48 Restatements of information	6
	102-49 Changes in reporting	6

GRI Standard	Disclosure	Page number(s) and/or direct answers
	102-50 Reporting period	6
	102-51 Date of most recent report	6
	102-52 Reporting cycle	6
GRI 102: General Disclosures 2016	102-53 Contact point for questions regarding the report	7
	102-54 Claims of reporting in accordance with the GRI Standards	6
	102-55 GRI content index	76
	102-56 External assurance	None
<b>Material Topics</b>		
<b>GRI 200 Economic Standard Series</b>		
<b>Economic Performance</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	48
	103-2 The management approach and its components	48
	103-3 Evaluation of the management approach	48
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	48
	201-2 Financial implications and other risks and opportunities due to climate change	-
	201-3 Defined benefit plan obligations and other retirement plans	None
	201-4 Financial assistance received from government	-
<b>Procurement Practices</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	54
	103-2 The management approach and its components	54-55
	103-3 Evaluation of the management approach	54-55
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	54
<b>Anti-corruption</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	45
	103-2 The management approach and its components	45-46
	103-3 Evaluation of the management approach	45-46
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	45
	205-2 Communication and training about anti-corruption policies and procedures	45-46
	205-3 Confirmed incidents of corruption and actions taken	None
<b>GRI 300 Environmental Standards Series</b>		
<b>Energy</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	62
	103-2 The management approach and its components	62
	103-3 Evaluation of the management approach	62-63
GRI 302: Energy 2016	302-1 Energy consumption within the organization	63
	302-2 Energy consumption outside of the organization	-
	302-3 Energy intensity	63
	302-4 Reduction of energy consumption	62-63
	302-5 Reductions in energy requirements of products and services	62-63

GRI Standard	Disclosure	Page number(s) and/or direct answers
<b>Water and Effluents</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	68
	103-2 The management approach and its components	68
	103-3 Evaluation of the management approach	68-69
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	68-69
	303-2 Management of water discharge-related impacts	68-69
	303-3 Water withdrawal	-
	303-4 Water discharge	-
	303-5 Water consumption	68
<b>Emissions</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	62
	103-2 The management approach and its components	62
	103-3 Evaluation of the management approach	62-64
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	64
	305-2 Energy indirect (Scope 2) GHG emissions	64
	305-3 Other indirect (Scope 3) GHG emissions	-
	305-4 GHG emissions intensity	64
	305-5 Reduction of GHG emissions	64
<b>Waste</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	70
	103-2 The management approach and its components	70
	103-3 Evaluation of the management approach	70-71
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	70
	306-2 Management of significant waste-related impacts	70-71
	306-3 Waste generated	70
	306-4 Waste diverted from disposal	70
	306-5 Waste directed to disposal	70
<b>Environmental Compliance</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	66
	103-2 The management approach and its components	66
	103-3 Evaluation of the management approach	66-67
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	66-67
<b>Supplier Environmental Assessment</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	54-55
	103-2 The management approach and its components	54-55
	103-3 Evaluation of the management approach	54-55
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	54
	308-2 Negative environmental impacts in the supply chain and actions taken	54-55



GRI Standard	Disclosure	Page number(s) and/or direct answers
<b>GRI 400 Social Standards Series</b>		
<b>Employment</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	19-20
	103-2 The management approach and its components	19-20
	103-3 Evaluation of the management approach	20-29
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	23
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	28
	401-3 Parental leave	29
<b>Occupational Health and Safety</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	30
	103-2 The management approach and its components	30
	103-3 Evaluation of the management approach	30-35
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	30-35
	403-2 Hazard identification, risk assessment, and incident investigation	30-35
	403-3 Occupational health services	30-35
	403-4 Worker participation, consultation, and communication on occupational health and safety	30-35
	403-5 Worker training on occupational health and safety	35
	403-6 Promotion of worker health	30-35
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	30-35
	403-8 Workers covered by an occupational health and safety management system	All
	403-9 Work-related injuries	33-34
	403-10 Work-related ill health	33
<b>Training and Education</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	24
	103-2 The management approach and its components	24
	103-3 Evaluation of the management approach	24-26
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	26
	404-2 Programs for upgrading employee skills and transition assistance programs	24-26
GRI 405: Diversity and Equal Opportunity 2016	404-3 Percentage of employees receiving regular performance and career development reviews	28
<b>Diversity and Equal Opportunity</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	36
	103-2 The management approach and its components	36
	103-3 Evaluation of the management approach	36-39
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	23, 37, 39, 44
	405-2 Ratio of basic salary and remuneration of women to men	-





GRI Standard	Disclosure	Page number(s) and/or direct answers
<b>Non-discrimination</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	36, 42-43
	103-2 The management approach and its components	36, 42-43
	103-3 Evaluation of the management approach	36-37
GRI 406: Non- discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	-
	412-2 Employee training on human rights policies or procedures	42, 43
<b>Local Communities</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	52
	103-2 The management approach and its components	52
	103-3 Evaluation of the management approach	52-53
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	52-53
	413-2 Operations with significant actual and potential negative impacts on local communities	-
<b>Supplier Social Assessment</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	54-55
	103-2 The management approach and its components	54-55
	103-3 Evaluation of the management approach	54-55
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	54-55
	414-2 Negative social impacts in the supply chain and actions taken	54-55
<b>Customer Health and Safety</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	58
	103-2 The management approach and its components	58
	103-3 Evaluation of the management approach	58-59
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	56-59
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	58
<b>Customer Privacy</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	47
	103-2 The management approach and its components	47
	103-3 Evaluation of the management approach	47
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	47



سيسكو  
SISCO  
الشركة السعودية للخدمات الصناعية  
Saudi Industrial Services Company