



مؤسسة الملك خالد
KING KHALID FOUNDATION

COMMUNICATION ON ENGAGEMENT (COE)

From **Oct 2022** To **Oct 2024**

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**Statement of Continued Support by
the Chief Executive or Equivalent**

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To our stakeholders:

I am pleased to confirm that the King Khalid Foundation continues to be one of the non-business participants in the UN Global Compact. The Foundation also reaffirms its support for the United Nations Global Compact and its Ten Principles in Human Rights, Labour, Environment and Anti-Corruption. This document is our Communication on Engagement with the United Nations Global Compact. With this commitment, we express our intent to support the Global Compact by advancing these principles and will clearly communicate this commitment to our stakeholders and the public. We also commit to sharing this information with our stakeholders through primary communication channels.

Sincerely yours,



Nouf bint Mohammed bin Abdullah
King Khalid Foundation CEO

Description of the King Khalid Foundation's Actions

Established in 2001, the King Khalid Foundation is a royal, independent, national institution with a vision for a thriving society with equal opportunities in a sustainable environment. We aim to achieve our vision by empowering the community and providing its members with tools to attain sustainability by mobilizing our stakeholders in three program focus areas:

**Social
Investment**

**Policy
Design and
Advocacy**

**Capacity
Building**

Definitions of the Foundation's three main program areas are:

- 1. Social Investment** – Providing financial support to innovative nonprofit projects and organizations that support skills development, employment and job creation that benefit the wider community.
- 2. Policy Design and Advocacy** – Advocating for the economic empowerment of Saudi citizens by using an evidence-led approach to design policy solutions that contributes to building an effective social protection system and that brings a fresh perspective to complex social challenges.
- 3. Capacity Building** – Empowering nonprofit organizations and companies to deliver sustainable social and economic change through workshops and training programs that develop the knowledge necessary to create sustainable and strategically focused organizations.



The Foundation and UNGC

The King Khalid Foundation joined the UN Global Compact in 2014 due to the alignment in beliefs the Foundation shares with the 10 UNGC's Principles. The Foundation promotes the use of UNGC Principles as an overarching framework to shape, steer, communicate, and report on corporate strategies, goals, and activities, allowing them to capitalize on a range of benefits such as:

- Enhancing the value of corporate sustainability and CSR efforts;
- Strengthening stakeholder relations and keeping pace with policy developments;
- Using a common language and shared purpose.

The Foundation supports UNGC in the following ways:

- Aligns new strategy for the period 2022-2026 with more than half of the UN's SDGs:



- Develops and implements programs directly aligned with UNGC Principles;
- Joins and proposes partnership projects related to corporate sustainability;
- Engages companies in GC-related issues;
- Supports GC-related special initiatives;
- Participates in GC-led global and local events;
- Works with government agencies in support of corporate sustainability efforts;
- Supports social entrepreneurship projects for sustainability;
- Aims to reduce the overall environmental footprint by 30% by 2026.

The Foundation continues to support the UNGC's local chapter with participation by the Board of Directors and the running of various related webinars and events.

The Foundation has several specific programs that directly promote and support the UNGC's principles in the Kingdom. We highlight in this COE the programs most closely aligned with the UNGC:

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King Khalid Sustainability Awards Program



جائزة الملك خالد
KING KHALID AWARD



Launched in 2008, the King Khalid Sustainability Award is one of the Foundation's flagship programs. At the Foundation, we firmly believe that we need to achieve fair and just economic growth that benefits the community at large and safeguards the environment. We need to ensure that business practices align with sustainability practices. Thus, the Foundation has developed the Awards Program to recognize the most deserving. More importantly, it serves as a capacity-building program to encourage and support companies of all sizes to face environmental challenges. It seeks to help companies wanting positive catalytic change within their communities. As a result, the Awards Program has become one of the most respected programs of its kind in the Kingdom.

The King Khalid Sustainability Award aims to strengthen the private sector's competitive advantage through improved environmental, social, and governance (ESG) performance. The Foundation has also been working closely with the Saudi stock exchange and the Ministry of Commerce to support their efforts to integrate sustainability reporting and disclosures and make them mandatory.

The King Khalid Sustainability Award also acts as a pathway to help companies improve the quality of their sustainability reporting by aligning with international and local frameworks and standards, such as the SDGs, Global Reporting Initiative (GRI) Standards and SASB. The Foundation's awards also follow and monitor the latest trends related to corporate ESG standards and disclosures such as ISSB, TCFD, SBTi and the upcoming nature-positive targets and disclosures.

