التعاونية
tawuniya

# SUSTAINABILITY REPORT 2023



# KSA AIMS TO REACH NET ZERO BY 2060

SAUDI GREEN INITIATIVE

His Royal Highness **Prince Mohammed Bin Salman Bin Abdulaziz**, Crown Prince, Prime Minister, and Chairman of the Council of Economic and Development Affairs





Custodian of the Two Holy Mosques **King Salman Bin Abdulaziz Al-Saud**

SGI Launched in 2021 by
**Prince Mohammed Bin Salman Bin Abdulaziz**

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# Sustainability Achievements at a Glance

## Tawuniya statistics

**BBB MSCI**
Score improved

**500,000+**
Vitality members

**SAR 1,500 million**
Paid-up capital

**60+**
Insurance products

**250,000+**
New Drive members

**A rating**
with a stable outlook
Fitch Ratings

**A rating**
with a stable outlook
Standard & Poor's

## Social statistics

**49%** Female employees in regular workforce

**1,900**
Total employees

**59**
Participants in Tawuniya Internship Program

**95**
Workers at our facilities

## Governance statistics

**ISO 27001**
Certified for information security

**100%**
Employees have been covered within the last 3 years training plan

Policy to protect whistleblowers from retaliation

Technological project committee responsible for the privacy and data security

Robust risk appetite framework (RAF) covering all business activities through carefully designed key risk indicators

Audit committee oversight over the ethical guidelines at Tawuniya

Effective implementation of bribery, anti corruption and anti money laundering policies and employee training

More than 60% of our staff undergo training on data protection and privacy

## Environmental statistics

**85%+**
Virtualization of servers

**7.6 cubic meters**
Water consumption per employee

**900,000KWh**
Consumption reduction

**5,637 ton**
$CO_2e$ total emissions

**10%**
Used water captured for plants and cleaning

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KINGDOM OF SAUDI ARABIA

Building societies in which everyone enjoys a satisfying quality of life, a healthy lifestyle and an attractive living environment.



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# Message from the Chairman

## We see Environmental, Social, and Governance (ESG) principles as more than just a trend.

At a time of rapid global change, Tawuniya has embarked on a transformative journey that resonates with the Kingdom of Saudi Arabia's robust pledge to achieve net-zero emissions by 2060. This unprecedented commitment goes beyond our identity as a leading insurance company. It positions us as a key player in shaping a sustainable future for our society, economy, and planet. We have analyzed our carbon footprint and are constructing a future to achieve this strategic goal.

We ESG principles as more than just a trend; they serve as the guiding compass helping us navigate the complexities of modern business. While our inaugural report last year signaled an important step, we remain steadfast and determined on our journey. This year, we have redoubled our efforts and launched decisive initiatives that address the urgent call for climate change and the compelling demands of social responsibility.

We have also made significant advancements in our operational strategies to minimize our environmental impact. Our technology shifts towards virtualization, digital workflows, and innovative resource efficiency embody a progressive approach to sustainability. This is more than a policy or strategy; it is an evolved way of thinking and operating.

Governance, alongside our environmental efforts, lies at the heart of Tawuniya's sustainability commitment. We prioritize transparent, accountable, and ethically sound governance practices. Our framework ensures adherence to the highest standards and promotes fairness and responsibility. This commitment goes beyond compliance; it is an integral part of our identity, reflecting our desire to create lasting value for stakeholders, society, and the environment.

We have declared 2023 as a year of transformation. Our annual general meeting elected a new Board of Directors who in turn appointed Tawuniya's new CEO. Additionally, the introduction of the Insurance Authority, the Kingdom's insurance regulatory body, will be instrumental in promoting the growth of the insurance industry in the Kingdom.

### Innovation, Social Development, and a Holistic Approach

We firmly believe that our products should not only serve as a safety net for individuals but should actively drive positive change and enhance society.

The Drive and Vitality programs at Tawuniya have experienced substantial growth and stand at the forefront of innovation. These initiatives prioritize health and safety while integrating economic incentives, environmental protection, and governance practices. They are the culmination of collaborative efforts on both the domestic and international fronts as we strive to deliver the most effective modules to our clients. Our belief in excellence requires ongoing collaboration with others to ensure the highest standards in our offerings.

We recognize the importance of embracing diversity in our workforce, believing that an inclusive environment fosters creativity and innovation. Similarly, we strive to enhance the financial stability and well-being of our clients, recognizing that sustainability is intertwined with the well-being of our community.

Our dedication to these values has led to the establishment of several social programs, partnerships, and initiatives that positively impact the lives of those in need. Whether supporting educational growth, healthcare, or other social causes, we ensure that our reach extends far beyond our business.

Tawuniya's vision, as highlighted in this report, transcends mere business metrics. It embodies a deep sense of purpose and a sacred promise to future generations. As we move steadily toward the monumental goal of a net-zero future, we are driven by a philosophical conviction that sees insurance not just as a financial tool, but as a powerful catalyst for positive change. Our quest for sustainability is not a single-minded pursuit. It requires collaboration, partnership and a collective will to deliver on the promise of a sustainable future. We invite our stakeholders, clients, employees, and all those connected with us to join us on this transformative journey.

**Abdulaziz I. Alnowaiser**
Chairman



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# Message from the CEO

## Success is not solely financial performance but also contributions to society and the environment.

Dear Stakeholders,

We are excited to share Tawuniya's 2023 ESG Report, which highlights the notable changes and progress we have made in our sustainability endeavors and our commitment to making a positive impact on society and the environment.

We firmly believe that the success of an insurance company should not solely be measured by its financial performance but also by its contributions to society and the environment. That is why we have long been dedicated to integrating sustainability into our business strategy and operations, and this report provides an opportunity to update you on our advancements.

Our world is currently facing significant challenges that demand urgent action. These challenges encompass climate change, social development needs, and environmental degradation. In the Middle East, we encounter unique obstacles such as water scarcity, energy dependency, and socio-economic development. However, we view these challenges as opportunities to create positive change, and we are committed to utilizing our expertise, resources, and influence to support sustainable development, particularly in the Kingdom.

We recognize that the insurance industry is highly susceptible to the impacts of climate change, which can affect both liabilities and assets. At Tawuniya, we are fully aware of the to our long-term performance, and we have potential risks that climate change poses implemented measures to address both the physical and transitional aspects of these risks.

Furthermore, we acknowledge that our responsibility begins within our organization, and we are dedicated to reducing our internal environmental footprint and promoting sustainable practices. Integrating sustainability into our operations has presented opportunities for growth and development, requiring substantial changes and collaboration among stakeholders. However, we are proud to report meaningful progress in this area.

Our commitment aligns with the three pillars of sustainability, which we refer to as the 3 Ps:

### 1 Planet

As an initial step on our climate change journey, we have quantified our emissions from operations and are actively working to reduce them. Our objective is to align Tawuniya with domestic and global climate efforts and transition to a low-carbon economy. Although our environmental impact as a service provider may be relatively low, we firmly believe that every action counts. We carefully measure greenhouse gas emissions and monitor our entire value chain, aligning Tawuniya with the global objective of achieving net-zero emissions. Our commitment extends beyond reducing negative impacts; we strive to create a positive impact whenever possible.

### 2 People

In 2022, we made client satisfaction a top priority. We upheld high ethical standards and implemented policies to ensure the fair treatment of vendors and the protection of sensitive data. Additionally, we significantly increased our investment in employee learning and development, quadrupling our efforts to foster professionalism and growth. The establishment of a new Employee Experience and Engagement Department aims to enhance satisfaction and retention among our workforce. We believe that an open-door policy, allowing all employees to voice their opinions, is essential for achieving our growth goals.

### 3 Profits

Tawuniya has experienced remarkable revenue growth and impressive share price performance. This success is not a coincidence; it is the result of Tawuniya's unwavering commitment and long-term vision. Our goal is to become the largest insurance company in the MENA region by 2025. Through our continuous efforts in product development and the refinement of internal structures, we are well-positioned to pursue this ambitious vision.

I would like to express my sincere gratitude to our dedicated employees and valued business partners for their contributions to making our new ventures a reality.

**Dr. Othman Y. Al-Kassabi**
Chief Executive Officer



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# Message from the Senior Leadership Group

## We recognize our role in supporting the Kingdom of Saudi Arabia in realizing its ambitious Vision 2030 goals.

As we come together to celebrate the remarkable achievements of the past year, we are thrilled to share the exciting news of our outstanding financial performance, exceptional growth, and enhanced ESG rating. These achievements stand as a testament to the collective efforts and unwavering dedication of each member of our Tawuniya family.

At the heart of our success lies our steadfast commitment to sound governance. As we execute the Tawuniya 2025 strategy, we recognize governance's pivotal role in driving our long-term sustainability and prosperity. Guided by firm principles of transparency, accountability, and ethical conduct, we remain consistent in our pursuit of excellence and integrity in every aspect of our operations.

Moreover, we are delighted to share that our commitment to ESG principles has not gone unnoticed. Through concerted efforts over the past year, we have improved our MSCI ESG rating with a noticeable rating update and operationalized our ESG strategy at every level of our organization.

This achievement underscores our dedication to sustainable practices and responsible business operations.

At Tawuniya, we recognize our role in supporting the Kingdom of Saudi Arabia in realizing its ambitious Vision 2030 goals. Our alignment with this vision drives us to continuously innovate, adapt, and contribute to our nation's socio-economic development. By leveraging our expertise and resources, we aim to be catalysts for positive change, driving sustainable growth and prosperity for future generations.

As we embark on this journey together, let us reaffirm our commitment to sound governance, sustainability, and excellence in all that we do. With your continued dedication and support, there is no limit to what we can achieve as a company and as a force for positive change in our community and beyond.

Thank you for your invaluable contributions and unwavering commitment to our shared success.



**Eng. Sultan Alkhomashi**
Chief General Sector Officer



**Eng. Mansoor Abuthnein**
Chief Mobility Sector Officer



**Eng. Mohammed Al-Saeed**
Chief Health Sector Officer



**Eng. Yaser Allaf**
Chief Governance, Risk and Control Officer



**Mr. Fahad Almoammar**
Chief Investment Officer



**Mr. Mater Alenazy**
Chief Financial Officer



**Eng. Abdullah Alshargi**
Chief Transformation and Technology Officer



**Mr. Asim Alsaawi**
Chief Human Resources Officer



**Mr. Feher Alshareif**
Chief Strategy Officer



**Mr. Mohammed Bin Salma**
Senior Executive Director of Life Sector



**H.H. Ms. Jwaher Al Saud**
Executive Director of Customer Experience



**Mr. Abdullah Abahussain**
Executive Director of Marketing

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# Tawuniya at a Glance

## Steadily expanding its service offerings and enhancing its performance for 38 years, positioning itself as the premier insurance provider for Saudi Arabian consumers.

**60+**
Insurance products

**500,000+**
Vitality members

**250,000+**
New Drive members

**BBB MSCI**
Score improved

**SAR 1,500 million**
Paid-up capital

**Fitch Ratings**
**A rating**
with a stable outlook

**STANDARD & POOR'S**
**A rating**
with a stable outlook

The Company for Cooperative Insurance (Tawuniya) is a Saudi Joint Stock Company incorporated in Riyadh, Kingdom of Saudi Arabia under Decree No. M/5 with Commercial Registry No. 1010061695. Its paid-up capital is SAR 1,500 million. The company operates pursuant to the provisions of the Insurance Act as specified in Royal Decree M/32 and regulated by the Insurance Authority (IA). The company's head office is located at Thumamah Road (Al Takhassusi), Ar Rabi District, P.O. Box 86959, Kingdom of Saudi Arabia. Tawuniya conducts its business exclusively within the Kingdom of Saudi Arabia.

Tawuniya operates primarily in the medical, mobility, marine, fire, engineering, energy, aviation, takaful and liability sectors, with more than 60 products in other lines of business. Established 38 years ago, Tawuniya has been steadily expanding its service offerings and enhancing its financial performance to position itself as the premier insurance provider for Saudi Arabian consumers.

**SAR 1,500m**
**Tawuniya's Paid-up capital**



Tawuniya HQ Ar Rabi District, Saudi Arabia

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# Health Insurance

## Offering comprehensive packages, our health insurance products are meticulously designed to meet the diverse needs of our clients.

Tawuniya is proud to be a major player in the health insurance sector throughout Saudi Arabia. Our health insurance products are meticulously designed to meet the diverse needs of our clients. We offer comprehensive insurance packages such as:

**My Family:** Tailored medical insurance for families in Saudi Arabia.

**Visit Visa Medical Insurance:** For visitors to Saudi Arabia.

**Hajj and Umrah Insurance Programs:** In collaboration with the Ministry of Haj and Umrah, to provide travelers embarking on their spiritual journeys with general and health insurance.

**Domestic Worker Health Insurance:** Providing healthcare domestic workers in Saudi Arabia.

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2030 Goals to increase the number of people who exercise at least one a week from 13% to 40% of the population.



Our unique wellness initiative, the Vitality Loyalty Program, launched in October 2020 and enjoyed significant growth in 2023, attracting more than 500,000 subscribers. This program has been a valuable addition to our health insurance product suite, encouraging healthier lifestyles.

Vitality

### About the Vitality Program

The program educates clients about their health and motivates them to make healthier and more rewarding lifestyle choices. This program, in partnership with the Vitality Group, a global leader in wellness-based insurance, creates a bespoke wellness program tailored to the individual needs of our clients and rewards them for making healthy choices.

Our clients can look forward to **100+** partner rewards and a SAR 500 discount on an Apple Watch

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# Health Insurance continued

## Our team is actively working on expanding this electronic approach in the coming year.



**140+** Over 140 + events hosted

In 2023, under the combined banner of health and the Vitality program, Tawuniya engaged in several activities aimed at enhancing our clients' overall well-being, the key events of which were:

1. Hosted 140+ Vitality events at client premises.
2. Sponsored the Riyadh Marathon in 2023.
3. Organized various workshops on healthy eating, life coaching, and more.
4. Held health-focused events and sessions on breast cancer, diabetes checkups, and CPR.

Tawuniya has also made a concerted effort to raise awareness and organize educational sessions for both employees and clients on a variety of health insurance topics. This dual focus on financial performance and client health creates a mutually beneficial relationship.

