



مؤسسة
الملك خالد
KING KHALID
FOUNDATION

COMMUNICATION ON ENGAGEMENT (COE)

King Khalid Foundation

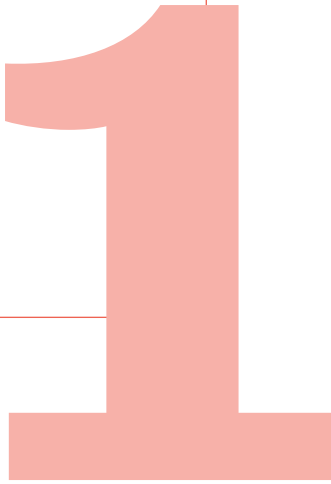
October 2024 - October 2026

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Statement of Continued Support by the Chief Executive or Equivalent

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 confirms 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 (KKF) 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

Providing financial support to innovative nonprofit projects and organizations that support skills development, employment, and job creation that benefit the wider community.

Policy and Advocacy

Advocating for the economic empowerment of Saudi citizens by using an evidence-led approach to design policy solutions that contribute to building an effective social protection system and that bring a fresh perspective to complex social challenges

Capacity Building

Empowering nonprofit organizations and companies to deliver sustainable social and economic change through studies, consultancy, and training programs that develop the practices and knowledge necessary to create sustainable and strategically focused organizations.

King Khalid Award

The Award has been designed to be an effective and comprehensive change and development tool that focuses on honoring social initiatives, innovative nonprofit organizations, and private sector sustainability leaders in the Kingdom of Saudi Arabia.

KKF and the UNGC

The King Khalid Foundation (KKF) joined the UN Global Compact in 2014 based on an alignment in the beliefs that KKF shares with the UNGC's 10 Principles. KKF promotes the use of the UNGC Principles as an overarching framework to shape, steer, communicate, and report on corporate strategies, goals, and activities, enabling organizations 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

KKF supports the UNGC in the following ways:

KKF's new 2026-2022 strategy is aligned with more than half of the UN's SDGs:



- We are developing and implementing programs that are directly aligned with UNGC Principles
- We have established and continue to propose partnerships in projects related to corporate sustainability
- We are actively engaging companies in Global Compact related issues, support special initiatives, and participate in global and local events led by the UNGC
- We work with government agencies to advocate and advance corporate sustainability efforts in the KSA
- We support social entrepreneurship projects for sustainability
- We have a target to reduce our overall environmental footprint by %30 by 2026
- We advocate for equality and well-being
- We are working to enhance the capacity and capabilities of nonprofit and for-profit institutions to generate shared value for society and a positive impact on the environment and our community

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

KKF has several specific programs that directly promote and support the UNGC's principles in the Kingdom. Below is a sample selection of programs, among many others, that are most closely aligned with the UNGC:

1 King Khalid Sustainability Award

Established in 2008, the King Khalid Sustainability Award is a notable part of the prestigious King Khalid Awards (KKA). At the King Khalid Foundation (KKF), our mission is to promote equitable economic growth that benefits society and preserves the environment. To align business practices with sustainable principles, KKF created the KKA Program, which honors organizations that exemplify these values. Importantly, the program prioritizes performance development, offering support to organizations of all sizes, industries, and maturity levels as they address environmental challenges and contribute positively to their communities. Today, the KKA Program is widely recognized as one of the foremost initiatives of its kind within the Kingdom and broader GCC region.

The King Khalid Sustainability Award is designed to enhance the private sectors competitive advantage by advancing environmental, social, and governance (ESG) performance, and has seen correlated performance improvement across the Kingdom's private sector companies across its 16 Award cycles since its establishment. KKF works in close partnership with the Saudi Stock Exchange and the Ministry of Commerce to support the integration of sustainability reporting and disclosures, with the goal of making these practices mandatory.



In addition, the Award serves as a platform for organizations to elevate the quality of their sustainability reporting, ensuring alignment with both international and local frameworks and standards, such as the Sustainable Development Goals (SDGs), Global Reporting Initiative (GRI) Standards, and the Sustainability Accounting Standards Board (SASB). The Sustainability Award also actively monitors the latest developments in corporate ESG standards and disclosures, including the International Sustainability Standards Board (ISSB), Task Force on Climate-related Financial Disclosures (TCFD), Science Based Targets Initiative (SBTi), and emerging nature-based frameworks and standards.

KKF is proud to lead the way in advancing corporate responsibility by engaging and empowering key stakeholders throughout the Kingdom of Saudi Arabia.