The Foundation is proud to be a pioneer in support of corporate responsibility by mobilizing and enabling the relevant stakeholders in the Kingdom of Saudi Arabia.



Award alignment with local and global framework and standers



82% Aligned
Vision 2030



71% Aligned
UN SDGs



89% Aligned
GRI



88% Aligned
SASB



71% Aligned
Saudi National
Standards

The top performing companies participating in the Awards are honoured by King Salman bin Abdulaziz at the annual King Khalid Awards Gala, where they receive the prestigious King Khalid Award for Sustainability. The Award has four core areas that encompass the key areas of a comprehensive corporate sustainability program:



Environment



Social



Governance



Economic



Award Objectives:

- To establish and implement institutional development work;
- To build capacity and promote skills and disseminate best practices on knowledge;
- To encourage and strengthen exceptional and innovative sustainability practices;
- To build and empower local communication networks of leading practitioners;
- To disseminate best practices on knowledge and promote a culture of quality.

The Awards benefits include the following main activities for companies:

- Award Application Process – including: detailed instructions, guides, and resources;
- Outreach events including: forums, workshops, conferences, webinars, presentations, interviews, ambassadors, email, social media, website, print media, text, and other forms of media;
- Scorecards – showing overall performance and detailed feedback on each criterion in the Awards process based on best practices and detailed indication of areas needing improvement;
- One-to-one individual meeting sessions – offering the opportunity to all participants to review their scorecards, coaching, and guiding tips;
- Post-award workshops: intensive virtual and in-person workshops based on company size, sustainability maturity and industry-specific diversity. Past Winners and top performers participated in some of these activities to share their experiences with all other participants. Peer-to-peer learning activities, expert advice, case studies, exercises and other forms of support are some of the benefits gained during these workshops;
- Awards Gala: a special bi-annual event under the King of Saudi Arabia's patronage where companies benefit from network opportunities;
- Enhanced corporate performance is the main aim of the Awards, and this generates multiple benefits for the Kingdom of Saudi Arabia, including:
 - ▲ Increased competitiveness on a global and regional stage;
 - ▲ Enhanced degree of Saudization in the workforce;
 - ▲ Protection and stewardship of ESGE;
 - ▲ Promotion of innovation;
 - ▲ Improved processes, products, and innovations in business practices;
 - ▲ Creation of opportunities for the empowerment of women;
 - ▲ Creation of opportunities for empowerment of youth;
 - ▲ Responsible governance;
 - ▲ Risk management;
 - ▲ Transparency.

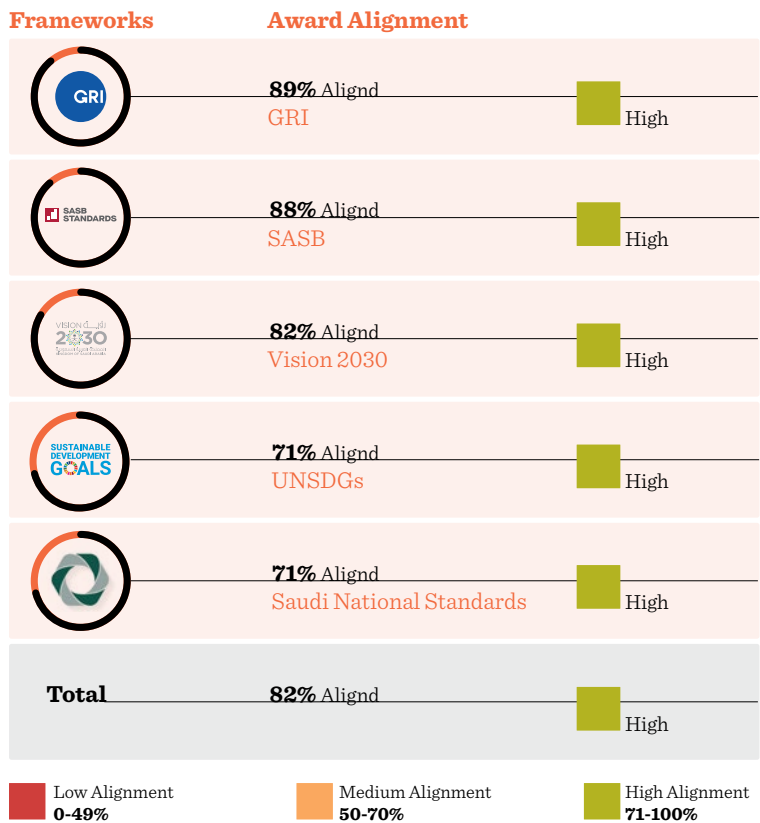
The Awards have attracted many of the Kingdom’s high-profile corporate leaders, with past winners including Saudi Aramco, the Arabian Drilling Company (ADC), the Saudi Investment Bank (SAIB), Binzagr Unilever Limited, Huawei, Cisco Saudi Arabia, the National Petrochemical Industrial Company (NATPET), the Saudi Arabian Mining Company (Ma’aden), the National Commercial Bank and many others.