We have significantly improved our claims operations. Our health insurance business has increased the efficiency and quality of its claims process by implementing an electronic claims handling system. Our team is actively working on expanding this electronic approach in the coming year. Detailed claims statistics are shown in the table below:

| | 2021 | 2022 | **2023** |
|---|---|---|---|
| Number of claims requested to be settled during the year and outstanding claims | 12,425,394 | 15,137,083 | **18,168,440** |
| Number of claims settled during the year | 11,796,361 | 13,866,199 | **17,970,063** |
| Percentage of settled claims during the year | 94.94% | 91.60% | **98.90%** |
| Amount of claims paid (Million SAR) | 6,108 | 6,521 | **10,829** |

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# Mobility Insurance

## Offering unique mobility insurance packages that include numerous benefits and features.

**Al-Shamel** is Tawuniya's comprehensive motor insurance program that provides total peace of mind for the discerning vehicle owner. Al-Shamel comprises of total and partial loss cover for the insured vehicle as well as full third-party liability cover up to SAR 10 million for damage caused in an accident involving the insured vehicle. Al-Shamel also includes embedded benefits that complement the core insurance such as Roadside Assistance, Drive, End to End claims servicing and customizable extensions to complete the Al-Shamel experience.

**Third-Party Liability Insurance (Sanad)** is the standard regulatory product, offering insured vehicles with liability coverage of up to SAR 10 million. To improve this offering, we have introduced Tawuniya Flex offering clients the opportunity to add paid extensions which comprise of Towing, Theft, Fire, Hail & Flood, Glass, Personal Accident and more to their cover.

**Third-Party Plus Insurance (Sanad Plus)** is a hybrid program that combines liability coverage with selective own damage coverage for the insured vehicle. This program allows the client to customize the amount of own-damage cover required for their vehicle up to a limit and acts as the bridging product between Third Party and Al-Shamel.




Launched in April 2021, **Drive** is designed for Al-Shamel Insurance policyholders. A joint program with Discovery Insure and Vitality Group, Tawuniya Drive rewards safe driving through a points-based system. Using a sensor and the Drive app, the program collects various driving data based on the following actions:

- Acceleration
- Braking
- Mobile phone usage
- Trip distance
- 40 Speed and speed limit violations
- Cornering
- Time of day
- Night-time driving habits

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# Mobility Insurance continued

## Our approach to repair network management underscores our dedication to sustainability.

Tawuniya has introduced a comprehensive End-to-End claims and accidents solution, embodying proactive support services from the moment of First Notice of Loss (FNOL). This digital journey extends from the scene of the accident, through vehicle towing, to ensuring customers' safe return home at no cost, culminating in the delivery of their repaired vehicle. Upholding our core values of providing comfort and peace of mind to our clients and their families, we demonstrate a commitment to responsible action in every circumstance.

In 2023 alone, we facilitated over 10,000 FNOL accident scene support calls and towed more than 10,000 vehicles from various locations across the kingdom.

Furthermore, our approach to repair network management underscores our dedication to sustainability. We enforce stringent waste management protocols, ensuring the proper disposal of used engine oil and salvage materials in alignment with industry best practices. All our approved repair centers and network partners are mandated to collaborate with professional waste management suppliers, reflecting our ongoing commitment to monitoring and enhancing environmental practices.






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# Mobility Insurance continued

## By promoting road safety and sustainable driving, the program plays an integral role in achieving national goals.

The collected data is analyzed, and accordingly the driving behavior is assessed. The safer you drive, the more points you earn, which can be redeemed for weekly rewards and discounts of up to 20% off your car insurance premium. The rewards program has also been expanded to include a wider range of benefits, such as discounts on gas and car maintenance, as well as food and beverage vouchers from Drive's successful partners.

One of the most notable results was a 23% improvement in participants' driving behavior within the first two months of enrollment, as measured by an increase in average weekly performance scores.

By the end of 2023, Drive had **more than 300,000 active participants,** with over **250,000 new enrollments** in 2023. This demonstrates significant growth and acceptance of the program in the Kingdom of Saudi Arabia.

The continued success of Drive aligns well with the National Transformation Program (NTP) and the broader goals outlined in Saudi Arabia's Vision 2030. By promoting road safety and sustainable driving, the program plays an integral role in achieving national goals.

| | 2022 | 2023 |
|---|---|---|
| Number of claims requested to be settled during the year and outstanding claims | 90,682 | **183,772** |
| Number of claims settled during the year | 76,135 | **151,802** |
| Percentage of settled claims during the year | 84% | **83%** |
| Amount of claims paid (Million SAR) | 669 | **1,163** |
| Percentage of claims settled within 7 working days | 98.94% | **99.47%** |



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# General Insurance

## Tawuniya provides General products to green transformation players such as NEOM Green Hydrogen Company.

Tawuniya's General Insurance business includes property, engineering, marine, aviation, energy and liability insurance. Tawuniya provides General Insurance coverage to clients in the major industrial sectors in Saudi Arabia and has been active in promoting general products to small, medium enterprises (SMEs) in the Kingdom. Tawuniya also provides general products to green transformation players such as NEOM Green Hydrogen Company and National Solar Systems Contracting and Saudi German Factory for solar products and continues to support the green transformation in Saudi Arabia. All ocean-going vessels insured by Tawuniya are required to comply with the international maritime organization 2020 Sulphur Regulation. This regulation came into effect globally on January 1, 2020 under the international convention for the prevention of pollution (MARPOL) Convention and is a significant milestone in improving air quality, preserving the environment and protecting human health. It should also be noted that most retail General Insurance have been digitized, right from the application to the claims process.

The general insurance underwriting process takes many factors into account, but the environmental risk associated with a location plays a significant role in general pricing. This pricing practice includes a risk management process that considers the hazards surrounding the insured risks and provides enhancement solutions to mitigate these risks. General risks are assessed in detail based on their potential impact on Tawuniya. The main driver of general climate change risk is the physical risk, such as flooding and extreme heat, which is regularly assessed. Tawuniya employs experienced engineers to conduct comprehensive assessments of potential underwriting risks.

A risk inspection survey is conducted to ensure that appropriate safeguards are in place when underwriting the risks. Our work with clients extends to providing recommendations for risk improvement measures, following up on the implementation of such recommendations, and conducting awareness seminars and client-specific industry workshops on the risks clients may face. During 2023, we conducted several workshops on various topics such as warehouse hazards and controls and risk management in the hotel industry. Tawuniya also actively sent weekly risk management tips to its clients.









$H_2$

**Hydrogen can be used in various industrial processes, fuel cells, and potentially as a clean energy source for the future**

75%

**Hydrogen is the most abundant element in the universe, constituting about 75% of its elemental mass**



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# General Insurance continued

## The Revamped home insurance product launched in partnership with National Housing and IKEA.

Tawuniya is keenly aware of climate change risks in liability underwriting, and seeks to anticipate sectors that may face ESG-related litigation in the future. Tawuniya reviews financial statements and reports to assess sustainability and potential future losses/risks for specific risks. Tawuniya plans to introduce additional environmental rating criteria in the coming years.

Geopolitical developments have a significant impact on this line of business, resulting in frequent reinsurance arrangements and investment adjustments. Tawuniya actively monitors these dynamics and implements hedging policies for favorable outcomes. Premium pricing depends on engagement with reinsurers, many of which integrate ESG into their underwriting. Tawuniya works with a number of reinsurers that have adopted ESG underwriting.

**SAR 938Mn**
Amount of claims settled during the year





**90%**
Percentage of claims settled withing 7 working days

| Claim Highlights | 2021 | 2022 | 2023 |
|---|---|---|---|
| Number of claims requested to be settled during the year and outstanding claims | 5,258 | 5,315 | **6,133** |
| Number of claims settled during the year | 2,544 | 2,139 | **3,033** |
| Percentage of settled claims during the year | 48.4% | 40.2% | **49.2%** |
| Amount of claims paid (Million SAR) | 292 | 782 | **938** |
| Percentage of claims settled within 7 working days | 59% | 88% | **89.9%** |

Tawuniya recently launched its Revamped home insurance product and working on partnerships with ecosystem partners to effectively deliver it to the masses. The extended warranty insurance has been offered through e-commerce partner in 2024. Our teams are currently working on building unique "Loss of Employment" & "Income Protection" products that align with the sustainable development goal to alleviate and promote economic stability.



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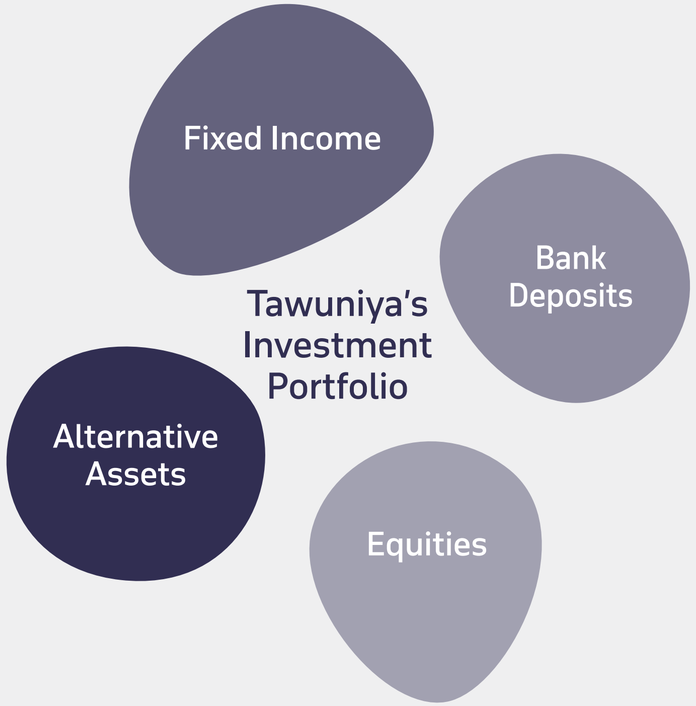
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# Asset Management

## The asset portfolio is diversified both locally and internationally.

Tawuniya reviews its investment strategy annually and makes adjustments as necessary in response to market changes. The Investment Committee approves the investment strategy and oversees Tawuniya's investments. Tawuniya's investment unit consists of four divisions:




In addition to the oversight provided by the Investment Committee, the Risk Management Team reviews and assesses the Company's various investment risks on a quarterly basis. The observations and recommendations arising from these meetings are then presented to Tawuniya's Investment Committee for further action.

Tawuniya's investment portfolio consists of four different asset classes, including bank deposits, fixed income, equities and alternative assets (private credit, private equity and real estate). The asset portfolio is diversified both locally and internationally. Local equities are managed internally, while emerging market and global equities are managed externally by accredited fund managers with a strong reputation in the market.

Tawuniya conducts all of its operations and investment selection based on Sharia-compliant principles. All investments are subjected to a negative screening process prior to an extensive due diligence process. Being Shariah-compliant prohibits Tawuniya from investing in sectors such as tobacco, arms manufacturing, and non-compliant industries.

The comprehensive due diligence process consists of several phases during which a risk management team assesses the potential impact of the investment on governance and economic stability. Following this assessment, the company's operations are evaluated for stability and growth potential. Finally, legal due diligence is conducted and the investment is submitted to Tawuniya's Investment Committee for final review.

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# Purpose and Strategy

## To contribute to the financial, social and environmental success of the Kingdom of Saudi Arabia in line with Vision 2030.

Tawuniya's Strategy 2025 outlines several ambitious objectives and targets for the coming years. Strategy 2025 is anchored by the company's core purpose — to be an advocate and example for positive change within the insurance industry and to contribute to the financial, social and environmental success of the Kingdom of Saudi Arabia in line with Vision 2030.

Such a transformational change is being driven by management's commitment to this mission. This is reflected in the hierarchy illustrated opposite, which shows how four guiding promises to stakeholders are derived from an aspirational purpose.

While outperforming the market by delivering superior returns and sustainable earnings, we at Tawuniya continues to engage with our clients and stakeholders to understand their needs and build innovative solutions to meet their requirements. In 2023, we will continue to foster innovation and build on the promises we have made to our clients and stakeholders. We value our clients' trust in us as their partner of choice for all their needs, whether it is protecting their health and well-being, supporting their mobility, protecting their economic growth from risks, or providing them with financial independence.

**2025** **Strategy 2025 is unified by the company's overarching goal**



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# Purpose and Strategy continued

## Tawuniya offers a wide range of affordable, accessible and high value solutions.

Tawuniya offers a wide range of affordable, accessible and high value solutions. Throughout 2023, Tawuniya remained on a positive trajectory towards achieving its 2025 strategy goals. We have set out below a few of our milestones accomplished in 2023:

- Launched Teejan Al-Khaleej for technology based solutions and extended consultancy services
- Introduced Tree, the first fully digital insurer in KSA that launched with retail motor, planning to launch SME in 2024.
- Launched the first MENA primary care clinic.
- As part of the mobility ecosystem, Tawuniya Drive continues to grow with more than 260,000 subscribers reaping the rewards of safe driving and the program's positive impact on driving behavior.
- The implementation of AI models in mobility underwriting practices, with a clear positive impact on the growth of our mobility line of business.
- As part of the wellness program, Tawuniya Vitality continues to grow with more than 500,000 registered subscribers. Our program helps our clients understand their health status, empowering them to lead healthier, more active and rewarding lifestyles.
- Development of new innovative products such as "Extended Warranty" and "Home Assist for Homeowners".
- Rebranding

Our strategic ambition to maintain our position as the largest insurance company in the MENA region is centered on our people and their commitment to Tawuniya's success. This is matched by our commitment to our employees to provide them with a safe and nurturing workplace with great potential for growth. In this regard, Tawuniya has developed a new organizational structure, added a dedicated Learning & Development Department and established a new Employee Engagement Department.

This fits well with Tawuniya's determination to increase its commitment to ESG and sustainability. Last year's newly established ESG strategy is already well in place in 2023, and plays a vital role in supporting the initiatives announced in Saudi Arabia's Vision 2030 (see later sections).

These milestones demonstrate that Tawuniya is living up to its purpose and is committed to achieving the six key strategic objectives outlined in Strategy 2025:

1. **Lead Saudi Arabia's prevention, wellness, and care agenda**
2. **Become the integrated value-added and innovative insurer for individual mobility**
3. **Protect and mitigate risk to grow the Saudi economy**
4. **Pioneer financial independence for a better future**
5. **Be the digital-first partner of choice for priority segments across all their risks**
6. **Build scale and capabilities through inorganic expansion**

**6** **Committed to the 6 key strategy 2025 objectives**



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# Awards

## These awards are a reminder that hard work makes a difference and that we are on the right track.

In 2023, Tawuniya garnered significant domestic and international awards and topped many insurance industry rankings; such accolades reflect Tawuniya's stature within the Kingdom and beyond.