Each Award cycle, the top three winning organizations are honored at the Award Gala, which will be held under the patronage of the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz. The Award centers around three core areas that are vital to a robust corporate sustainability program:

Environment

Social

Governance

Award Objectives

Empower and Enhance Corporate Performance

Foster a deeper understanding of the economic and innovative advantages of responsible business practices by integrating social, environmental, and governance considerations into core management decisions.

Strengthen National Competitiveness and Long-Term Prosperity

Promote improvements at the company level to enhance Saudi Arabia's global competitiveness, support the long-term prosperity of local businesses, and recognize excellence in sustainable and responsible practices.

Performance Development

Emphasize capacity building, skill enhancement, and the sharing of best practices to foster a culture of quality and continuous learning.

Encourage Innovative Sustainability Practices

Promote and strengthen innovative sustainability practices within businesses, empowering local networks of leading practitioners.



Award Application Process

Participants receive comprehensive instructions, guides, and resources to assist them throughout the application process.

Outreach Efforts

A variety of outreach methods, including workshops, webinars, presentations, emails, social media, websites, text messages, and other media channels, are employed to engage and inform participants.

Performance Development Workshops

In-person workshops and webinars are conducted to enhance participants understanding of ESG and sustainability best practices in Saudi Arabia and globally. These sessions encourage interaction through engaging activities and discussions, effectively preparing participants for the award cycle.

Scorecards

Participants receive overall performance evaluations and detailed feedback on each criterion of the Awards process, including specific areas for improvement, based on best practices.

Discussion Sessions

Individual consultation sessions are offered to review scorecards, providing participants with a deeper understanding of the recommendations and feedback received.

Attend the Award Gala

All participants are invited to the King Khalid Award Gala, held under the patronage of the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz, offering valuable networking opportunities for companies.

Enhanced Corporate Performance

The Awards generate numerous benefits for corporations in the Kingdom of Saudi Arabia, including:

- Increased competitiveness on global and regional levels
- Creation of opportunities for the empowerment of youth
- Promotion of innovation
- Enhanced Saudization within the workforce
- Improved business processes, products, and practices
- Responsible governance
- Strengthened protection and stewardship of ESG principles
- Creation of opportunities for the empowerment of women
- Effective risk management
- Enhanced transparency

The King Khalid Award has successfully attracted numerous prominent corporate leaders from across the Kingdom. Previous winners include industry giants such as Saudi Aramco, the Saudi Mining Company (Ma'aden), the Saudi Basic Industries Corporation (SABIC), the Saudi Investment Bank (SAIB), Binzagr Unilever Limited, Huawei, and the National Petrochemical Industrial Company (NATPET), among others.



The diversity among the Award recipients showcases a broad spectrum of sectors, company sizes, and levels of maturity. This includes a blend of local enterprises and Saudi subsidiaries of international corporations.

Evaluation Phases





Alignment to the UN Global Compact

The UN's Global Compact is the largest corporate sustainability initiative in the world, and the Sustainability Award is well aligned with the UNGC's mission and Principles.

To ensure that the Award remains impactful, credible, and relevant, its content, methodology, and processes are continually refined and updated annually to reflect both local and global sustainability trends and practices.

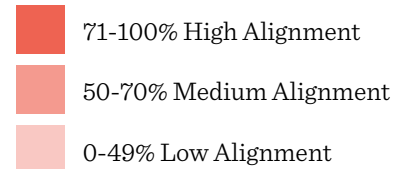
Additionally, the Award is aligned with leading international and regional sustainability frameworks, including:



United Nations
Global Compact

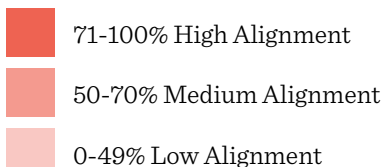
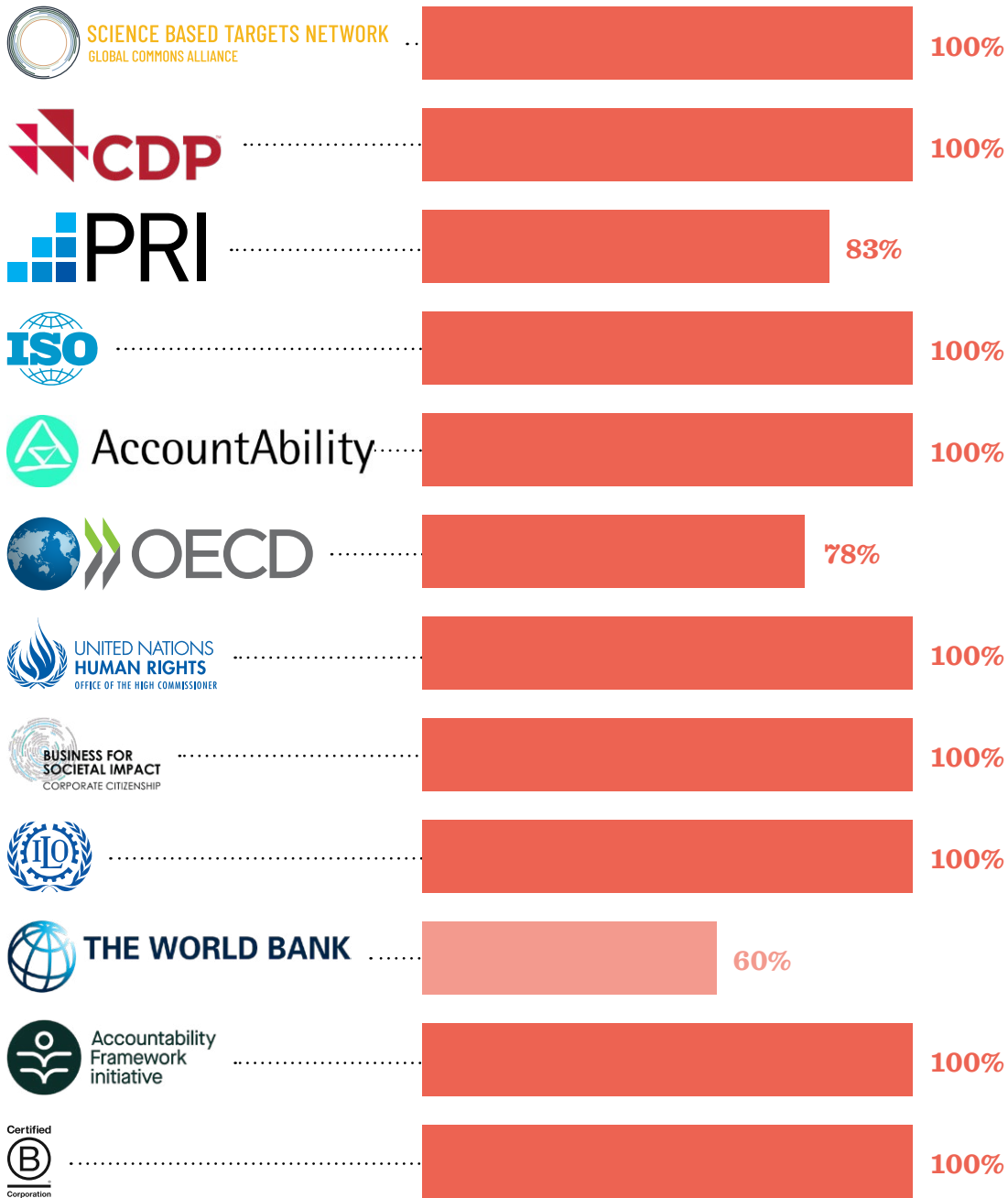


Award Alignment Analysis



Frameworks

Award Alignment



Within KKF's Social Investment Program, the «**Green Opportunities Grant**» is a 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 fund programs that have positive and sustainable impacts on the environment.

«**The Social Entrepreneurship Grant**» is another grant offered by the program, which provides entrepreneurs with technical and financial support to develop innovative solutions that support the environment and the circular economy. The grant aims to transform their initiatives into fully-fledged enterprises through incubation or acceleration programs.



3 Policy and Advocacy Program

Regularly participates in the High-Level Political Forum held in the United Nations headquarters in New York, as an independent delegate with ECOSOC Consultative Status with active engagement in the VNR process.

Signed the International Philanthropic Commitment on Climate Change along with more than 635 non-profit organizations around the world. The pledge focuses on driving social investments and encourages philanthropic giving projects in line with climate action.

Has participated in the COP meetings for the International Framework Convention on Climate Change (UNFCCC).



Participated in the launch meeting of the Global South Impact Community, consisting of senior leaders from the public, private, and philanthropic institutions in the Global South to address the challenges posed by the Global North controlling the narrative over important political discussions regarding the development, funding, and action on climate justice.

Participated in the high-level climate and philanthropy workshop as a member of the Network of Foundations Working for Development under the (OECD).

4 Promoting Sustainability and SDGs

1. The policy design and advocacy program in King Khalid Foundation works on several projects and campaigns, raising awareness of climate action and the SDGs in promoting mitigation, adaptation, and sustainable development, such as:

Developmental Dialogues

A platform where policymakers and experts from all sectors come together to discuss socio-economic challenges. Our latest development dialogues around corporate sustainability opportunities are in ([Construction](#) and [water](#))



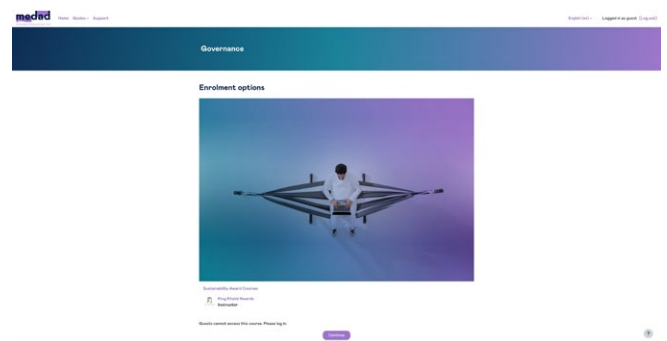
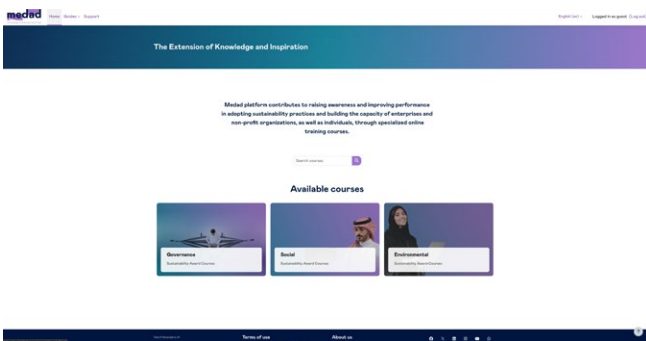
Sustainability Maze

An interactive experience that includes different Eco-games to level up sustainability practices in daily activities for individuals, especially youth. The maze consists of 4 games under 3 major themes (People, plants, prosperity). The players will learn about their environmental impact using Augmented reality.



2. This year, the King Khalid Foundation introduced a Learning Management System (LMS) named «**Medad**» to enhance awareness, improve performance in adopting sustainability practices, and build organizational capacity through customized online training courses.

Medad provides courses aimed at providing Saudi organizations with a foundational understanding of Environmental, Social, and Governance (ESG) topics, thereby supporting them in advancing their sustainability initiatives.



Courses Features

Comprehensive ESG Coverage

Courses address key ESG topics, highlight best practices, and feature examples of organizations that have effectively implemented these practices.

Practical Application

Training sessions assist organizations in evaluating and improving the implementation of ESG initiatives within their operations.

Award Preparation

Participants gain valuable insights to prepare for the 2025 King Khalid Sustainability Award.

Targeted Topics

The training modules will cover ESG topics, providing in-depth knowledge relevant to the business needs of participating organizations.

Environmental

- ✔ Climate Change & Emissions
- ✔ Materials & Waste
- ✔ Energy
- ✔ Water
- ✔ Biodiversity & Ecology

Social

- ✔ Diversity, Equity, and Inclusion
- ✔ Health & Safety
- ✔ Development & Education
- ✔ Human Rights
- ✔ Just Transition
- ✔ Community Investment
- ✔ Social Return on Investment (SROI)

Governance

- ✔ Ethics
- ✔ Materiality & Stakeholder Engagement
- ✔ Responsible Supply Chain Management
- ✔ ESG Risk Identification, Mitigation, and Management
- ✔ Reporting Frameworks, Processes, and Assurance
- ✔ Industry Innovation & Growth

3

Measurement of Outcomes

KKF 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, KKF engaged an independent agency to measure the impact of its programs and SROI as a first step in the strategy review and preparation of the next strategy cycle.

The impact assessment of KKF's programs shows that overall, many core and end beneficiaries of have successfully achieved their goals after participating in our programs and that they have improved their skills and related 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 positive 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 KKF.

The King Khalid Foundation will conduct regular evaluations of its programs and projects to assess their Social Return on Investment (SROI) and ensure continuous progress and effectiveness. This ongoing assessment will allow the Foundation to maximize benefits, identify areas for enhancement, and formulate strategies and initiatives that advance our mission of fostering sustainable growth and driving positive change.