The Awards winners reflect diversity in sector, size, and maturity of applicants, including a mix of local companies and KSA subsidiaries of global companies.

Alignment to the UN Global Compact

The UN’s Global Compact is the largest corporate sustainability initiative in the world, and the Sustainability Awards are well aligned with the 10 Core Principles.

Ensuring that the Awards Program continues to deliver robust, credible, and relevant impact, its content, methodology and overall processes are refined and enhanced yearly in line with local and global sustainability trends and practices. The Awards Program is also in line with leading international and regional sustainability frameworks, including:



Sustainability Leading Practices (SLP) Program



Through our Sustainability Leading Practices Program, the Foundation continues to advance our vision to be a leader and role model in sustainable development in the Kingdom. The SLP training program and Toolkit build upon years of experience, feedback, questions and concerns that KSA companies have shared with the Foundation during the past decade.

This program introduces sustainability in the broad sense, highlights its importance and shows how it impacts companies both globally and locally. It sets a foundation for a deeper discussion of selected sustainability focus areas material to companies throughout Saudi Arabia. It also gives companies “How to” guidance on how to start sustainability efforts in their companies. The program focuses on the following areas:



The SLP program targets sustainability practitioners and executives within companies. We believe that by training practitioners and executives, the impact within their organizations is more likely to occur as they work together to set sustainability standards for their organization and implement the steps needed to turn a vision into reality.

The feedback we have received from people we train across the country has been extremely positive. Companies, especially SMEs, find it very useful, and the impact report indicates that the most significant rates of implementation have been:



Social Investment Program

The Social Investment Programs' **Green Opportunities Grant**, is a newly launched grant that aims to provide financial and technical support for NPOs with initiatives that create Green Job opportunities for vulnerable groups in society. It seeks to support programs that have positive and sustainable impacts on the environment.



Policy and Advocacy Program

Civil Society Engagement Group (C20)

In 2020 the Foundation led the Civil Society Communication Group (C20), one of the official communication groups of the G20, which the Kingdom chaired during 2020.

C20 Engagement Group Structure



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Promoting Sustainability and SDGs

The Foundation believes in the importance that all sectors have in contributing to achieving SDGs at the national and global levels.

The Foundation launched the *"#Rihanuna_2030"* campaign to shed light on the global goals and their alignment with the Kingdom's Vision 2030. In addition to highlighting Saudi achievements in environmental protection initiatives. The campaign has also highlighted the consistency of the sustainable development goals with noble Islamic and Arab values and Saudi development priorities. The campaign has also highlighted calls to action for society, the NPO sector, and the private sector to achieve national and global goals for 2030. The Foundation is committed to designing policies that promote just and equal opportunities for all.

Measurement of Outcomes

The Foundation uses Logical Frameworks to measure and monitor the outcomes of its programs and projects, sets KPIs for each program, and monitors progress quarterly. In 2021, the Foundation engaged an independent agency to measure the impact of the program and SROI as a first step in the strategy review and preparation of the next strategy cycle.

The impact assessment of the Foundation's programs shows that overall, many of the core and end beneficiaries of the Foundation's programs have successfully achieved their goals after participating in the program and that they have improved their skills and outcomes. Most beneficiaries reported that the learnings and practices gained were implemented for 3-6 months (40%), or 1-2 years (32%). However, end beneficiaries reported that new learnings were sustained for slightly longer: 39% sustained them for 3 years or more and 21% for 1-2 years.

The King Khalid Awards also led to some unintended impacts, including empowering beneficiaries and increasing their self-esteem, the dissemination of beneficiaries' newly acquired skills with others outside their organizations through consultations, and the launch of an Environmental, Social and Governance (ESG) disclosure guidelines by Tadawul after their partnership with the Foundation.



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