**Best Population Health Management Award**

**Best Value Based Healthcare Payment Model Strategy Award**

**Best Patient Coordination Award**

**NPHIES Digital Platform**
National Platform for Health and Insurance Exchange Services

**Women Leader of the Year**
Won by Hanouf Alshammari, Tawuniya

**Digital Experience of the Year**
Asian Experience Awards
Presented by Asian Business Review Magazine

**General Insurer of the Year / Customer Experience Award**
Insureteck

**Outstanding Organization Award**
Internet 2.0

Tawuniya garnered significant **domestic and international awards** and **topped many insurance industry rankings**




They reaffirm our commitment to client care, market leadership, and creativity in product offerings. We would like to express our appreciation and gratitude to all those who have contributed to these achievements, including our team members, partners, and clients. Tawuniya continues to pursue the path of excellence and innovation in the insurance industry.

We at Tawuniya continue to strive to be an industry leader, serving the community and delivering on the needs of our clients. These awards are a reminder that hard work makes a difference and that we are on the right track. We appreciate your confidence in us.

02

# Our Sustainability Approach


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25,000 Jacandra trees to be planted in Abha, Asir (Southwestern region), Saudi Arabia

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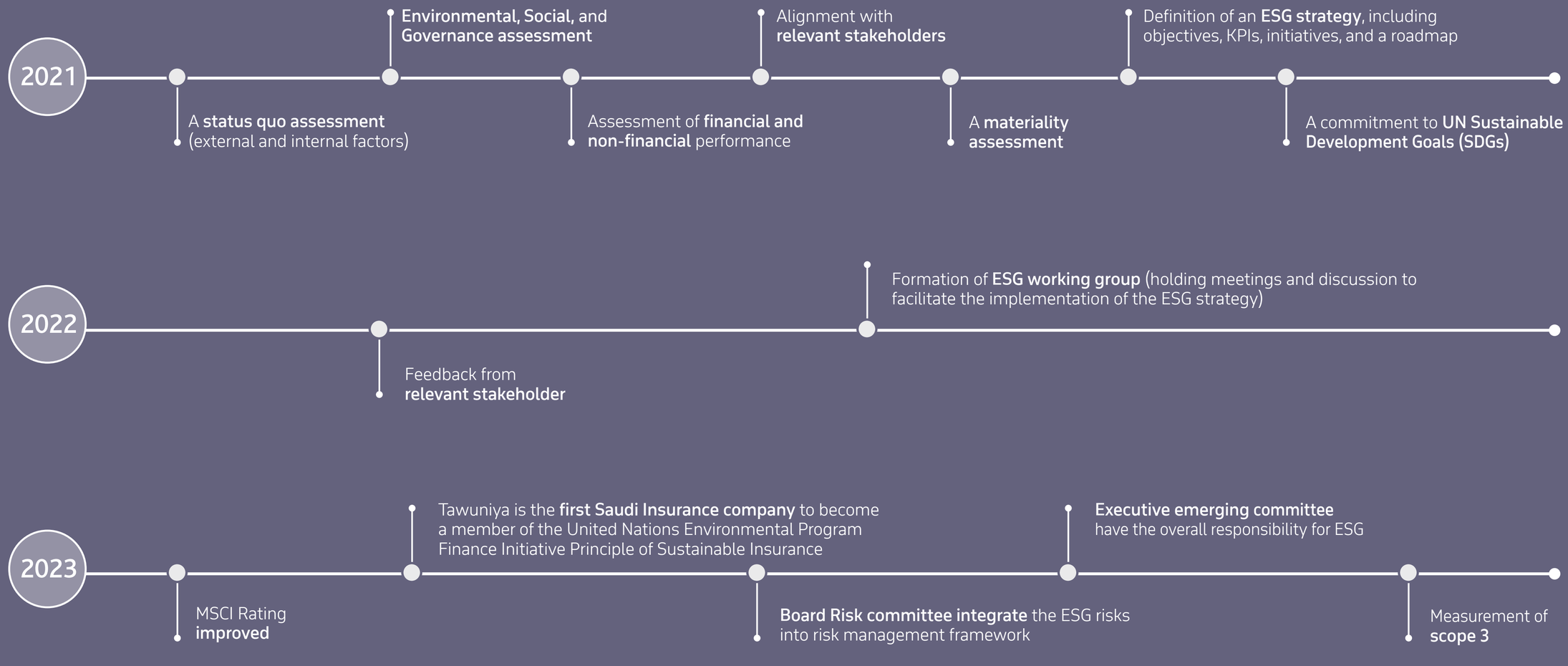
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# Sustainability Approach Key Highlights 2023

## Tawuniya's ongoing commitment to its dedicated ESG strategy.



# Tawuniya's Alignment with KSA Vision 2030

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Environmental responsibility and sustainable development are at the core of Vision 2030, and Tawuniya embraces sustainable development as a core business value and practice. Our business activities contribute directly and indirectly to a vibrant society and thriving economy, and we are playing a positive role in achieving Vision 2030 as we collectively work to build a "strong, prosperous and stable Saudi Arabia that provides opportunities for all".

Ways in which Tawuniya supports the strategic objectives of Vision 2030 in economic development, social welfare and ethical governance, whether directly or indirectly, include but are not limited to the following (detailed on the next page):

رؤيـــة VISION 2030
المملكة العربية السعودية
KINGDOM OF SAUDI ARABIA

**Lavender flowers are used in daily life, in food, and traditional crafts such as the miswak and khoos**

# Tawuniya's Alignment with KSA Vision 2030 continued

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| KSA Vision 2030 Targets | Our Contribution / Alignment |
|---|---|
| Support SMEs growth | • Make insurance products more affordable and accessible<br>• We have expanded our value proposition for SMEs |
| Support nationalization of the workforce | • Focus on attracting qualified Saudi talent<br>• Commit to a high percentage of Saudi employees |
| Support women's active participation in the national economy | • Create a safe and healthy work environment<br>• Employ a high percentage of women |
| Help those with disabilities participate in the domestic economy | • Support a culture that is inclusive and supportive of people with disabilities |
| Drive and stimulate R&D and innovation in the Kingdom | • Leader in the insurance products innovation in the region and continuous commitment and spending on R&D |
| Support the Kingdom's industrial sector growth | • Expand our insurance products<br>• Protect industrial assets to fuel economic growth |
| Support the Kingdom transition to a low-carbon economy | • Provide our services to green transformation enablers in the Kingdom |
| Safeguard the environment | • Recycle our paper and electronics<br>• Reduce our consumption<br>• Implement water and energy conservation measures<br>• Implement remediation projects<br>• Develop our GHG reduction targets |
| Support in growing the Kingdom GDP | • Direct investment in the Kingdom |

| KSA Vision 2030 Targets | Our Contribution / Alignment |
|---|---|
| Human capital development | • Continuous professional development for our employees<br>• Cultivate the talents and skills of our people so they can thrive |
| Support the youth in learning and development | • Programs designed to provide students with real-world experience and skills development |
| Support the Kingdom during the Hajj and Umrah | • Our insurance solutions are designed to make it possible for visitors from outside the Kingdom to travel safely for Hajj and Umrah |
| Support in fostering a fulfilling and healthy life | • Our innovative health programs (e.g. Vitality Program) engage our clients in acquiring healthy habits like exercise |
| Support digital transformation in the Kingdom | • Most of our services are digitized, this makes our financial products more accessible |
| Support the development of the housing sector in the Kingdom | • Our home protection products |
| Support for the development of the Kingdom's tourism sector | • Make travel insurance available to tourists |
| Effective governance and adherence to transparency | • Transparent reporting<br>• Ethical business practices<br>• Effective governance structure |
| Effective engagement | • We have an open channel of communication with our stakeholders |

# Tawuniya's Commitment to SDGs and GRI

We regard protecting people and their assets as a critical component of a more sustainable, resilient and inclusive world.




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This report outlines Tawuniya's sustainability performance, which includes the environmental, social, and economic impacts of its operations and activities. This report is prepared in accordance with the Global Reporting Standards 2021 and covers the reporting year from January 1, 2023 to December 31, 2023. This report does not cover Tawuniya's subsidiaries or affiliates disclosed in the annual financial statements. The subsidiaries are managed independently and governed by different policies, however, Tawuniya plans to include its subsidiaries in its future sustainability reports.

The Board of Directors engaged in the sustainability reporting process at Tawuniya following the development of Tawuniya's ESG strategy as part of its commitment to transparency to disclose its impact. The Emerging Executive Committee is responsible for overseeing the ESG and the implementation of the ESG strategy.

This report is intended for our stakeholders, investors, governments, employees, clients, vendors, business partners and anyone else interested in our sustainability performance. If you have any questions, feedback or comments about this report, please email us at at IR@tawuniya.com. We appreciate your ongoing participation as we pursue our transparent and sustainable business practices.

## Supporting the SDGs for a more sustainable world

The UN 2030 Agenda for Sustainable Development provides an accessible and effective framework for addressing many of the world's most pressing environmental, political, and economic challenges. The Sustainable Development Goals (SDGs) outlined in the 2030 Agenda support dignity, peace, and prosperity for all people and the planet, and we are committed to aligning our corporate ESG strategy with them.

The inherent value of insurance comes from the human need to protect ourselves, our families, our livelihoods and our environment. We regard protecting people and their assets as a critical component of a more sustainable, resilient and inclusive world.

Tawuniya's approach to addressing environmental, social, and governance concerns supports several of the United Nations Sustainable Development Goals (SDGs). We have strategically selected the SDGs that allow us to have the most positive influence on our stakeholders and the environment through our business operations, underwriting activities, investments, and community programs.

**Abha Yanbu Maadeena/Madinah (Western region), Jeddah Makkah, Saudi Arabia**

# Tawuniya's Commitment to SDGs and GRI continued

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## Supporting the SDGs for a more sustainable world continued

The seven United Nations Sustainable Development Goals (SDGs) that are at the forefront of Tawuniya's ESG strategy are:

**Good Health and Well-Being (SDG 3):** We seek to promote health and well-being for all regardless of age, background or socio-economic status. Tawuniya has launched many initiatives to take care of its clients, employees and local communities. Our flagship programs, Tawuniya Drive and Tawuniya Vitality, both support the health and well-being of our clients by encouraging healthier lifestyles and safer driving.

**Gender Equality (SDG 5):** At Tawuniya, we make a conscious effort to ensure gender equality in the workplace. We strive to create an environment where employees are not judged by their gender, but rather by their skills, behavior, and work ethic. Tawuniya has substantially increased the number of female employees in its workforce and is committed to promoting gender equality at all levels of the organization.

**Decent Work and Economic Growth (SDG 8):** Decent Work and Economic Growth align with Tawuniya's goal of being a trusted partner known for protecting our stakeholders' most valuable assets. Our newly launched learning and development strategy aims to empower our clients through educational campaigns, and our employees through a variety of professional courses. Leveraging digital innovation to drive financial inclusion by expanding our financial services to scale and enable small and medium enterprises (SMEs) to grow, create decent jobs, and generate positive socio-economic value.




**Industry, Innovation and Infrastructure (SDG 9):** As a risk manager, risk carrier and investor, and as an insurance pioneer, we want to equip our clients, partners and employees with the ability to embrace continuous innovation. By insuring our clients against risk, we give them the freedom to pursue innovative projects with the potential to benefit society. Our commitment to social inclusion, particularly in support of SMEs, plays a critical role in job creation, economic development and technological advancement. Our underwriting and financing activities also support infrastructure projects, sustainable manufacturing, and reliable transportation. Tawuniya relies on technological advancements and infrastructure to deliver its services efficiently. Investments in innovative technologies and infrastructure improvements not only enhance Tawuniya's operations, but also contribute to the overall development of the insurance industry in Saudi Arabia.

**Sustainable Cities and Communities (SDG 11):** Insurance makes human settlements more resilient. Our goal is to make cities inclusive, safe, and sustainable. Our Drive program helps make cities and communities safer by providing financial incentives that reduce the likelihood of accidents. The public park that Tawuniya plans to build will also help improve the quality of life for everyone in the area. Our insurance activities help protect properties from damage caused by floods, fire and burglary. Our insurance policies also help protect the investments of individuals, businesses and government agencies. We try to educate our clients about ways to prevent accidents, with the ultimate goal of building a safer society. Finally, our CSR initiatives support local communities, helping to reduce economic disparities and eradicate poverty.

**Climate Action (SDG 13):** We have made significant inroads in reducing our water and energy consumption and waste production at Tawuniya in recent years. We are currently developing our greenhouse gas reduction targets to reduce Tawuniya's environmental impact, and we will continue to integrate climate concerns into our decision-making processes and investment policies. As an insurer, we also have a vital role to play in mitigating the impact of climate-related natural disasters on economic growth and personal finances, as we also provide our insurance products to green transformation actors.

**Partnerships for the Goals (SDG 17):** Building new partnerships and creating the environment necessary to deliver quality solutions to our clients is a key pillar of Tawuniya's ESG strategy. For example, we partner with industry-leading hospitals and repair shops to provide the best possible client experience. By fostering local and international partnerships, we leverage our collective expertise and resources to address societal challenges and promote sustainable development.

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# Stakeholder Engagement

Responding effectively to the needs and expectations of our internal and external stakeholders is essential to Tawuniya's success in achieving the goals we have set for the company.

We achieve this by continuously engaging with different stakeholders through a variety of events and communication channels, actively seeking their feedback and ensuring alignment with their evolving priorities, interests and expectations. This is why we have included stakeholder relevance as an assessment dimension in our materiality matrix. As part of developing the 2021 materiality matrix, our stakeholder engagement focused on the shortlisted material issues. Tawuniya used surveys and direct dialog with a wide range of stakeholders, including employees, clients, regulators, vendors and investors, to better understand the relevance of different issues. We maintain a routine mapping of our key stakeholder groups, evaluate our engagement techniques, and receive regular feedback. This section describes how we routinely engage and how we create value for each of our stakeholders.

| | How we deliver | How we engage |
|---|---|---|
| **Government** | Adherence to business ethics and good governance practices, regulatory compliance and transparent reporting. | • Regulations<br>• Reporting<br>• Audit and compliance report<br>• Regulatory review |
| **Vendors** | Ethical business practices, responsible sourcing of goods and services, vendor stability and fairness. | • Vendor relationship team<br>• Meetings<br>• Invitation to bid |
| **Investors** | Provide an appropriate long-term return on investment in an ethical and well-managed manner. The Investor Relations Department handles shareholder concerns and inquiries. Every shareholder has the right to participate in the AGM, discuss the agenda and put questions to the directors and auditors. Shareholders representing more than 5% of the paid-up capital have the right to convene the AGM. | • Investor Relations Department<br>• AGM<br>• Annual, semi-annual, and quarterly reports<br>• Board secretary |
| **Clients** | Respond to the needs and expectations of customers, companies and institutions by offering them innovative and sound insurance products. | • Tawuniya website<br>• Conferences and events<br>• Branches<br>• Tawuniya online services<br>• Social media<br>• Annual reports<br>• Feedback tools and survey |
| **Employees** | Create an inclusive work environment where the best talent can thrive. | • Regular meetings<br>• Training and workshops<br>• Internal newsletters<br>• Annual performance reviews<br>• Employee engagement and Experience department |
| **Business Partners** | Provide financial stability and fairness to our business partners. | • Meetings<br>• Conferences and events |
| **Society** | Support for local communities to address local, social, and economic issues. | • Social media<br>• Tawuniya website<br>• Sustainability and annual reports<br>• Sponsorship, donations, and events |

**Continuous stakeholder engagement drives Tawuniya's strategic success**



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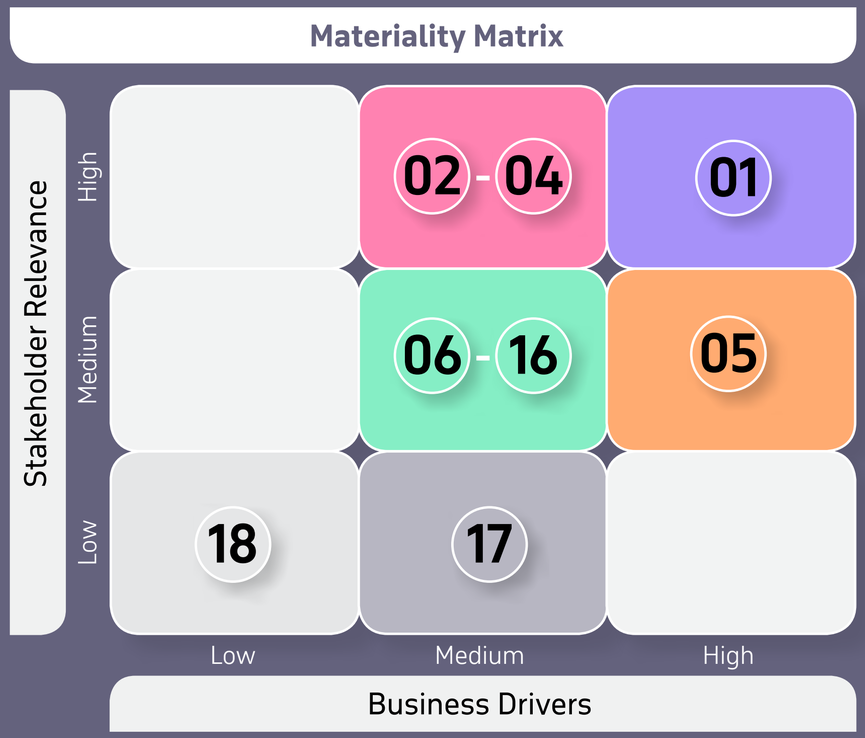
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# Materiality

In 2021, Tawuniya conducted a comprehensive materiality assessment to identify the material issues. The process consisted of gathering insights from management and board interviews, industry analysis, international standards, and stakeholder feedback. The shortlisted material issues were ranked based on business drivers and stakeholder relevance. The assessment guided Tawuniya in building its ESG strategy and implementing it across the value chain and business processes. It also established Tawuniya's external reporting and internal ESG management procedures. The company is building on a forward-looking approach in line with GRI standards to consider emerging risks and engage internal and external stakeholders to gain insights. For more information on our comprehensive materiality analysis, please refer to the 2021 Sustainability Report on pages 31-32. In 2022, we refined our material issues based on the feedback we received from our stakeholders throughout the year to help us focus on our most critical material issues.






Graphic: Tawuniya's approach to rating the individual issues in terms of materiality

## Material Topics

| | |
|---|---|
| 01 | Business Ethics |
| 02 | Decent Workplace |
| 03 | Privacy and Data Security |
| 04 | Digitization |
| 05 | Corporate Governance |
| 06 | Market Presence |
| 07 | Community Relations |
| 08 | Serving the National Strategy |
| 09 | Client Health and Safety |
| 10 | Financial Performance |
| 11 | Carbon Footprint |
| 12 | Training and Education |
| 13 | Client Satisfaction |
| 14 | Partnerships and Ecosystems |
| 15 | Diversity and Equal Opportunity |
| 16 | Climate Change Vulnerability |
| 17 | Financing Environmental Impact |
| 18 | Resource Consumption |

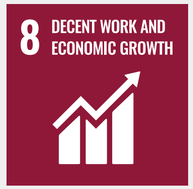
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# ESG Strategy

We are committed to being an inspiring ESG leader by addressing climate change, practicing fair business ethics, ensuring a decent work environment, building compassionate and lasting relationships with our partners, and serving as a role model for society. Tawuniya's Risk Committee has taken proactive steps to integrate ESG risks into our comprehensive risk management framework. The Emerging Committee plays a pivotal role in the oversight and management of all ESG-related matters within Tawuniya. With a mandate to ensure alignment with our strategic objectives, this committee provides strategic direction and guidance. Moreover, our Sustainability Working Group is instrumental in driving the day-to-day operational efforts to improve sustainability practices within Tawuniya. The Group uses focused initiatives and a collaborative approach to actively engage with stakeholders, implement best practices and monitor progress towards our sustainability goals.
















<table>
<tr><th colspan="6">Insurance and Investment</th></tr>
<tr><td colspan="2">Develop sustainable products</td><td colspan="2">Integrate ESG into investment policies</td><td>Evaluate and integrate ESG into operations</td><td>Digitize operations and ecosystems</td><td>Expand market reach and partnerships</td></tr>
<tr><th colspan="2">Environmental</th><th colspan="2">Social</th><th colspan="2">Governance</th></tr>
<tr><td>Measure emissions and carbon footprint</td><td rowspan="2">Set a net zero target for scope 1 and 2 emissions</td><td>Establish a decent workplace</td><td>Improve data privacy and security</td><td rowspan="2">Secure ethical behaviour</td><td rowspan="2">Maintain high-level of corporate governance</td></tr>
<tr><td rowspan="2">Reduce Waste, Water and Energy Consumption</td><td>Promote diversity and equal opportunity</td><td>Improve customer satisfaction and loyalty</td></tr>
<tr><td rowspan="2">Enhance human capital development</td><td>Further expand community engagement</td><td rowspan="2">Further strengthen local content</td><td rowspan="2">Foster the relationship with governmental bodies</td></tr>
<tr><td>Assure health and safety of clients</td></tr>
<tr><th colspan="6">Sustainability Enablement</th></tr>
<tr><td colspan="2">Evaluate membership of the UN PSI</td><td colspan="2">Establish ESG Integration Framework</td><td colspan="2">Engage with relevant stakeholders</td></tr>
</table>

The first significant milestone in Tawuniya's ESG journey was the notable improvement in its MSCI ESG score from CCC to BBB. This improvement reflects the company's commitment to improving its ESG practices and positioning itself as a more sustainable and responsible organization. In another milestone achievement, Tawuniya has become a proud member of the United Nations Principles for Sustainable Insurance (PSI). As the first insurance company in Saudi Arabia to join the PSI, Tawuniya demonstrates its commitment to aligning its business with global sustainability principles and advancing sustainable practices within the insurance industry. We have measured our carbon footprint, including Scope 3, and developed our reduction target; we are currently working to improve our data quality across the value chain.

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# Our Commitment to the Environment

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VISION رؤية 2030 المملكة العربية السعودية KINGDOM OF SAUDI ARABIA

By preserving our environment and natural resources, we fulfil our Islamic, human and moral duties. Preservation is also our responsibility towards future generations and essential to the quality of our lives.



# Environmental Management at a Glance

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**85%+**
Virtualization of servers

**900,000 KWh**
Consumption reduction

**5,637 ton**
$CO_2e$ total emissions

**7.6 cubic meters**
Water consumption per employee

**10%**
Used water captured for plants and cleaning

Wadi Disah, Tabuk region (Northwest), Saudi Arabia

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# Environmental Management at a Glance continued

## Tawuniya's goal is to establish itself as a global leader in sustainable insurance practices and to serve as a role model for the Saudi Arabian economy.

As an insurance company, providing security is a fundamental aspect of Tawuniya's identity. In today's modern world, this security must extend not only to our immediate surroundings but also to the people who live and work there. As a pioneer in the Saudi Arabian insurance market, Tawuniya recognizes its responsibility in securing the future of our planet. We fully comply with all environmental regulations in Saudi Arabia and have never been involved in any environmental issues, conflicts, or disputes. Moreover, the company does not have any financial provisions for any environmental liabilities.

Tawuniya's goal is crystal clear - to establish itself as a global leader in sustainable insurance practices and to serve as a role model for the Saudi Arabian economy. Indeed, a central pillar of Tawuniya's ESG strategy is focused on environmental protection, emphasizing our commitment to sustainable business practices that benefit our community, stakeholders, and the planet as a whole. This commitment is exemplified by our launch of a dedicated environmental education campaign aimed at raising awareness among our employees regarding environmental issues, such as energy and water consumption.

In 2022, Tawuniya invested SAR 40 million in a major renovation of its headquarters, offices and facilities. This renovation included the implementation of an advanced IT system that automatically measures the energy and water consumption of each department. Consumption data is analyzed and departments are immediately notified of irregularities, such as excessive consumption. In addition, the system automatically adjusts air conditioning and lighting based on actual demand, further contributing to our sustainability efforts.

In addition to monitoring, analyzing, and adjusting its systems and processes, Tawuniya is deeply committed to inspiring people to drive sustainable innovation and development. This commitment led us to work with our architects to create an office space that encourages open-mindedness, well-being, and collaboration. We doubled the number of office plants and thoughtfully designed the layout to maximize natural light.



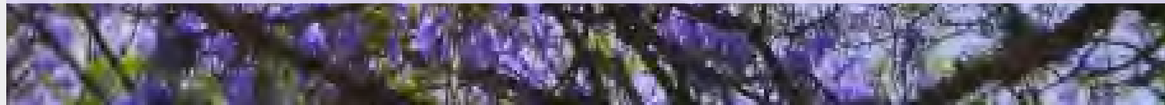

Tawuniya is determined to set an example with its commitment to ESG initiatives and sustainable business practices. In pursuit of this goal, Tawuniya has unveiled plans to build a public park adjacent to its headquarters that will serve as an inspiring and sustainable retreat for employees and the local community.

Tawuniya actively supports charitable organizations and projects in the region and works closely with the Saudi Arabian government and other stakeholders in Saudi society to identify and participate in meaningful initiatives. Our management team is currently evaluating various sustainable initiatives to identify potential partnerships. The construction of the park aligns perfectly with the Saudi Green and Green Riyadh initiatives, and motivates Tawuniya to continue supporting environmental initiatives with further actions in the coming years.

Nature presents a range of potential risks, from flooding to extreme heat. Tawuniya's Business Continuity Management (BCM) assessment works to plan for these environmental risks to ensure the company can continue to serve its clients. In fact, our business performance depends on the existence of an effective risk management strategy.

The company is constantly expanding the list of environmental factors it considers as part of this strategy to keep pace with changes in the environment. As a result, Tawuniya's risk radar already includes many key environmental risk factors, including:

- sandstorms
- windstorms
- heatwaves
- fires
- floods and flash floods
- heavy rains
- epidemics and pandemics
- earthquakes



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# Climate

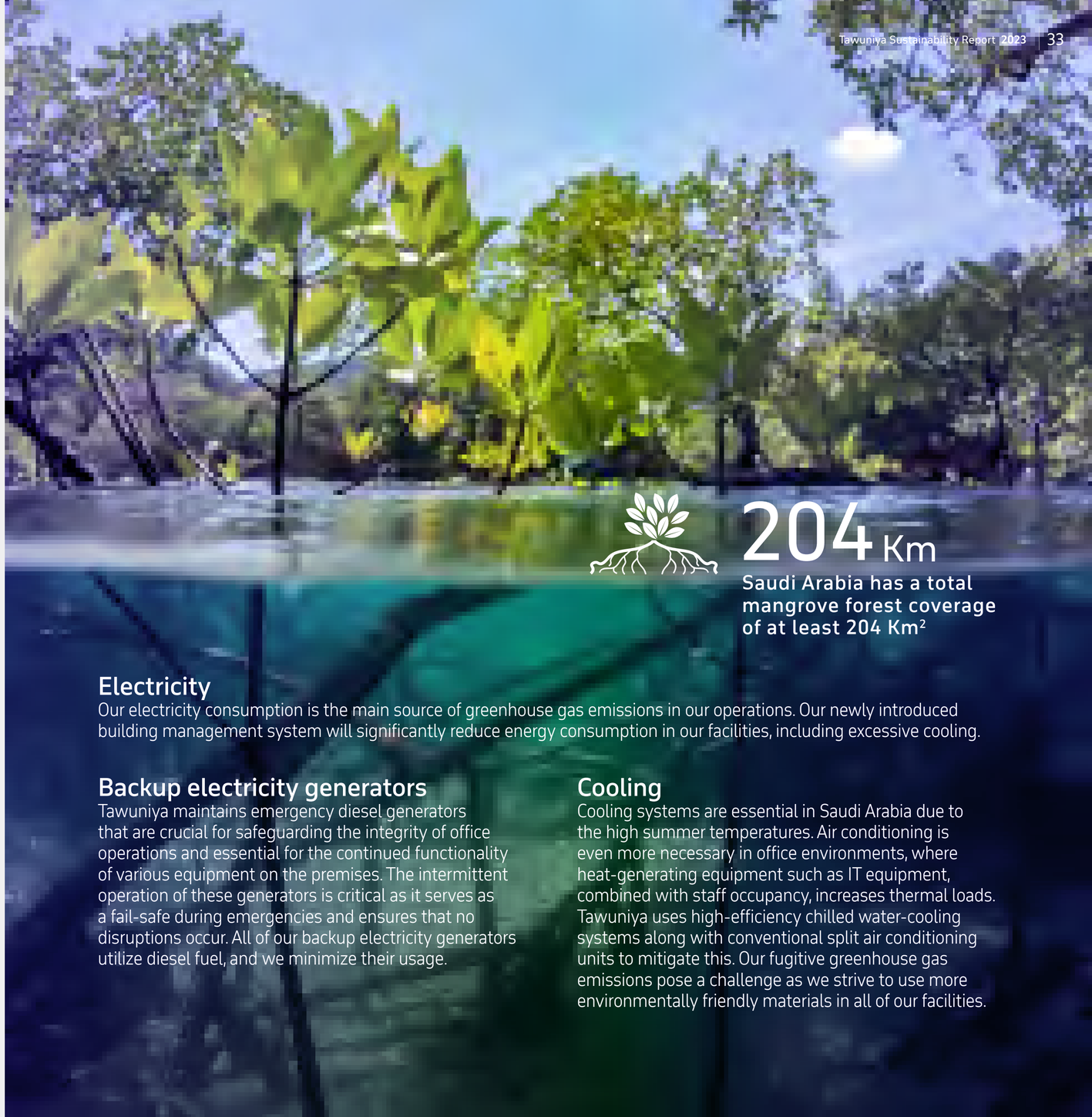
## Tawuniya is continuously tracking and evaluating the energy consumption of its Strategic Business Units to identify areas for improvement.

Tawuniya is firmly committed to the transition towards a low-carbon economy and the active participation in the climate change mitigation efforts in the Kingdom. As the initial step in our journey towards achieving net-zero emissions, Tawuniya has undertaken to measure its greenhouse gas (GHG) emissions from our day-to-day operations. In this report, we provide our stakeholders with a comprehensive overview of GHG emissions, encompassing scope 1 and 2. We have simultaneously measured our scope 3 emission, and we are currently working on improving the data quality in our value chain.

Tawuniya's facilities primarily consume energy purchased from the local utility, and gasoline for our fleet of vehicles, and diesel for our back-up generators. Our main sources of greenhouse gas emissions are the electricity used in our operations and fugitive emissions from using air conditioning.

Tawuniya acknowledges the growing significance of sustainable energy consumption. This is driven by a renewed understanding of the environmental impact of excessive energy consumption, as well as the escalating volatility of global energy markets. The proliferation of price fluctuations and supply shortages worldwide serves as a clear indicator that businesses, governments, and consumers must adopt more sustainable resource management practices. We, at Tawuniya, recognize this urgency and have implemented several initiatives in response.

Tawuniya is continuously tracking and evaluating the energy consumption of its Strategic Business Units (SBUs) to identify areas for improvement. The company has implemented an intelligent IT system, in which a network of sensors monitors energy consumption and detects anomalous consumption patterns.



**204 Km**

**Saudi Arabia has a total mangrove forest coverage of at least 204 Km²**

### Electricity

Our electricity consumption is the main source of greenhouse gas emissions in our operations. Our newly introduced building management system will significantly reduce energy consumption in our facilities, including excessive cooling.

### Backup electricity generators

Tawuniya maintains emergency diesel generators that are crucial for safeguarding the integrity of office operations and essential for the continued functionality of various equipment on the premises. The intermittent operation of these generators is critical as it serves as a fail-safe during emergencies and ensures that no disruptions occur. All of our backup electricity generators utilize diesel fuel, and we minimize their usage.

### Cooling

Cooling systems are essential in Saudi Arabia due to the high summer temperatures. Air conditioning is even more necessary in office environments, where heat-generating equipment such as IT equipment, combined with staff occupancy, increases thermal loads. Tawuniya uses high-efficiency chilled water-cooling systems along with conventional split air conditioning units to mitigate this. Our fugitive greenhouse gas emissions pose a challenge as we strive to use more environmentally friendly materials in all of our facilities.

# Climate continued

## We are moving forward on our transformational journey and are working diligently to take the necessary steps to achieve our goals and protect the environment.

We understand the significance of transitioning to a low-carbon economy to limit global temperature increases to 2°C by the end of this century. As a prominent leader in the insurance industry in our region, we recognize the pivotal role we must play in facilitating and propelling this transformative process. We are moving forward on our transformational journey and are working diligently to take the necessary steps to achieve our goals and protect the environment.

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We acknowledge the pivotal role we must play

Saudi Arabia is one of the few countries actively restoring most of its mangrove ecosystem

| **Direct Energy use** | 2022 | **2023** |
|---|---|---|
| **Vehicle fleet fuel consumption** | | |
| Gasoline consumption (liters) | 26,000 | **36,000** |
| Gasoline Consumption (GJ) | 936 | **1,296** |
| **Standby electricity generator** | | |
| Standby electricity generator diesel consumption (liters) | 1,107 | **1,700** |
| Standby electricity generator (GJ) | 36.54 | **56.11** |
| **Total Direct Energy Use (GJ)** | 972.54 | **1,352.11** |
| **Indirect Energy Use** | | |
| Total Electricity consumption from conventional hydrocarbons resources (kWh) | 7,100,000 | **6,187,415** |
| Total consumption in gigajoules (GJ) | 25,560 | **22,274** |
| Consumption per FTE (kWh/FTE) | 4,018 | **3,256** |
| Area occupied ($M^2$) | 34,546 | **34,546** |
| Consumption per square meter ($kWh/m^2$) | 208.8 | **179.1** |
| **GHG emissions (Ton CO2e)** | | |
| **Scope 1** | | |
| GHG emissions from electricity generators | 3 | **4.6** |
| GHG emissions from fleet vehicles | 56 | **77.5** |
| GHG emissions from fugitive emissions | 1,476 | **1,768** |
| Scope 1 total emissions | 1,535 | **1,850.1** |
| **Scope 2 location-based** | | |
| GHG emissions from electricity consumption | 4,345 | **3,786.5** |
| **Total scope 1 & 2 GHG emissions** | 5,880 | **5,636.6** |
| Total GHG emissions per FTE ($CO2e/FTE$) | 3.33 | **2.97** |
| Total GHG emissions per Area ($CO2e/m^2$) | 0.173 | **0.16** |

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# Water

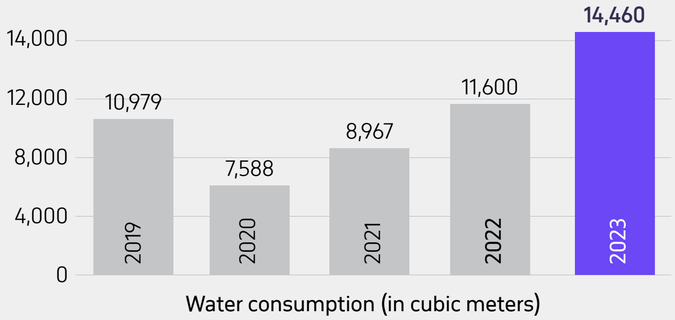
## Water scarcity is a particularly urgent issue for the MENA region and the GCC specifically.

### Acting today to secure the future

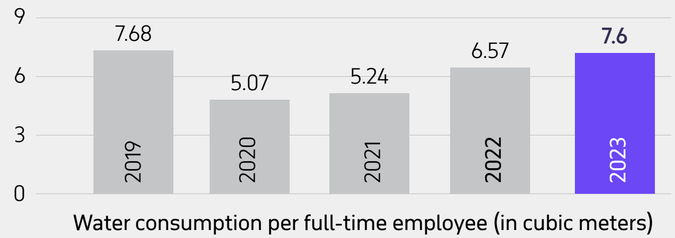
Over the last decade, the significance of sustainable water consumption has become increasingly evident. As global temperatures increase, water scarcity will also rise. This is a particularly urgent issue for the MENA region and the GCC specifically, which is already home to the twelve (12) most water-stressed countries in the world.

As we recognize the significance of water and the efforts of water desalination in the Kingdom, we believe that responsible water usage is closely linked to awareness and water efficiency solutions. Tawuniya has launched various initiatives to conserve water. As part of the recent renovation of the company's headquarters, all water faucets were replaced with sensor-based systems to limit wasted water. Tawuniya has also reduced the frequency of car washes for its corporate fleet.

Tawuniya primarily operates as a service provider, and we use water for cleaning, hygiene, and washing. We obtain our water supply from a local utility and discharge it into the community's wastewater collection system. The wastewater we generate is free of hazardous waste.

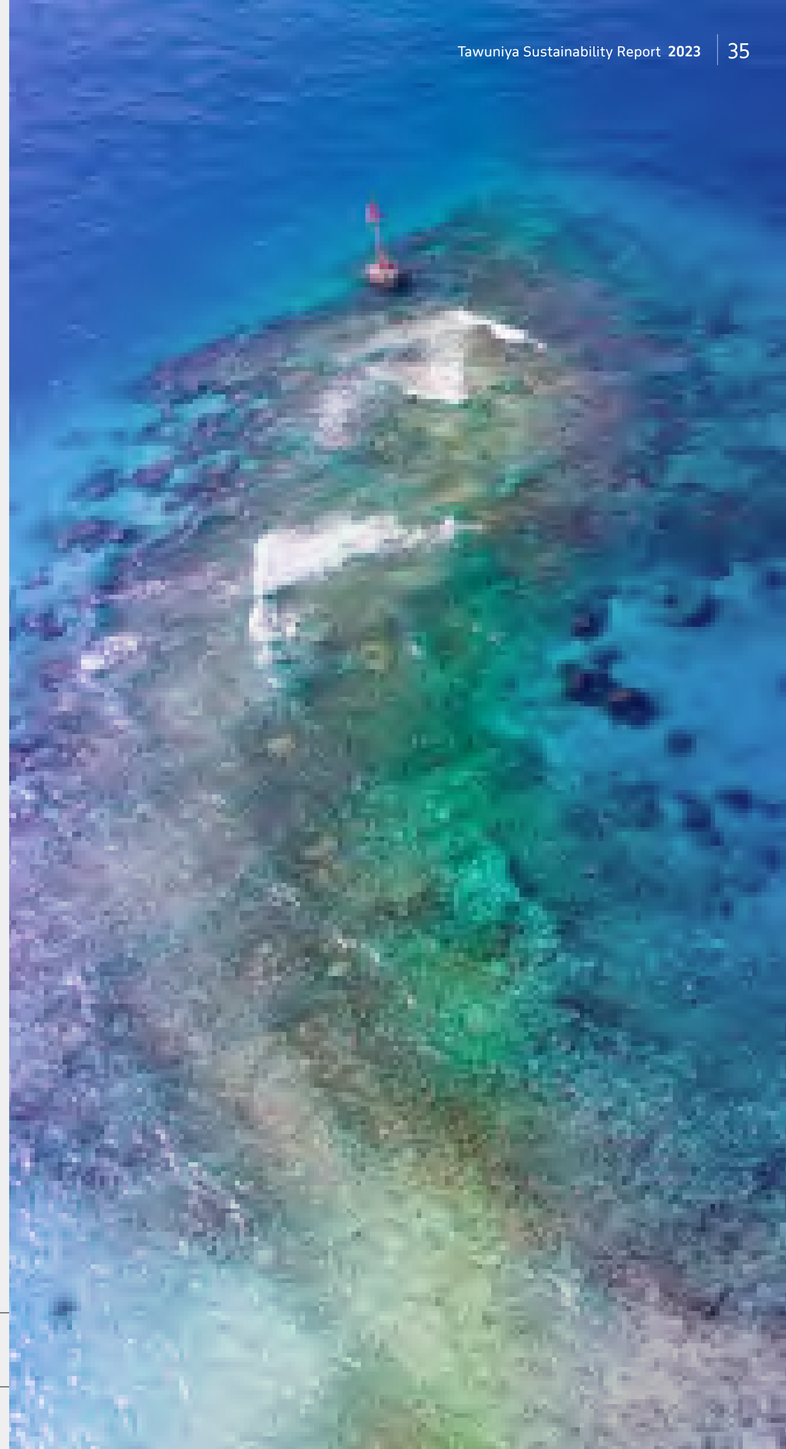



Water consumption (in cubic meters)




Water consumption per full-time employee (in cubic meters)

**7.6 cubic meters**
**water consumption per employee**



An aerial view of the Arabian Gulf from above the Kingdom of Saudi Arabia

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# Material and Waste

## As we aim to reduce material consumption, we also prioritize responsible waste management practices.

Although the insurance industry may not consume resources on the same scale as the manufacturing or petrochemical sectors, Tawuniya recognizes that our operations involve the use of resources such as water, electricity, paper, plastic, and cartons. Therefore, we are strongly committed to responsible consumption and production by reducing waste generation and adopting sustainable practices, including digital customer communication.

Our commitment goes beyond mere compliance with governmental regulations. We set ambitious targets for reducing resource consumption and work diligently to achieve them. We believe in the two Rs: reduce and recycle. While our ability to reduce is high, our ability to recycle faces many challenges.

Tawuniya began by identifying best practices and areas for improvement within the organization. We then launched an educational program to raise awareness among our employees. This initiative included circulating informational materials, including letters, notices, and pamphlets that addressed key sustainability issues.



Tawuniya's virtualization initiatives are crucial in advancing our environmental agenda. Virtualization has significantly reduced resource consumption within the company. Currently, over 85% of Tawuniya's servers have been virtualized, resulting in a notable reduction in electricity consumption. Our move to digital communications has also led to a reduction in paper consumption across our facilities and internal processes.

Tawuniya has implemented initiatives to reduce material consumption, including replacing desktop computers with laptops to encourage paper reduction. Employees can now use laptops for both internal and external meetings. It also centralized its printing system to monitor individual printer usage and incentivize responsible use.

**85%** Tawuniya's servers **have been virtualized**

# Material and Waste continued

## Tawuniya has implemented measures to reduce paper consumption throughout its value chain.

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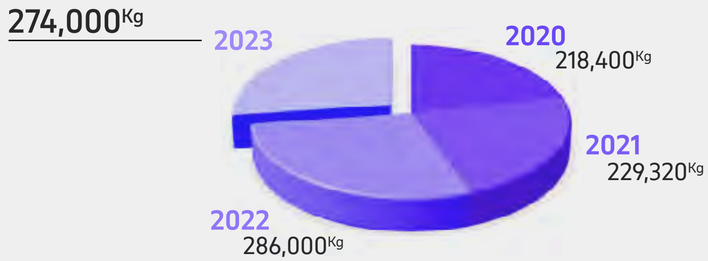
Tawuniya has implemented measures to reduce paper consumption throughout its value chain. Our sales operations have replaced traditionally printed insurance brochures with digital versions, eliminating the need for more than 2 million brochures. This is in line with our broader digitalization initiatives. We have also closed all physical auto claims centers across the Kingdom, as a result of the end-to-end digitalization of the claims process. This achievement has significantly reduced paper-based transactions in the auto insurance business. Tawuniya plans to introduce additional measures in the future to further reduce material consumption across its value chain.

Tawuniya is committed to sustainability and is actively collecting old IT equipment to donate to charities, ensuring the reuse of these devices.

As we aim to reduce material consumption, we also prioritize responsible waste management practices. Tawuniya's waste stream mainly consists of non-hazardous domestic waste, and waste management is the responsibility of local municipalities at our various locations, in compliance with local laws and regulations. Our recycling efforts face challenges due to the limited availability of recycling service providers within the ecosystem. Although we have implemented an internal paper collection system, safety concerns have limited our ability to store paper waste for recycling. As a result, it is difficult to provide an accurate estimate of our paper recycling efforts. Moving forward, Tawuniya intends to focus on waste separation to expand our recycling efforts to include plastic waste.

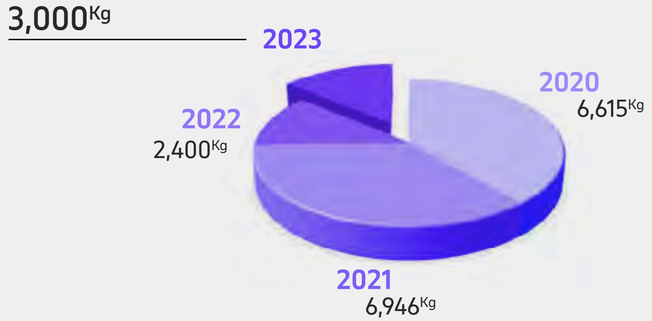


### SOLID WASTE

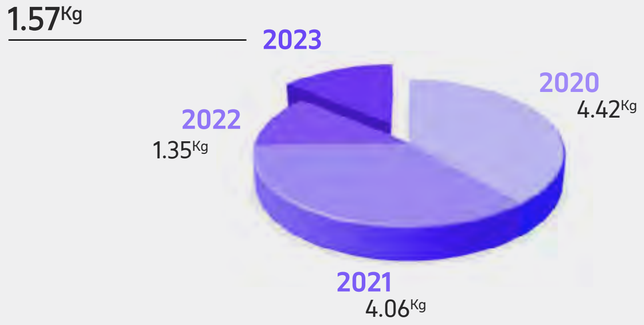



Solid waste generated (in kg)

### PAPER WASTE




Paper waste generated (in Kg)




Paper waste generated per full-time employee (in Kg)

04

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# Our Commitment to Society


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# Commitment to Society at a Glance




**49%**
Female employees in regular workforce

**1,900**
Total employees

**59**
Participants in Tawuniya Internship Program

**95**
Workers at our facilities

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# Our People – Employer by Choice

## Our priority is to empower our employees through comprehensive training, robust support and an enriching work environment that drives individual growth and collective success.

Tawuniya is committed to nurturing a diverse, dynamic and motivated workforce that represents the exceptional talents of Saudi Arabia. We do this because we understand that the success of our employees is a prerequisite for our success as a company. Our priority is to empower our employees through comprehensive training, robust support and an enriching work environment that drives individual growth and collective success, complemented by our strategic workforce planning and the creation of a diverse, equitable, inclusive and healthy work environment. Our goal is to create synergy within the organization and an environment in which our 1,900 employees can excel, so that together we can deliver innovative, client-focused solutions that enrich communities and secure their futures.

Tawuniya outsources various services such as cleaning, food service, and security personnel. Although Tawuniya is not recognized as the legal employer of those performing these outsourced services at Tawuniya facilities, it is nevertheless responsible for ensuring that these third-party vendors are following the applicable laws and regulations of the Kingdom, including human and labor rights. To this end, Tawuniya incorporates risk assessment and control measures to ascertain such compliance.

Tawuniya complies with Saudi Arabia's Labor Law, which governs the employer-employee relationship. In addition, our HR Department has established more than 70 policies to provide a framework for employees to understand processes and procedures. Our policies promote trust, fairness, and inclusion by outlining the responsibilities of both the employer and the employee and ensuring that every employee is valued and respected within the company.

Our company prioritizes continuous improvement and employee development through our annual employee feedback process. Each year, all employees participate in this constructive evaluation to assess their performance and set goals for the coming year. We believe in rewarding excellence, which is why our payroll includes a performance-based bonus that reflects an individual's contribution to the company's success. Together, employees and management agree on key performance indicators (KPIs) and targets to ensure alignment with the company's goals. At the end of the year, each employee receives comprehensive feedback on their performance, highlighting areas of achievement and areas for growth. We believe in rewarding excellence, which is why our payroll includes a performance-based bonus that reflects an individual's contribution to the company's success. This feedback directly influences the adjustment of their bonus, rewarding those who have not only met, but exceeded their agreed-upon goals and KPIs. We believe this process not only motivates our employees to strive for excellence, but also instills a culture of accountability and continuous improvement within our organization.

An environment at which our

**1,900**

**employees excel**

**Tawuniya complies with Saudi Arabia's Labor Law, which governs the employer-employee relationship**



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# Our People – Employer by Choice continued

## These programs are based on fairness and are designed to attract, retain and motivate employees.

This commitment is reflected in a range of benefits available to all Tauwniya employees:

**Health and life insurances** benefits comprehensive coverage for our employees' well-being and the future of their dependents

**The long service award** recognizes and celebrates our long-term partnerships with employees and highlights their dedicated service to the company

**An employee savings plan** helps employees save for their future

**Child benefits** for education and support for daycare needs of children

Our employees can receive **competitive pricing on auto insurance**

**Ithra prime** is our employee incentive program that offers discounts on a wide range of goods and services to complement their daily lives

**We offer a lump sum** equal to three years of salary under our disability and long-term care benefits plan

**Amenities include** gymnasiums, billiard rooms, a coffee house, ATM, and barber shop for employee use

Our people are our anchor and the foundation of our success; we believe in investing in our people by providing competitive rewards and compensation that reflect their knowledge, skills and performance. These programs are based on fairness and are designed to attract, retain and motivate employees.

Maternity leave complies with the provisions of the Saudi Labor Law, and all our employees receive an additional three days of annual leave.

In accordance with Saudi labor law, Tawuniya operates a post-employment benefit plan for its employees. Provisions are made in accordance with the actuarial valuation using the projected unit credit method, while the obligation to pay benefits is settled when due.

The Board of Directors has approved a long-term incentive plan, including an Employee Stock Ownership Plan (ESOP). This plan is designed for senior management to incentive and align the long-term success of the company with the directors' interest.



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# Our People – Employee Experience and Engagement

## The newly formed department will initiate effective measures to improve employee well-being, create a positive culture, design programs, and provide employee recognition and rewards.

Building on our efforts to create an inclusive, motivating and fulfilling workplace, Tawuniya established a dedicated Employee Experience & Engagement Department in 2022. The newly formed department will initiate effective measures to improve employee well-being, create a positive culture, design programs, and provide employee recognition and rewards.

Tawuniya conducts an annual engagement survey to gauge employee satisfaction. Since 2015, we have contracted with a third party vendor to conduct the annual survey to maintain confidentiality and encourage our employees to express their thoughts and feelings. We use the feedback collected from the engagement survey to develop an internal action plan at the company/division level to improve employee satisfaction and address any issues.

During 2023 Tawuniya conducted a pulse survey to measure the progress in engagement in specific areas, such as sustainable engagement, communication, culture and values, direction, efficiency, empowerment, learning and growth, line management, performance management, retention, leadership and team spirit.

Tawuniya has an "open door" policy, which means that employees are free to approach managers and executives with any constructive feedback or concerns. In 2022, the Employee Experience and Engagement Department launched the "Hayakom" initiative, where employees can express their concerns and opinions directly with the CEO in a one-on-one meeting over a cup of coffee.

**'Hayakom' One to One with the CEO**

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# Our People – Learning and Development

## One of Tawuniya's primary goals as an employer is to help our employees develop their skills.

In a changing world, it is important for companies to invest in the training and professional development of their employees. This is especially true in the highly competitive financial services sector, where skilled employees are a key point of differentiation.

One of Tawuniya's primary goals as an employer is to help our employees develop their skills. Training employees in areas such as digitalization, environmental impact, and social change is an integral part of achieving this goal. We offer our employees a wide range of practical and theoretical training opportunities to develop their skills.

Tawuniya focuses on designing customized programs that align with their 2025 strategy. Programs follow a six-pillar framework:

1. **Organizational Programs**
2. **Specialized Development Programs**
3. **Regulatory Programs**
4. **Personal Effectiveness Programs**
5. **Functional Capabilities Programs**
6. **Leadership Programs**

Tawuniya uses a variety of learning and development approaches to make professional development accessible to all employees, regardless of their situation. We provide all employees with access to several Skillsoft e-learning programs through the Tawuniya portal. We also run a number of regular classroom training sessions, including Management Foundations and Sales Academy. Finally, we use coaching to provide more in-depth training to individual employees who show promise and interest.

In addition, we believe that investing in development programs requires leveraging external expertise, so we partnered with specialized educational institutions to help us develop our people across our six strategic pillars. In 2023, the specialized educational institutions helped us deliver programs in the areas of personal effectiveness, functional skills, organization and regulation.



**Tawuniya uses a variety of approaches to make professional development accessible**

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# Our People – Learning and Development continued

## Continuous training and professional development are core values at Tawuniya.

**59 nationals** participated in Tawuniya co-op internship and Tamheer Graduate Programs



Continuous training and professional development are core values at Tawuniya. We strive to ensure that every employee has access to high quality training opportunities and that a significant amount of time is allocated for personal and professional development. Our employees also receive annual performance and appraisal feedback from their peers and senior management.

Employees are encouraged to embrace a culture of continuous learning to ensure they stay abreast of job-specific advancements. This commitment not only increases their effectiveness in the workplace, but also paves the way for accelerated career growth. In line with legal and functional guidelines, the company provides financial support to employees in their pursuit of personal development, subject to the following criteria: successful completion of the probationary period, a rating of 3 or higher on the annual performance review, prior approval from both the respective line manager and Human Resources, and avoidance of program scheduling conflicts with working hours.

Reimbursement terms include coverage of 50% of the cost, with full reimbursement contingent upon successful completion of the program or certification. Materials are eligible for reimbursement only if they are an integral part of the program, certification, or examination costs.

Our commitment extends beyond our employees, as we support the development of Saudi Arabia's youth through two programs:

1. **CO-OP training** is our internship program offering university students the opportunity to gain professional experience. In 2023, we trained thirty-one (31) university students and hired back six (6) of them as full-time employees
2. **The Tamheer Graduate Program** is a state program that provides recent graduates with training opportunities and the skills they need to enter the workforce. In 2023, we offered twenty-eight (28) Saudi nationals the opportunity to train at Tawuniya and hired ten (10) back as full-time employees

Our work with Saudi youth is integral to us as it is the foundation upon which our talent development program and recruitment strategy is built.

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# Our People – Learning and Development continued

## Tawuniya's Improved Learning and Development Framework: Taking Tawuniya to the next level.

Tawuniya seeks to empower its employees to realize their full potential consistent with our strategic promise, **"Passionate about people"**. The learning and development strategy of Tawuniya is therefore focused on the following:

1. Short-, medium- and long-term business needs
2. Identify and address any gaps that may impede our ability to deliver on our strategy
3. Career development
4. Individual needs and preferences

Our learning and development framework defines Tawuniya's approach to training and development. It includes several programs that are linked to business, team and individual needs. The programs within Tawuniya's learning and development framework include:

### Organizational Programs

These are programs designed to onboard and train employees for their roles at Tawuniya and are split as follows:

- **Company Induction**: Mandatory for all employees
- **Functional Induction**: Mandatory for all employees
- **Tawuniya Foundation**: Mandatory for all staff-level employees
- **Manager's Foundation**: Mandatory for all managers

The organizational program also includes two unique training sessions: the Tawuniya Accelerator and the Manager's Accelerator. During the induction training, our employees receive training on our Code of Conduct, which outlines our ethical guidelines and values.

### Specialized Development Programs

Highly specialized programs designed to develop targeted groups.

### Regulatory Programs

Throughout the year, our employees must participate in targeted training on topics such as Anti-Money Laundering for Insurance, Fraud Prevention, Risk Management, and Cybersecurity Awareness.

### Personal Effectiveness Programs

These programs are intended for all our employees and are designed to improve employee performance by enhancing soft skills, technical skills, communication skills and more. Employees can choose to participate in a variety of trainings throughout the year on topics such as Excel, Power Bi, Emotional Intelligence, Business Writing, Data Analysis using Excel and Personal Effectiveness.

### Functional Capabilities Programs

These programs are geared toward training junior to mid-level employees based on function-specific needs (for example, the Sales Academy is directed at employees in sales roles).

### Leadership Programs

We offer professional development programs designed to cultivate and enhance the leadership skills of our managers, which are delivered by educational institutions such as INSEAD, MIT and London Business School. These programs are part of our succession and planning strategy to equip our people with the skills they need as they take on more responsibilities.

# Our People – Learning and Development continued

## Tawuniya is very proud of the industry-leading Special Development Program, providing a number of benefits to participants.

**Building stronger relationships with clients and partners**




**P&C Special Development Program**

The P&C Special Development Program expands on programs originally launched in 2012 and 2016, respectively. It is designed to develop leaders in the insurance industry who demonstrate a high level of technical competence and personal effectiveness. The selection process for participants is rigorous. It includes psychometric tests covering cognitive skills and personality, as well as interviews with Tawuniya executives. Once selected, participants are evaluated on an ongoing basis through coursework, exams, and performance reviews with faculty. In addition to enrolling Tawuniya employees who show great potential, access to the program has been extended to Tawuniya's valued clients and partners. The program will conclude in late 2023. We will be kicking a new P&C special development program in 2024 similar to the previous conducted programs. To learn more about the P&C Special Development Program, please refer to our 2022 ESG Report.

Tawuniya is very proud of the P&C Special Development Program. It is an industry-leading program that provides a number of benefits to participants, Tawuniya and the insurance industry in general, including:

1. **Developing** a world-class cadre of insurance leaders at Tawuniya
2. **Bringing** insurance expertise to Tawuniya's clients and partners
3. **Educating** participants about P&C insurance best practices
4. **Improving** the technical skills and expanding the knowledge of P&C professionals
5. **Building** stronger relationships with clients and partners via employee development partnerships
6. **Providing** professional certification to participants to assist them with improving their prospects at Tawuniya and in the insurance sector at large

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# Our People – Diversity and Inclusion

## Tawuniya's full-time employees are divided into two distinct groups; individuals employed directly, and employees through outsourced services.

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Tawuniya's full-time employees are divided into two distinct groups based on their employment arrangements. The first group consists of individuals directly employed by Tawuniya, while the second group consists of employees brought on board through outsourced services. It is important to note that both groups fall under the category of full-time employees at Tawuniya.

We value diversity in our workforce, and the Annual General Assembly elected a non-Saudi and a woman to the Board of Directors in 2023, appointing an international member to the Board of Directors is part of Tawuniya effort to prompt diversity in the workforce.

One of Tawuniya's strategic pillars is to maintain an equitable work environment where people are not defined or limited by their characteristics. This means that Tawuniya has a zero tolerance policy for discrimination, bullying and harassment. In addition, Tawuniya has an anonymous complaint system that employees can use if they feel they have been subjected to unfair or harmful treatment. We haven't received any complaint in relation to discrimination, harassing and bullying in 2023. Our punitive action is designed according to Saudi Labor Law.

**ESG Data**

| Board Members | 2021 | 2022 | 2023 |
|---|---|---|---|
| Number of female Board Members | 0 | 0 | **1** |
| Number of male Board Members | 9 | 9 | **8** |
| Number of Non-Saudi Board Members | 0 | 0 | **1** |
| Number of Saudi Board Members | 9 | 9 | **8** |

| Full time employees by contract and gender | 2021 | 2022 | 2023 |
|---|---|---|---|
| Total numbers of employees with direct employment | 1,706 | 1,592 | **1,735** |
| Number of female employees with direct employment | 677 | 655 | **679** |
| Number of male employees with direct employment | 1,029 | 937 | **1,056** |
| Percentage of women in workforce (%) | 39.5% | 41% | **39%** |
| Total number of employees with outsourced employment | 193 | 175 | **165** |
| Number of female employees with outsourced employment | 20 | 3 | **1** |
| Number of male employees with outsourced employment | 173 | 172 | **164** |

# Our People – Diversity and Inclusion continued

## Tawuniya's commitment to diversity has resulted in over 49% female representation in our regular workforce.

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| Our Workers | 2021 | 2022 | 2023 |
|---|---|---|---|
| Total numbers of workers who are not employees | - | 105 | **98** |
| Number of cleaning workers | - | - | **21** |
| number of security personnel | - | - | **18** |
| other categories ... | - | - | 59 |

The following data is related to the direct employees of Tawuniya unless stated otherwise:

| Employees by level and gender | 2021 | 2022 | 2023 |
|---|---|---|---|
| Number of senior management employees | 45 | 36 | **38** |
| Percentage of senior management employees | 2.6% | 2.2% | **2%** |
| Number of female employees in senior management | 0 | 1 | **2** |
| Number of male employees in senior management | 45 | 35 | **36** |
| Percentage of female employees in senior management | 0% | 2.7% | **5%** |
| Percentage of male employees in senior management | 100% | 97.3% | **95%** |
| Number of middle management employees | 298 | 451 | **535** |
| Percentage of middle management employees | 17.4% | 28.3% | **31%** |
| Number of female employees in middle management | 106 | 92 | **112** |
| Number of male employees in middle management | 192 | 359 | **423** |
| Percentage of female employees in middle management | 35.6% | 20.4% | **21%** |
| Percentage of male employees in middle management | 64.4% | 79.6% | **79%** |
| Number of regular workforce employees | 1,372 | 1,105 | **1,161** |
| Percentage of regular workforce employees | 80.0% | 69.5% | **67%** |
| Number of female employees in regular workforce | 571 | 562 | **565** |
| Number of male employees in regular workforce | 801 | 543 | **596** |
| Percentage of female employees in regular workforce | 41.6% | 50.9% | **49%** |
| Percentage of male employees in regular workforce | 58.4% | 49.1% | **51%** |



# Our People – Diversity and Inclusion continued

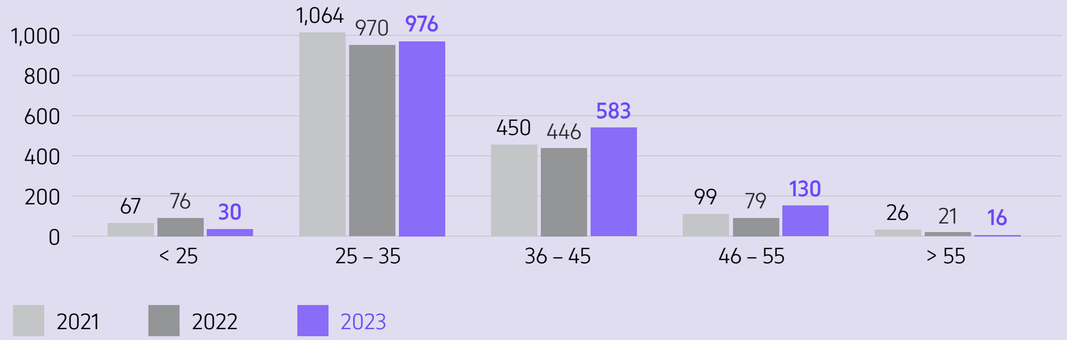
## Full-time employees were at a total of 1,900 in 2023.

One of Tawuniya's strategic pillars is to maintain an equitable work environment where people are not defined or limited by their characteristics

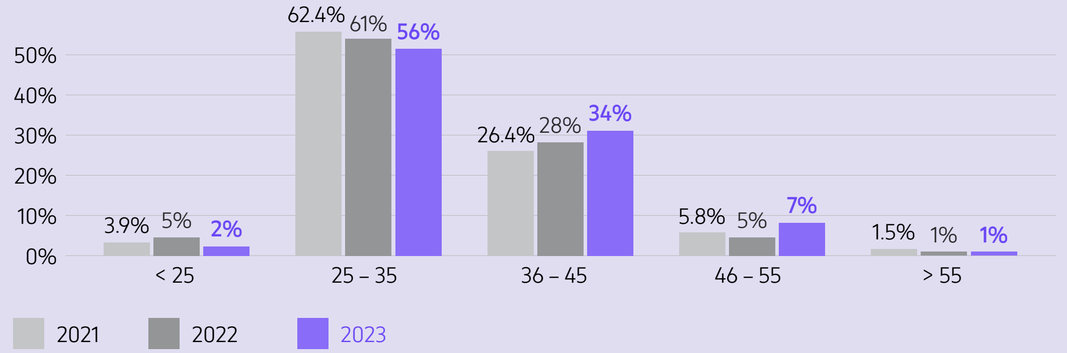
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The following data is related to the direct employees of Tawuniya unless stated otherwise:

### Workforce by Age group – Numbers




### Workforce by age group – Percentage




### Workforce by Region - Numbers




### Workforce by Region - Percentages



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## New Hires

Total new hires – Numbers

| | |
|---|---|
| **2023** | **527** |
| 2022 | 299 |
| 2021 | 521 |

## Hires by Region – Numbers

Central Regional Office

| | |
|---|---|
| **2023** | **409** |
| 2022 | 263 |
| 2021 | 359 |

Western Regional Office

| | |
|---|---|
| **2023** | **87** |
| 2022 | 23 |
| 2021 | 121 |

Eastern Regional Office

| | |
|---|---|
| **2023** | **31** |
| 2022 | 13 |
| 2021 | 41 |

## Hires by gender – Numbers

Female new hires

| | |
|---|---|
| **199** | **2023** |
| 149 | 2022 |
| 234 | 2021 |

Male new hires

| | |
|---|---|
| **328** | **2023** |
| 150 | 2022 |
| 287 | 2021 |

## Hires by gender – Percentage

Female new hires

| | |
|---|---|
| **37.8%** | **2023** |
| 50% | 2022 |
| 45% | 2021 |

Male new hires

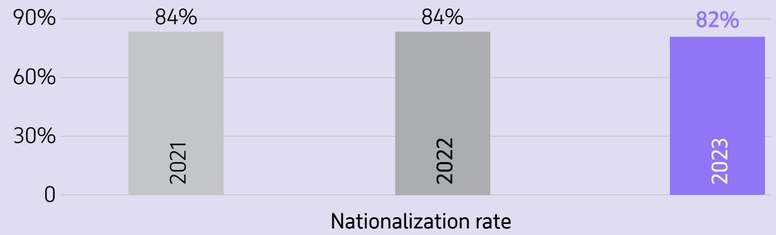
| | |
|---|---|
| **62.2%** | **2023** |
| 50% | 2022 |
| 55% | 2021 |

## Hires by Age Group – Numbers

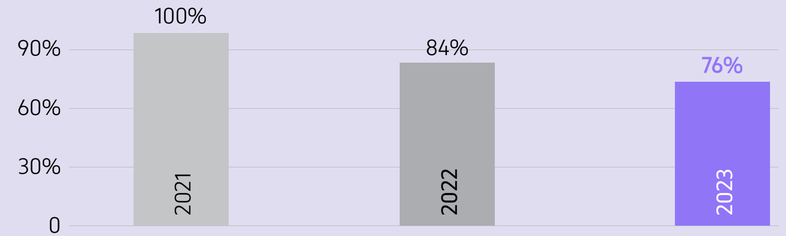
| | 2021 | 2022 | **2023** |
|---|---|---|---|
| < 25 | 16 | 46 | **31** |
| 25 – 35 | 400 | 188 | **328** |
| 36 – 45 | 90 | 55 | **143** |
| 46 – 55 | 15 | 7 | **25** |
| > 55 | 0 | 3 | **-** |

**Nationalisation 82%**

## Nationalization




Nationalization rate




Nationalization rate for senior management

**Notes:**

**Senior management:** "senior" is defined as the Tawuniya's Board of Directors, plus the general managers directly subordinated to the Board

**Local:** if the individual was either born or has the legal right to reside indefinitely in Saudi Arabia

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| Employee with disabilities | 2021 | 2022 |
|---|---|---|
| Number of employees with physical disabilities | 12 | 9 |

| Maternity and parental leave | 2023 |
|---|---|
| Total number of female employees that took maternity leave | 14 |
| Total number of female employees that returned to work after maternity leave ended | 14 |
| Number of females who left employment after maternity leave | 2 |
| Total number of female employees that returned to work after parental leave ended that were still employed 12 months after their return to work | 12 |
| Total number of male employees who took parental leave | 31 |

| Day care assistance | 2023 |
|---|---|
| Number of female employees benefiting from the day care program | 99 |
| Number of children benefiting from the kids nurseries program | 106 |
| Amount of spending on day care monetary assistance (SAR) | 1,632,517 |

| Employee children education program | 2023 |
|---|---|
| Number of employees benefited from children education support | 174 |
| Amount of spending on educational support | 7,960,175 |

| Ratio of standard entry level wage by gender compared to local minimum wage | 2021 | 2022 | 2023 |
|---|---|---|---|
| Ration of entry level wage to minimum wage for full time employees | 133% | 133% | 153%* |
| Ration of entry level wage to minimum wage for full time female employees | | | 118%* |
| Ratio of entry level wage to minimum wage for full time male employees | | | 159%* |

*The ratios indicate differences in entry-level wages between women and men. Variations in entry-level wages occur when one gender predominates in higher-paying entry-level positions, leading to variations between the average entry level wage. However, it's important to note that these ratios do not affect Equal Pay for women and men performing the same or similar work in comparable roles.

| Ratio of basic salary and remuneration of women to men | 2021 | 2022 | 2023 |
|---|---|---|---|
| Senior management employees | 0.84* | 0.85* | 0.84* |
| Middle management employees | 0.93* | 0.85* | 0.87* |
| Regular employees | 0.88* | 0.99* | 0.86* |

*The ratios indicate differences in average salary between women and men within each employee category irrespective of the specific role or seniority. If within one category one gender predominates in the senior positions, this will be reflected in the genders' remuneration averages, resulting in ratios below or above one in the tables. This has no bearing on Equal Pay for women and men performing the same or similar work in comparable roles.

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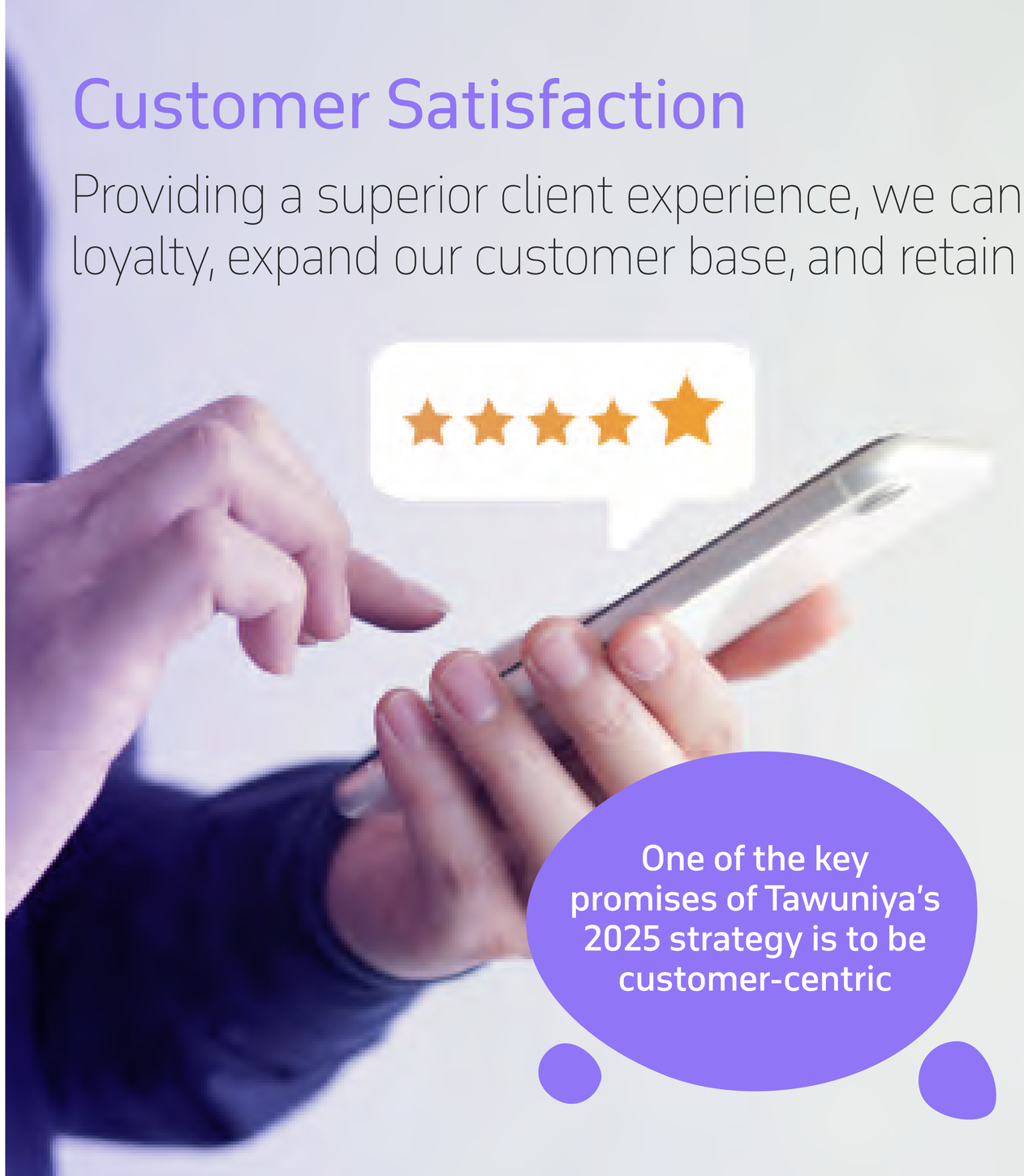
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# Customer Satisfaction

## Providing a superior client experience, we can increase customer satisfaction and loyalty, expand our customer base, and retain existing customers.



**One of the key promises of Tawuniya's 2025 strategy is to be customer-centric**

Customer satisfaction is at the core of Tawuniya's business model. It is the key to achieving our mission of exceeding expectations through superior client experiences and commitment to service.

One of the key promises of Tawuniya's 2025 strategy is to be customer-centric. We have challenged ourselves to listen to our clients and stakeholders to better understand their needs, and to meet those needs through innovation and by delivering affordable, accessible, quality insurance solutions and value-added services.

By providing a superior client experience, we can increase customer satisfaction and loyalty, expand our customer base, and retain existing customers. These elements are critical to our growth. Our day-to-day operations rely on three areas: customer Experience, Marketing, and Channel Management, which are geared toward satisfying our clients.

Tawuniya utilizes a multi-layered voice of customer measurement system, comprising:

1. Relative Net Promoter Score (NPS) to gauge our customer experience relative to competitors within the sector.
2. Relationship NPS to assess customer loyalty.
3. Journey and transactional level Customer Satisfaction (CSAT) surveys to evaluate customer satisfaction at various touch points.

Our strategic approach involves leveraging the feedback we receive through our voice of client measurement program across multiple communication channels. This helps us identify key pain points and priority areas, enabling us to deploy action plans across the business aimed at improving our service quality.

# Customer Satisfaction continued

## Our goal is to make the claims process as fast and easy as possible by automating and digitizing as much of it as possible.

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Tawuniya understands that the most effective way to achieve client satisfaction in the insurance industry is to be there when our clients need us most - when they need to make a claim. Clients purchase policies to provide security in the event of an unforeseen circumstance. Therefore, processing and paying claims faster is essential to keeping our promise to policyholders.

Our goal is to make the claims process as fast and easy as possible for our customers. We do this by automating and digitizing as much of the claims process as possible. We have already significantly reduced the average time it takes to settle a claim, and we will continue to experiment with ways to reduce it further in the coming years. Additionally, we have redesigned the direct complaint process to effectively resolve the complaint in a timely manner.

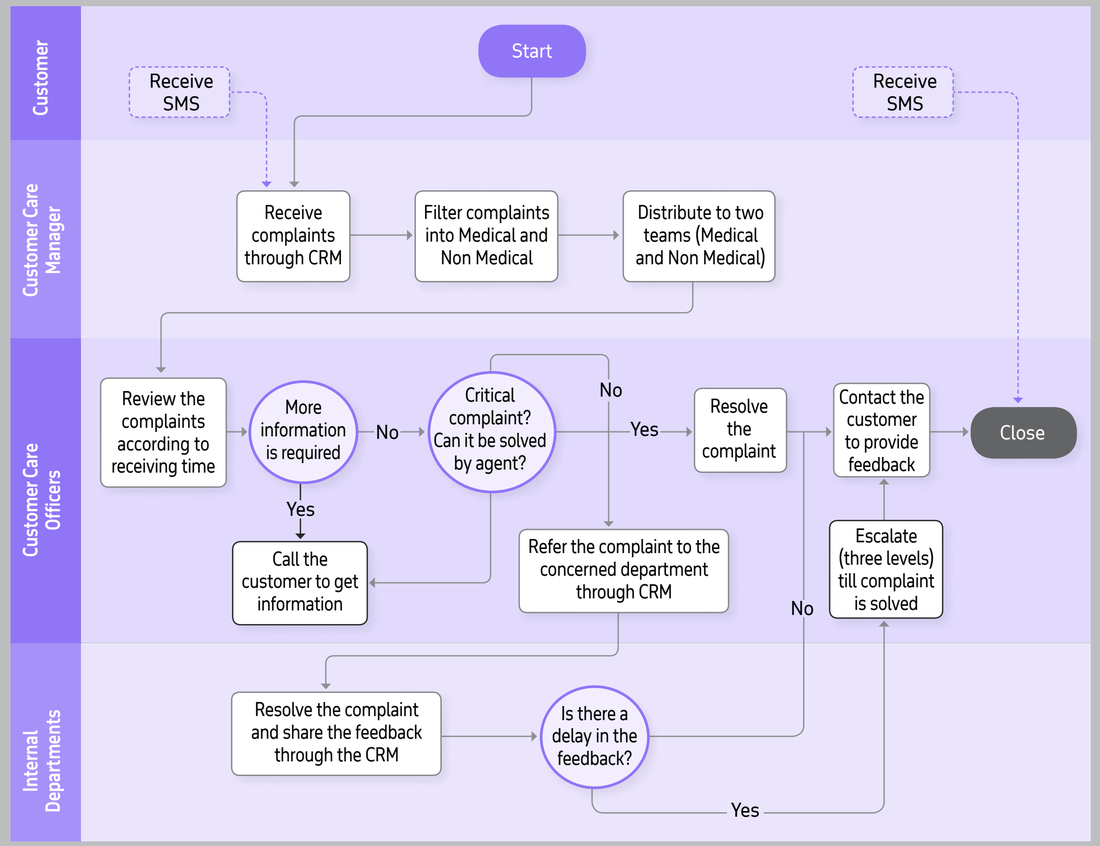
### Complaints

As part of our commitment to transparency, we are disclosing the number of complaints we received in 2023, along with the average time it took to resolve the issue:

| Number of complaints | |
|---|---|
| Total | 134,046 |

| Complaint channel | Number of complaints | Average resolution time (days) |
|---|---|---|
| Direct | 50,320 | 1.6 |
| Saudi Arabia Monetary Authority (SAMA) | 17,286 | 3.3 |
| Council of Health Insurance (CHI) | 66,440 | 2.8 |

**Direct Complaint Process**



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# Our Suppliers

## Tawuniya implemented policies and reviewed them annually, ensuring objectivity and fairness at every stage of the procurement process.

More than **90%** of our meetings are conducted virtually



The procurement department is responsible for managing Tawuniya's suppliers. Tawuniya has implemented policies and reviews them annually to ensure objectivity and fairness at every stage of the procurement process. Tawuniya's contract and vendor management process defines the rules for selecting suppliers and contractors. It also requires all suppliers to undergo a prequalification process and, if approved, to be added to Tawuniya's authorized vendor database. The pre-qualification process involves completing a questionnaire that considers the following: relevant local and international experience, quality and performance, financials and resources, health, safety and environmental performance, client references and fast-track project delivery experience.Tawuniya's purchasing policy determines which vendors are selected. This policy is not exclusive to the lowest price of the proposals/bids/quotations. Rather Tawuniya is equally concerned with the quality of the materials/services and their suitability for the intended purpose, as well as the payment terms offered and the delivery time for meeting Tawuniya's requirements.Tawuniya's vendor management system, through its Vendor Relationship Teams, is responsible for managing the relationship between Tawuniya and its vendors, including providing Tawuniya with vendor feedback and issues. As part of Tawuniya's commitment to reducing its environmental impact, the procurement department conducts all vendor meetings virtually to minimize business travel; currently, more than 90% of our meetings are conducted using virtual technology. The tendering process is also digitally sealed, and the tender committee meets virtually. A green procurement footprint initiative was also established to donate electronic equipment to a recycling charity in Saudi Arabia. In 2023 we implemented two policies:

1. **Third-party and Vendor Management Policy:** This covers the third-party and vendor management process in terms of selection, contracting, and performance to ensure proper and efficient protection from cybersecurity risks. Tawuniya is sensitive to data protection and will extend its data and privacy policies to its third parties and vendors.

2. **Cloud Computing and Hosting Policy:** This policy is in place to remediate cyber risks properly and efficiently and to implement cybersecurity requirements. Tawuniya will enforce the new policy in 2023 to augment data protection for Tawuniya and our clients handled by third-party hosting and cloud computing.

| Suppliers | 2022 | 2023 |
|---|---|---|
| Total number of suppliers | 381 | **462** |
| Total number of local suppliers | 288 | **347** |
| Amount of spending on suppliers (million SAR) | 524 | **316** |
| Percentage (%) of spending on local suppliers | 85 | **83** |

# Financial Inclusion

## Tawuniya not only protects its clients from unforeseen circumstances, but also promotes financial stability.

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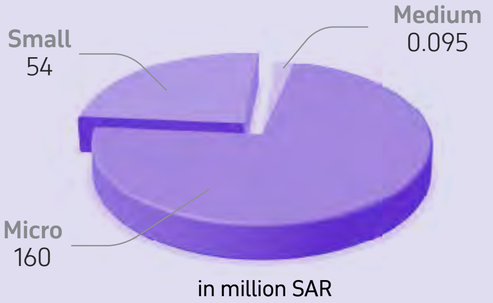
Tawuniya is a pioneer in financial inclusion and continues to demonstrate its unwavering commitment to serving all communities in Saudi Arabia. Tawuniya aims to improve the financial literacy of its clients by fostering a commitment to financial education through ongoing workshops and training for clients. In addition, our innovative online service allows individuals to purchase insurance quickly and efficiently. Tawuniya's comprehensive support not only protects its clients from unforeseen circumstances, but also promotes financial stability and fights poverty. We have recently introduced the "Extended Warranty" product, and we are currently working on designing customized income protection products that provide protection after certain risks affecting people's lives or assets have manifested themselves. We have developed customized health insurance products for domestic workers to improve their access to health care and protect them from the high financial burden of medical bills. The company's consistent commitment to small and medium-sized businesses (SMEs) is reflected in property insurance protection for their investments and the provision of comprehensive health insurance packages for their employees. This strategic approach is evidenced by the continued growth of the SME client base. Tawuniya's commitment to microinsurance and its innovative strategies in mobile and online distribution channels exemplify its dedication to expanding access to insurance. A large portion of our business is processed through our web and mobile application. In addition, Tawuniya engages in alternative branchless distribution channels through strategic partnerships with third-party brokers. Delivering our products through channels other than directly through Tawuniya has increased access to our products, which in turn allows us to serve a broader range of clients. This multifaceted approach plays a critical role in facilitating SME expansion, which ultimately strengthens regional economic growth.

**We introduced the "Extended Warranty" product and working on designing customized income protection products**

### Size of SMEs in 2023

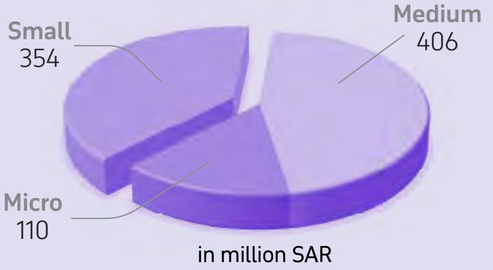
**Size of SMEs in Mobility Line**

Total: SAR 214 m



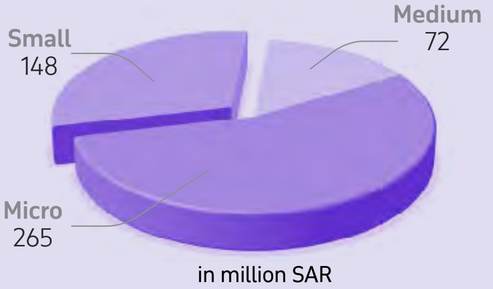

**Size of SMEs in Health Line**

Total: SAR 870m




**Size of SMEs in General Line**

Total: SAR 485m



# Giving Back to Society

Tawuniya underwent a transformative journey, moving from traditional CSR to a more comprehensive integration of sustainability and CSR in the development of its products and services.

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**Tawuniya offer free flu vaccinations and breast cancer screenings to support community well-being**



In 2022, Tawuniya underwent a transformative journey, moving from traditional corporate social responsibility to a more comprehensive integration of sustainability and CSR in the development of its products and services. This new approach positions Tawuniya's various business units to have a greater and more positive social influence.

Social media plays a key role in Tawuniya's communication strategy. The company primarily uses social media platforms to inform the public about relevant issues, developments and topics related to Tawuniya's services. Some of our past social media posts have included valuable advice on preparing for extreme weather conditions, educational resources tailored to female drivers, and guides promoting healthy eating.

Tawuniya's Corporate Social Responsibility (CSR) Strategy is built upon four key pillars:

1. **Health**
2. **Safety**
3. **Productivity**
4. **Environment**

In addition, Tawuniya participates in various community initiatives. We offer free flu vaccinations and breast cancer screenings to support the well-being of our community. We are also committed to supporting the non-profit sector in Saudi Arabia by providing free medical treatment to selected non-profit organizations. Moreover, Tawuniya has launched a special campaign to promote financial literacy. In 2023, Tawuniya was proactive in connecting with the community through a variety of initiatives and events. This multifaceted engagement included product and service campaigns, as well as sponsorship of various events and initiatives. These efforts underscored the company's unwavering commitment to making a positive impact on society in a variety of ways.

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# Giving Back to Society continued

## Awareness campaigns and activities

- Cybersecurity awareness campaign
- World food day event
- World cancer day
- Global money week
- