

# Communication On Progress, 2022

## Al Naghi Company

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# Communication On Progress, 2022

## Al Naghi Company

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### Executive Summary

In 2018, Al Naghi Company jumped into the breadth of sustainability and it never ebbed to continue upholding its commitments to thrive within the boundaries of the UNGC's Sustainable Development Goal(s), SDGs. Our previous Communication On Progress (COP) has provided our stakeholders with the organisation's proactive and reactive strategies for Covid-19. The distribution and warehousing reach of the organisation has supported the kingdom with tangible efforts as one of the many frontlines in curbing Covid-19.



Photo ID – Working ants sustaining its resources.

As we transitioned to the new normal, Al Naghi Company pursues to continue advocating the importance of SDGs in the conduct of its businesses across its optimum reach in Saudi Arabia. Our innovations in a few of our facilities, standards, processes, and among others, are aggressive manifestations of progress and development, uncompromising sustainability principles in the process.

Al Naghi's adaptation to International Standards and Regulatory requirements in its business processes justify the organization's drive for seamless and sustaining nature. Improvement of its Accommodation framework through Mowaamah of the Social Services of Saudi Arabia, ISO certifications in Occupational Health and Safety, Information Technology, and Quality Management, are a few of the many priorities the organization has seriously been utilizing and planning as it advances its objective for 2023.

also has a few challenges due to geographical and topographical factors, culture and political governance, sector leadership and commitments, and the supply chain itself.

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December 06<sup>th</sup>, 2022

Communication On Progress  
(COP)

From: December 6, 2022 - December 6, 2023

**Statement of Continuous Support from the President of Al Naghi Company**

To Our Stakeholders:

I am pleased to confirm that Al Naghi Company reaffirms its support to the Ten (10) Principles of the United Nations Global Compact in the dimensions of Human Rights, Labour, Environment, and Anti-Corruption.

In this annual Communication On Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing with our stakeholders using our primary channels of communication.

Respectfully yours,

Mohammed A. Naghi  
President





## Introduction

Distribution and warehousing activities are segments in the supply chain line of business. These activities take a bigger proportion in the supply chain operation in terms of budget allocation and management. Supply chains becoming global also leans towards getting more complex in their process, alongside supply chain's regulatory requirements, i.e. local and international, as additional criteria for most companies. Regulatory requirements include a focus on the environment, labour, procurements, occupational health and safety standards, and human resources, among others. Despite the complexities and pressure, there is to acknowledge in the supply chain, a growing number of interested parties are stirred in the competition.

Similarly, the variety of SDGs for each company (supply chain or not) may vary, hence, their approach to sustainability may also be different. The approach is to provide a clear view of the organization's set of priorities based on the sustainable commitment it has identified. The level of engagement of an organization specific to its sustainable framework can be measured through a third-party audit, internal CSR audit and monitoring, GRI, and Certification, among others. The monitoring results descriptively identify success and opportunities from which a minimum level of expectations are provided to its stakeholders. This is manifested at times through due-diligence strategy whenever a new relationship is about to be considered. As the program gets mature and established, gradually it is being incorporated into the core business practice of the organization.

This Communication On Progress (COP) prays to provide the stakeholders with information about the outlined SDGs of the organization at present and in the long term.

## What has become in 2022 for Al Naghi Company?



Photo ID – Footprints in the sand.

Significant developments and innovations in most businesses, particularly in its corporate social governance address environmental aspects, health, and emergency response as a result of Covid-19. Al Naghi Company, being one of the frontlines players during Covid-19, took advantage to re-evaluate its processes and business acumen to appropriately respond to the needs of time and to mitigate business implications to protect its stakeholders. A few of the organisations' reactive and proactive strategies are; **1. Re-alignment of the Business Continuity Plan, including facilitation of the BCP test plans, 2. Management systems re-evaluation and re-certification, if applicable, 3. Adoption of additional human and social services standards, 4. Additional health and safety awareness training, and 5. Health and wellness activities, among others.**

## **Our Culture of Respect**

### **Respect for Inclusivity**

The diversity of culture and people working in AL NAGHI COMPANY is never an impediment to its success. It, on the other hand, has opened limitless potential which provides an overwhelming synergistic effect in its business framework and its business dynamics. One of the core values of the company is to provide our people with equal opportunities to speak and be heard. As a result, ideas and perspectives from our employees became our tool in identifying the gaps in the business and have allowed us to innovate our strategies bringing us into the market competition. Inclusion and collaboration are defined as essential values too of AL NAGHI COMPANY which promote growth and development.

Although diverse, we remain focused, flexible, and constantly adapting to changes in market dynamics. We consider our market as multicultural and diverse too. Hence, we continue to attract the right talents matching our requirements without regard to colour, race, sexual orientation, religion, and cultural preference. Moreover, it will enhance the company's reputation as a business organization with a strong community-engaging attribute. We continue to evolve as a responsible business organization to satisfy the market needs and to be part of everyone's success including the community from where our presence is visible.

### **Respect for the Environment**

We understand our role in the community we live in. We adhere to the requirement of becoming a fully compliant company that can sustain development without contributing harm to the community through an effective environmental management system. We, therefore;

- 1. commit to comply with the environmental requirements by addressing our direct and indirect contribution to environmental adversaries.**
- 2. promise to deliver a sustainability plan based on the yearly CSR report of the company.**
- 3. continue to practice high ethical standards in doing business which will foster strong relationships in the business community.**
- 4. continue to work with other sectors – local or international – in addressing environmental and socio-economic issues relevant to business development and sustainability.**
- 5. engage in an active role and take the lead in adhering to the UN standards of upholding human rights, Anti-bribery, Corruption, and discrimination.**
- 6. ensure active participation and involvement in charitable organizations which aim to help and transformation of distressed communities.**

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### **Respect for Our People; Safety First!**

The safety of our people comes first. Our policies are set to maintain the order and safety of the people working in AL NAGHI COMPANY. The establishment of the organization's Occupational Health and Safety Management System following ISO 45001:2018 Standards Certification last August 2018, provided our people with the added value of comfort, safety, and security while at work.

Under no circumstances that we allow violence, intimidation, and physically threatening incidences or behaviours from our people. We make sure that security protocols are being strictly observed and followed. Weapons that may harm anyone in the business premise of AL NAGHI COMPANY are strictly prohibited. However, this may not be the case for law enforcement agencies or designated security officer/s.

We continually provide our people with the right amount of knowledge particular to occupational health and safety through regular induction and facility audits.

### **Respect for Confidential Information**

Breach of information is an offensive action that jeopardizes the built Reputation and Trust of the company. It exposes the company to security threats, penalties, lawsuits, etc. Disclosure of pertinent and other classified information such as business trade secrets, employee information, business financial dealings, etc., are examples of infractions of the confidentiality clause of AL NAGHI COMPANY. Our role as an employee is to make sure that we understand our responsibilities and accountabilities in the company. However, understanding may not be enough unless we apply this set of policies in our daily endeavours in the company. If in doubt, you may always tap your supervisor or reach out to the compliance team for questions and clarifications. Remember that it is always a wise action to ask questions whenever necessary. If you think that these codes are violated, you may escalate the complaint/s to your supervisor and have it documented. We value every interaction with our people and treat each other with respect.

### **Securing Customer and other Confidential Information**

We assure our customers that we adhere to the compliance requirements for securing confidential information. The security of our customer's information and other confidential trade secrets is our utmost responsibility and accountability. A breach of Trust will score the company a low reputational remark and put the company at risk of losing existing or potential business partners.

Information security is one of the most vulnerable types of security in the business. It could not just only potentially steal a significant amount from our and/or our customer's personal



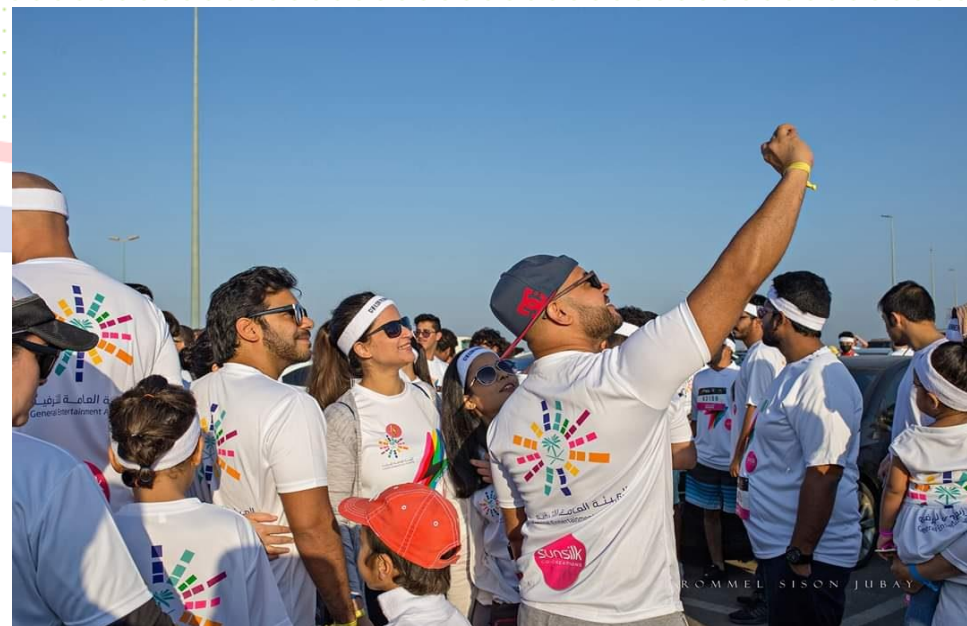
and financial information but also have a serious reputational impact. The number of years of hard work and dedication to build Reputation and Trust is no match to a single bad reputation a company has committed.

Our trail of communications to our customers through electronic mail, business correspondences, quotations and documents, financial receipts, etc. which may contain business trade secrets are considered company property. Therefore, it is expected of you to carry this information properly and securely. We have Information Security Guidelines that will provide our people with the right amount of understanding on how to safeguard delicate information. Our Policy on Information and Data Security is set to provide our people with all of what Information Security and its risk exposure, is all about.

## **Sustainable Development Goals (SDGs) of Al Naghi**

### **Understanding the Corporate Social Responsibility of Al Naghi Company**

Corporate Social Responsibility (CSR) and Sustainability is the company's self-regulating strategic platform integrated with other management systems to create a holistic business model. The mechanism of its policies ensures monitoring of the company's business portfolio and its active compliance to; the local governing laws of Saudi Arabia, ethical business practice, equality and inclusivity, international norms on human rights protection, counter-terrorism, and anti-social activities, anti-bribery, and anti-corruption (ABAC), and preservation of the environment. Initiatives such as the United Nations Global Compact (UNGC), Social Accountability International (SAI), and ISO 26000, among others, are a few organizations the company is looking forward to being a part of or affiliated with, to advance its commitment to business sustainability.



The goal of CSR is to leverage the company's commitment to societal demands by developing programs and policies rather than being defensive all the time. CSR typically goes "beyond" minimum law requirements (local and international) on commitments and activities about corporate ethics and governance, employee health and safety, measures to combat terrorism, smuggling and counterfeit, environmental advocacy, preservation and observance of human rights, industrial relations, respect in a culture of diversity and inclusivity, philanthropic activities, fair business competition, anti-bribery and anti-corruption, compliance transparency and accountability, customer satisfaction and enhanced supplier relationships.

Most of the time, CSR is perceived as an evolving concept and does not have a universally accepted definition, hence, often understood as an organization's conscience in response to social, environmental, and economic concerns. Businesses have a strategic approach to implementing CSR into their core. One of the common approaches is through philanthropic activities. Putting donations to several non-profit organizations and communities such as support to educational facilities, social welfare for the oppressed and the poor, community health assistance, support for sports and literature, and/or community housing are a few examples of this approach. Another approach would be to incorporate the ideals of CSR into the core of an organization's culture and values through but not limited to training and

corporate awareness sessions, recreational and wellness programs, open-door policy, transparency, and inclusivity.

The market competition - supply chain in the case of Al Naghi Company - is quite high, and corporate irresponsibility may produce havoc on the organization's reputation. Non-compliance to local and international norms may result in a hefty penalty suppressing the company's resources making it vulnerable to revenue losses and other associated business risks disturbing the equilibrium for development. Corporate irresponsibility works in an equal direction between Al Naghi Company and its tailored business partners. The corporate Social Responsibility context must be visible from both parties whilst market profitability and business development are at stake. (See Corporate Social Responsibility (CSR) - Guiding Principles on Sustainability, Manual).

### **SDG 1 – No Poverty; End Poverty in All its Forms Everywhere**

Despite the adoption of the skeletal workforce as a proactive response to curb Covid-19 contamination and the suggestion of the government to allow a margin of 40% reduction to employees' remuneration for private companies in Saudi Arabia, Al Naghi company did not opt to cut the employees' revenue, instead, enforced a **10% increase** in its employees' base compensation. This initiative has substantially accommodated the needs of its employees, especially in the lives of the expats, considering plummeting economic circumstances across the globe.



The organization has sustained its commitment to secure the welfare of its employees despite the challenging times everyone in the business has faced. One of the many pinned responsibilities of the organization as stated in the Business Code of Conduct is the “Leader’s Responsibilities”.



#### Leader's Responsibilities

1. Act as a True Leader – Always consider doing the right thing all the time.
2. “Walk the talk” would mean to justify your actions with the words you preached to your team. A leader can't be effective when your practices digress from what is expected of you from your team.
3. Be a Supportive Team Lead – To sway away your people from embarrassment and violations, always ensure your people's understanding of our ethics and codes of conduct. Provide them with the necessary training on the enforced policies to avoid violations.
4. Develop a Potential – Consider being keen on observing weak points and potentials from your team. Set clear measurable KPIs to assess and evaluate their skill set.
5. Uphold the Brand Promise – We aim to become the best in class. Hence, we continue to uphold our brand promise of quality service, compliance, and fairness. Secure the promise by constantly engaging yourself with the team whenever is necessary to remind the team of strict compliance with the enforced policies.
6. Be Responsible and Accountable – Blame is not the name of the game. Take full responsibility and accountability for every valid shortcoming from one of your team players whenever it happens and process resolutions and action plans to prevent it from happening again.

A growth of 7.2% (based on the UNGC statistical report) in poverty rose for workers across the globe due to the implications of Covid-19. The decision of the organization to sway from the convention of revenue reduction for its employees doesn't limit its benefit within the premise of its business but in general in alleviating the cause of poverty.

### SDG 3 – Good Health and Well-Being

The organisation takes pride in facilitating its annual health and wellness activities for its employees. While it was on hold for a couple of years due to Covid-19, it commences providing its employees with the basics of health and wellness awareness just recently. Health and wellness do not limit the organisation to occupational and risk assessments but emphasized the importance of work-life balance. Health risks are oftentimes associated with workloads, working environment aspects, unhealthy schedules, etc. The nature of the annual health and wellness program is to provide literacy to its employees in stress management, work-life balance, and as well as to encourage outdoor lifestyles like exercises, camping, and other outdoor social activities.



Accordingly, the organisation has boosted its accommodation initiative that secures the needs of its employees and future employees who may need accommodation assistance. This



is respective of the Mowaamah, an initiative of the Ministry of labor and Social Development.

## **Al Naghi Company Disability Management Program; On Social Equity**

Impartiality, fairness, transparency, integrity, and equality, are common corporate articulations Al Naghi Company has used in crafting its business acumen. We believed in each dimension so that traversing the breadth and depth of it is the organization's altruistic disposition. Whilst change is inevitable, Al Naghi Company remains steadfast in promoting its Corporate Shared Value, despite being diverse in its business portfolio, and that is anchored on the idea of sustainability. The evolving concept of sustainability in business became one of the organization's strategic approaches in catalyzing a holistic business model.

Our vision of continual development proceeds with the many ideologies in Corporate Governance. We never thought of a momentary action, rather, we envisioned long-term strategies and objectives that have measurable criteria to assess our efficiency, productivity, and opportunities. The objectives do not limit an employee's potential to develop according to his/her physical ability or the lack thereof. More so, on top of what numbers can offer is the organization's consistent advocacies on impartiality, fairness, transparency, integrity, and equality.

In the Know: 2022 Newsletter

### **Managing Disability in the Workplace**

How many in the business community (local or global) have adopted the cultures of **diversity** and **inclusivity**? Often we hear numbers and recurring philanthropic acts from huge organizations covering their Corporate Responsibility objectives in any of these dimensions: Equality, Transparency, Fair Competition, Gender Sensitivity, People with Disability Advocacy, Food and Nutrition, Education, etc. Has the organization (the Al Naghi Company) been observing any of these dimensions in the corporate framework too?

Human Resources management of Al Naghi Company created a framework that justifies the observance of equality, transparency, fair competition, and inclusivity cultures accessible for all current and future employees with or without disabilities.



A workplace is a **playground** where everyone gets to explore. The very idea of **"everyone"** is a corporate strategy to include everybody in the process on any operational endeavors in the organization. The objectives do not limit an employee's potential to develop according to his/her physical ability or the lack thereof. The organization is making a huge step this 2022 in advocating for a welcoming working environment for persons with disabilities. The **Mowaamah Certification** for Q1 of 2022 is the organization's measurable component in assessing its disability management framework. The social responsibility advocacy aims to strengthen the corporate shared value of the organization to its employees, regardless of disability challenges (psychological or physical) and the communities around it. This would also mean that more social activities are expected to happen every year including health and rehabilitation initiatives, diversity and inclusivity drive, special disability recruitment activities, etc.

#### **What is Disability Management in the Workplace?**

This framework is created to provide the organization with guidelines on the management of disability in the workplace by;

- Ensuring equal opportunities in recruitment (including retention), appraisals, training and development, adjustments, etc.
- Promoting a safe and risk-free environment through its health and safety management framework.
- Providing health and rehabilitation engagement such as annual mental and physical health diagnostics, recreation program, etc., and;
- Ensure measures and controls against **bullying**, **harassment**, and **discrimination** in the workplace, targeting people with disabilities.

Its application is for all identified employees of the organization with or without disabilities through the;

- Top Management
- Human Resources Department

- Corporate Social Responsibility
- Health, Safety, and Environment
- Quality Management
- All other departments of Al Naghi Company.

#### **What do we have to know more about Disability Management?**

The Disability Management framework defined the culture of equality and inclusivity in the organization. Beyond any philanthropic purpose, considering people with disabilities in the workplace is a visionary strategy that promotes diversity and people development. It does not talk about the person's limitations and preferences, rather, the potential contributions. More so, its **POLICY** aims to;

- Select leads that will manage and sustain the development of the Disability Management Framework objectives of the organization,
- Establish awareness to all employees with or without disabilities on the organization's commitments upon the creation of the Disability Management Framework,
- Be made available across the business reach of the organization in the Kingdom of Saudi Arabia,
- Create seamless communication platforms to invite and successfully hired people with disabilities,
- Establish procedures that will specifically address adjustments to people with disabilities during and after recruitment, induction activities, workplace environments, etc.,
- Create a conducive environment for employees with disabilities, i.e. in relation to the health and safety programs, rehabilitation initiatives, mental health program initiatives, career development, etc.,
- Establish a trusting culture of respect, equality, and inclusivity among all employees with or without disabilities eliminating the practice of bullying, discrimination, and harassment across the business reach of the organization,
- Adhere to the governing rules of the **Saudi Labor Law** and the **International Labor Organization** in employing people with or without disabilities,
- Establish procedures for continual improvement of the Disability Management Framework, and;
- Develop an opportunity support plan to sustain the Disability Management Program of the Organization.

#### **How are these policy provisions are manifested?**

The governance of these policies are divided into indices;

- Corporate Commitment
- Technical Know-how
- Recruitment
- HR
- Communication
- Facility
- IT

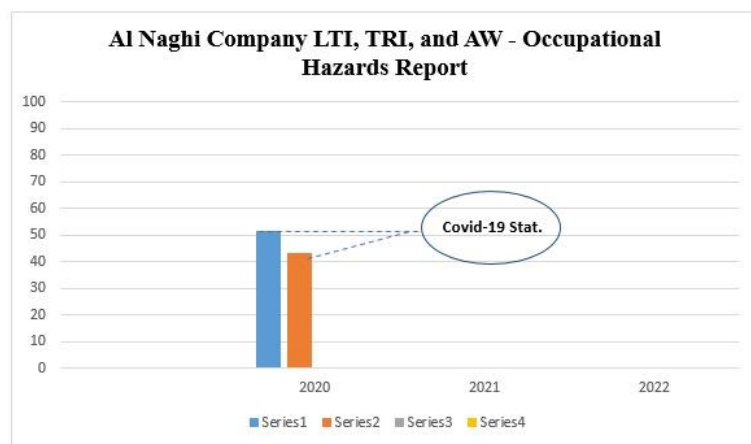
These indices have identified leads who direct and develop objectives subject to the disability management's continual improvement. The success of the program is dependent on the coherence of each objective and the strategies involve in the process. This welcoming development is part of the organization's commitment to protect and sustain its culture of equality, diversity, and inclusivity.

The operative word, therefore, is EVERYONE. Everyone gets to explore and contribute to the creation and success of the Disability Management Framework of the organization. The employees of Al Naghi Company are not represented categorically based on the physical and/or psychological advantages over the others. Our work for progress is a collective effort from the different backgrounds, skills, preferences, physical and psychological attributes, and ideologies of our employees.

The culture is definite and it includes EVERYONE in the process.

## **The Occupational Health and Safety**

Al Naghi Company got its ISO 45001:2018; Occupational Health and Safety Management certification in 2018. It has consistently delivered its objectives for a safe and risk-free working environment across its optimum reach in the kingdom. Recently, it got re-certified and is closely working to enhance its occupational health and safety framework and strategies.



Note: x-axis; 1:500 ratio and proportion

*Photo Id – Safety Hours Report Statistical Data of Al Nagho Company during Covid-19.*

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### **The HSE Policy of Al Naghi Company**

Al Naghi Company recognizes and accepts its responsibility to provide a safe and healthy working environment for all its employees, third-party service providers, and visitors on its business premises to prevent injury and ill health. It aims to encourage a positive health and safety culture and emphasizes effective management ensuring a systematic approach (SMART) to the identification of risks and the allocation of financial and physical resources to control them. To deliver these responsibilities, Al Naghi Company, therefore, undertakes to:

1. Maintain a safe and healthy place of work observing safe access and egress;
2. Provide adequate welfare facilities such as first-aid, potable drinking station, maintained and sanitized toilets and wash areas, clean pantry, etc.;
3. Ensure that risk assessments are being carried out on an ongoing basis (annually) with employees participating in the risk assessment process. Assessments will cover Al Naghi Company undertakings and will assist in the identification of hazards and the setting of prioritized objectives for elimination and reduction of risk;
4. Provide sufficient information, instruction, training and supervision to enable employees to avoid hazards and to contribute positively to the health and safety of themselves and others while at work;
5. Consult with employees on issues relating to OH&S;
6. Ensure access to competent health and safety advice;
7. Ensure compliance with all relevant safety legislation, regulations, codes of practice and other requirements associated with Al Naghi Company operations in KSA, and;
8. Arrange for the effective planning, organization, control, monitoring and review of preventive and protective measures.
9. Establish, review, and record the Occupational Health and Safety Objectives of the organization on an annual frequency.

## **SDG 8 – Decent Work and Economic Growth**

Integrity (business and individual alike) is a priceless value an organization must-have, so that in every decision that we do, our ethical standard remains high, serving the interest of our people, the community, and the stakeholders in particular. AL NAGHI COMPANY believes that Integrity plays an integral part in business performance and success. While it cannot be argued the possibility of ethical failures and breaches, the headline will continuously remind the organization of how important communication of the code is, throughout the business model of Al Naghi Company. Why is it important for a business to have a clear ethical standard? A murky code statement could result in confusion, disappointment, disgust, and dysfunction, both inside and outside of the organization. On the other hand, the reliability and trustworthiness that a business demonstrates in every single interaction and transaction, are reflections of business integrity.



### **Vision Statement**

- Al Naghi Company aims to be preferred distributor of multi-national companies in the Kingdom of Saudi Arabia by providing best in-class quality and customers services.
- Al Naghi Company aims to continue innovating services at-par-with if not exceeding the market's demands without undermining its best practices and culture.



### **Mission Statement**

- Al Naghi Company secure to business partners all the required resources without overlapping other business partners.
- Al Naghi Company operates in full autonomy.
- Al Naghi Company upholds the promise for an affective and efficient service delivery.



### **Value Statement**

- Secure long-term business relationships and loyalty to its partners.
- Sustain the flexibility to market dynamics and business commitments.
- Continuously provide a First and Best-in-Class Services and facilities.
- Uncompromising commitment to Ethical Business Practices attuned to its culture and that of its business partners.
- Continuous Innovation, adaptation to Market Dynamics, and Readiness to future investments.

AL NAGHI COMPANY was founded in 1911 to answer the needs of distribution in the Kingdom of Saudi Arabia. Since then, its unprecedented effort left a footprint in the market and has provided the company with an overwhelming opportunity of expanding its business horizon throughout the kingdom. It has partnered with multinational companies and continued to attract potential business allies having the same culture and values as the

organization. The corporate shared value of AL NAGHI COMPANY has enforced policies that are necessary and critical to the business requirements. This strategic approach is adaptive to changes in the aggressive market dynamics and has given the company a reputation as one of the leading pharmaceutical and Fast Moving Consumer Goods (FMCG) distributors in the kingdom of Saudi Arabia. The company's progress matches the market demands and is continuously innovating business tools at par with the industry's requirements. Moreover, AL NAGHI COMPANY understands the significance of its people in the business process. The effort from each of the employees in the company cannot be argued, but rather is accounted for in every equation there is in the pursuit of progress and development.

**One of the objectives of Al Naghi Company is to make sure that all employees shall have the access to regulatory and compliance information. It is imperative to the business that while we understand the commitments (binding and non-binding) we have with our business partners, it is also the organization's responsibility to enforce adequately the needed regulatory and compliance tools for our employees. For the organization to achieve the set objective, the working management systems (QMS, HSE, and CSR) of the organization have developed a measurable compliance framework through policies and procedures necessary to qualify a recommendation and control.**



## SDG 10 – Reduced Inequalities within and among other countries



The organisation's Business Code of Conduct, from one of its commitments says that "it commits to take care of its men and women whose efforts are unprecedented by providing the people with assured **security, equal opportunity, fair compensation and benefits, dignified working conditions, and a clean and risk-free environment**. The business philosophy of the company is to provide its employee with competent pro-people management, opportunities for career development, and an atmosphere to speak up without any fear of retaliation. Moreover, it shall not deny any help it could give to its people in sustaining their responsibilities as individuals or to their families".

AL NAGHI COMPANY believes in the values of Equality and Opportunity sharing. We will extend these values to all individuals without question to race, religion, color, sex, national origin, disability, age, genetic information, or any other status protected under applicable Saudi Laws. We understand the philosophy of inclusivity and will continue to leverage our commitment to a society of equal opportunity as we aspire to shape our future. Moreover, our policy reflects and affirms the Company's commitment to the principles of

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fair employment and the elimination of all discriminatory practices. Additional references to our equal employment opportunity philosophy are detailed in the Labor and Ethics Policy of AL NAGHI COMPANY, and the Business Ethics and Code of Conduct Manual.

Equal opportunity also means matching the job for which are most suited and/or to meet the business and operational needs of the Company. A job transfer is considered part of a personal and career growth of an employee. This may be either at the request of an employee or as a result of a decision by the Company. Reasons for transfer may include but are not necessarily limited to, fluctuations in department workloads or production flow; a desire for more efficient utilization of personnel; increased career opportunities; personality conflicts; health; other personal situations; or other business reasons. An advance notice (of at least 30 days, unless due to the business needs that the transfer may be immediate) is extended to an employee who qualifies for the transfer opportunity. Job openings intended to be filled from within the Company will be posted on the company intranet, bulletin board, and newsletter. The Management reserves the right to transfer or promote an employee without posting the availability of that position. Temporary transfers may be made at the discretion of the Company. An employee may be eligible to request for a transfer or be considered for promotions upon completion of six (6) months of satisfactory performance in the current job. Eligibility is also dependent of the needed skills, education, experience and other qualifications that are required for the role. – *Refer to the Onboarding Manual of Al Naghi Company.*

### **Discrimination Is Prohibited**

The Company is an equal opportunity employer and makes all employment decisions without regard to race, religion, color, national origin, disability, age, genetic information, or any other status protected under Saudi Labor law. This policy applies to all terms and conditions of employment, including but not limited to, hiring, placement, promotion, termination, transfer, leaves of absence, benefits, compensation and training. We seek to comply with Saudi Labor Law related to discrimination and will not tolerate interference with the ability of any of the Company's employees to perform their job duties. You can always use the Labor and Ethics Policy of AL NAGHI COMPANY and the Non-Retaliation Policy for your reference. The Company takes decisions on employment based on stringent qualifications and the ability of an aspirant to perform the job under consideration, the comparative qualifications and abilities of other applicants or employees, and the individual's past performance within the organization or outside of the AL NAGHI COMPANY Company's business premise.

## Workplace Harassment

The Company is committed to providing a work environment of equality, respect and dignity. To sustain this commitment, the Company has adopted a policy of “zero tolerance” concerning employee harassment. Harassment is defined as unwelcome conduct that is based on race, color, religion, national origin, age, disability or genetic information. It becomes unlawful where: (1) enduring the offensive conduct becomes a condition of continued employment; or (2) the conduct is severe or pervasive enough to create a work environment that a reasonable person would consider intimidating, hostile, or abusive.

This policy applies to all aspects of your employment in AL NAGHI COMPANY. Harassment of any other person, including without limitation to fellow employees, contractors, visitors, clients or customers, whether at work or outside of work, is grounds for immediate removal from the office. The Company will make every reasonable effort to ensure that its entire community is familiar with this policy and that all employees are aware that every complaint received will be promptly and impartially investigated and gets an accurate resolution. The Company will never tolerate retaliation against anyone who complains of harassment or who participates in an investigation.

## SDG 13 – Climate Action



*Photo ID – Polar bears on an iceberg afloat the Atlantic Ocean.*

Like most businesses in Saudi Arabia, we conform and comply with environmental laws. But above and beyond, CSR contemplates more than pure legal obligations set by laws and any environmental governing institution. It is more of a holistic commitment to doing business in the light of addressing risks that depletes the environmental resources and digresses from the common “business as usual” predicament. The initiative of integrating CSR into our business core will resonate with global awareness of the current environmental challenges that threaten sustainability.

Our Environmental Policy along with Energy and Waste Management policies have landscaped our Corporate Social Responsibility (CSR) framework without compromising our promise of quality service to our People, Stakeholders, Suppliers, and Business Partners. It evolves in a premise where environmental disclosure, environmental impact, and environmental performance weigh equal importance and contribution.



### AL NAGHI COMPANY's CSR Commitments

AL NAGHI COMPANY's commitment to promoting its Environmental, Fair Business dealings, Equality and Inclusivity, and Human Rights advocacies as an integral part of its aspiration for development and sustainability are essential cores of the company's business philosophy. Each commitment is carefully considered from the collective effort of our People, Stakeholders, Suppliers, Business Partners, and the Community where its business presence is recognized. In as much as we deliver those commitments, we expect the same return of efforts from our People, Stakeholders, Suppliers, Business Partners, and the Community we exist.

1. We will continue to uphold our advocacies of a green environment while upholding our promise to our Stakeholders, Customers, and our Business Partners of quality service across all our business operations.
2. We continue to encourage our people to utilize energy efficiently in line with our aspiration to conserve energy and minimize our contribution to climate change.
3. We will further strive to develop policies and procedures which aim to provide our People, Stakeholders, Suppliers, and Business Partners with a safe working environment following only approved standards in the occupational health and safety management system.
4. We will continue to provide our People, Stakeholders, Suppliers, and Business Partners with the right amount of wellness programs to secure the well-being and work-life balance attributes they deserve.
5. We will continue to be responsible enough to report and resolve inhumane practices of discrimination, forced labour, sexual assault, extortion, and threat, among others, all of which digress from our preferred ethical and humanitarian practices through our enhanced speak-up and non-retaliation mechanism.
6. We will be at the time open to accommodate regulatory and compliance recommendations as we promised to be transparent with our People, Stakeholders, Suppliers, and Business Partners.
7. We will continue to embrace the culture of inclusivity in all our business dealings with our People, Stakeholders, Suppliers, and Business Partners.
8. We will keep our promise of a Quality Management System following only approved standards, with strict adherence to policies and procedures in place to safeguard the interest of the business partners and the associated reputational investment of Al Naghi Company in the business sector.
9. We will continue to practice a "pro-people" culture which means that we listen and never disregard feedback, complaints, and the like, regardless of the severity.
10. We aspire to develop a self-reliant, respectful, enthusiastic, risk-free, equal, and law-abiding AL NAGHI COMPANY community to gain sustainable development from our collective efforts.

### SDG 16 – Peace and Justice

Amongst the many policies of Al Naghi Company, Anti-Bribery and Anti-Corruption (ABAC) is quite extensive and have serious business implications. The policy exists to protect the Company and the people from any reputational adversity caused by bribery and corruption. The Company adopted its policy and scheduled awareness training providing an in-depth understanding of bribery and corruption, prevention methodologies, risk management and control, and appropriate responses when put in a situation where bribery and corruption are manifested.

#### **The Policy**

AI Naghi Company gives itself strict rules on payments (including benefits in money's worth) of any kind to any third party, in particular to Government Officials, by Company rank in file employee and/or top management officer. The provision of payment or anything of value to, for the benefit of, or at the request of a third party:

1. May only be made for a bona fide and legitimate business purpose;
2. May not be made with an intent to influence the third party inappropriately;
3. May not be made in exchange for the award of business or other unfair/improper advantages;
4. Must not be extravagant;
5. Must be provided openly and transparently;
6. Must be properly recorded and adequately documented.

Please note that AI Naghi Company may revise any part of this policy from time to time when necessary. *See Anti-Bribery and Anti-Corruption Manual*

The Policy demonstrates the ethical business conduct and compliance with all laws and regulations of the Kingdom of Saudi Arabia on payments to any third party (in particular Government Officials) which may be directly applicable to AI Naghi Company as well as compliance with the United States of America Foreign Corrupt Practices Act ("FCPA") and/or the United Kingdom's Bribery Act which may apply to "AI Naghi Company" principals. This Policy strives to not only protect the interests of AI Naghi Company and its employees but to also protect the interests of AI Naghi Company's business partners, especially those of healthcare professionals ("HCPs") and "AI Naghi Company" principals.



## Who is responsible for the Policy?

1. The President/Assistant to the President has overall responsibility for ensuring that the Policy complies with our legal and ethical obligations and that all those under our control comply with it.
2. Managers at all levels are responsible for ensuring that those reporting to them are made aware of and understand the Policy, undertake training on how to implement and adhere to it, and also monitor compliance with it.
3. The Compliance/ HR team is responsible for the Policy and for monitoring its use and effectiveness (and dealing with any queries on its interpretation). Management at all levels is responsible for ensuring that those reporting to them are made aware of and understand this Policy and attend regular training on how to implement and adhere to it.

AL NAGHI COMPANY aims to champion its anti-bullying, discrimination and harassment governance and controls. We have provided our people with the right amount of awareness and information in properly identifying bullying, discrimination and harassment circumstances and the procedures to observe raising policy violations. Our commitment to observe the highest ethical practice in business and to operate with integrity in compliance with the local laws of Saudi Arabia and International Acts and Laws specific to protect “whistleblowers”, upholds our business philosophy which is anchored in Reputation and Trust. Therefore, we demand our “People” an equal amount of effort to comply with the set policy which favours the value of respect and equality. Non-Retaliation Policy covers the protection of the individual reporting in good faith a possible ethics infraction, illegal activity or suspicious transaction from anyone in the Company. The complaint party will be given due process to respond and be heard from the escalated possible violation. Reports made in “good faith” do not assume that the individual being escalated is guilty of conviction. On the other hand, under no circumstances that the complainant shall exhibit dishonesty and fraud from the affidavit submitted to pursue an investigation about an employee's possible ethics infraction, illegal activity or suspicious transaction. Retaliation is defined as an action, statement or behaviour manifested to castigate an individual who has escalated the report in good faith. Retaliation is a serious infraction that contradicts the culture and values practiced in the organization. It damages the company's ethical standards and betrayed the company's Core Reputation and Trust values.



*Photo ID – A person refusing a bribe.*

In some circumstances, well-intentioned actions can be perceived as retaliatory. It is important to understand therefore that in instances of a reported escalation, treatment and professional demeanour remain the same. If a reporter may have exhibited previous misconduct, that shouldn't prevent HR and compliance to progress with what that person is escalating according to the process.

## **SDG 17 – Partnerships for the Goals**

Our bold initiative to become a signatory to UNGCs sustainable goals since 2018 created a CSR mechanism that forms part of the organisation's culture. Over the years, we reference our achievements from our submitted COPs. The organisation sustains its commitment to constantly innovate abreast of the dynamics of the business on a global scale.

### **AL NAGHI COMPANY's CSR Statement**

Corporate Social Responsibility (CSR) is AL NAGHI COMPANY's way of integrating Economic, Environmental, and Social objectives as well as to merit and address Stakeholders' prevalent expectations and/or aspirations not just in matters of development only but also in sustainability and enhancing Shareholder value. From a more detailed perspective, it means that AL NAGHI COMPANY;

1. does not limit its business horizon to Quality and Reliability only but also extends it to value recognition for our customers and to the community where its business presence is recognized.
2. Is a company that operates and adheres to ethical business practices and delivers the same expectations to its Suppliers and Business Partners,
3. embraces its advocacy of a green environment by seriously addressing environmental adversaries within all its business premises including the results of its activities.
4. has a heart for the community and is willing to share by providing equal opportunity and labour-compliant practices, abides by existing Saudi government laws about duties and taxes while actively supporting philanthropic missions and community involvement, and;
5. does not practice selective opportunity amongst its employees. Respect and equal treatment are part of its cultural embodiment and resonate with the people in the community.

## **CSR and the Environment**

AL NAGHI COMPANY understands its accountability and responsibility to the environment. Although our projection of progress and development is unprecedented, the Company remains steadfast and focused on its environmental advocacy. We confirm and implement environmentally approved standards and ensure a strong culture of environmental initiatives amongst our employees and business partners.

Our Environmental Policy along with Energy and Waste Management policies have landscaped our Corporate Social Responsibility (CSR) framework without compromising our promise of quality service to our People, Stakeholders, Suppliers, and Business Partners.

Communication On Progress, 2022; Al Naghi Company

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It evolves in a premise where environmental disclosure, environmental impact, and environmental performance weigh equal importance and contribution.

The market dynamics have shifted its growth initiative incorporating environmental CSR framework to; (1) time investment, (2) efficient product or process design, (3) energy efficiency, and (4) waste reduction. These initiatives discussed opportunities particularly in;

- Building a defined working relationship with the Community at the environmental level.
- Envision products and operational processes that are energy-efficient.
- Make use of marketing advertisements in promoting environmental awareness.
- Innovate progress without undermining commitment to protect and secure the environment for sustainable growth.
- Search and develop technologies that will aid waste management adversaries.
- Make use of alternative clean and renewable energy to supplement processes.

Like most businesses in Saudi Arabia, we conform and comply with environmental laws. But above and beyond, CSR contemplates more than pure legal obligations set by laws and any environmental governing institution. It is more of a holistic commitment to doing business in the light of addressing risks that depletes the environmental resources and digresses from the common "business as usual" predicament. The initiative of integrating CSR into our business core will resonate with global awareness of the current environmental challenges that threaten sustainability.

A sustainable relationship has always been considered a key factor in success. A CSR-friendly image creates consumer impact and long-term loyalty from our stakeholders. Moreover, this will bring the market competition into a useful climate innovation and total strive for efficiency gains furthering strong sustainability of a business.

## **CSR and Human Rights**

AL NAGHI COMPANY believes in the importance of "equal opportunity". We consider equality as part of our daily "mantra" i.e. without regard to an individual's social status, age, disability, sex, culture, or ethnic orientation, among others, Business Ethics and Code of Conduct. It has become one of the company's driving cultures to success and forms part of the company's CSR initiative.

A sound public policy is tantamount to a working environment that favours the security of its people as a priority. We take serious manifestations of inhumane practices like discrimination, bullying, and harassment, and under no circumstances do we delay actions and resolutions on classified complaints we received. Our human rights approach is at par with the principles of the International Human Rights framework set by the United Nations underpinning recognized moral values and reinforcing legal obligations in the realization



that people should live with human dignity and can freely participate and contribute to civil, political, economic, social and cultural life there is.

We conform to and comply with the International Human Rights standards by imposing obligations of;

- Fair and non-discriminatory working environment
- Consultative, participatory, and empowering business affairs and conduct
- Transparent and accountable in our activities which may or may not contribute to the social, economic, or environmental adversary.
- Healthy and safe working environment with due observance and enforcement of approved occupational health and safety standards.

Our recognition of the importance of the rule of law in all of our business investments, emphasizes the importance of a transparent and well-functioning business strategy implementation anchored concerning human rights. We constantly evaluate our parameters in observing diligently demeanours that suggest human rights violations and impose corrective actions either disciplinary or additional awareness campaigns as preventive measures.

### CSR and Anti-Bribery and Anti-Corruption Measures

AL NAGHI COMPANY continuously establishes measures in monitoring the effectiveness of its campaign in identifying and preventing (first-line resolution) bribery and corruption instances in all of its business activities. Its CSR mechanism enables the company to establish standards advancing the interest to intensify awareness of bribery and corruption.

Bribery and Corruption issues can be extensive and could increase the vulnerability of the company's commitment to the reputation and trust of its business partners. It challenges the company's measures of transparency which guarantees a certain degree of business fairness and parity. It may have been noted that several industries suffered severe consequences for violating internationally acknowledged bribery and corruption laws. Reputational risks and a hefty amount of penalty were amongst the hurtful consequences these industries have burdened.

Al Naghi Company understands the serious business implication of committing crimes of bribery and corruption. The company's recognition of the UN Global Compact in its "Fair Business Practice" principle against bribery and corruption has pinned the promise to secure our business relationships globally. The CSR mechanism of the company made sure that its presence is recognized across its business premises. It's periodic (at least annually) awareness sessions addressing the pillars of CSR including Anti-Bribery and Anti-Corruption as one of the many measures we take seriously into account, so that, our people (new and old) are in the loop of the latest corporate update in business and enforceable standards and procedures there is to adhere to.

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Each employee of Al Naghi Company has a definite responsibility to keep. Since the company believes in its culture and advocacies working to deliver welfare to its people and to the community where its presence is made known, it is expected that all enforceable policies and procedures are followed and practiced religiously.

### The Future of Sustainability

The future is vague, yet we believe it has arrived. Our efforts to uphold the commitments to sustainability in our business culture get to develop over time. We started this partnership to take ownership and responsibilities for the many aspects our business may contribute to the world.



Photo ID – Jeddah color run activity before Covid-19.

There are more works to expect and adversities to battle and we hope to remain committed to deliver business in the highest conformance of ethical standards advocating the working sustainability goals of the United Nations Global Compact. We take responsibility for our actions and business decisions that could make an impact on the communities in which we thrive.



The many developments and strong partnerships with our global counterparts could agree on a common initiative that will transform the working dynamics of today's business, and that is to create a sustainable future. The work is tedious and may be hurtful at the beginning, however, our call is to continuously evolve positively and not be limited to the idea of progress just for the sake of progress and development. We take pride in what we have started and the fruition of all the hard work greatly from the contributed efforts of the men and women of Al Naghi Company.

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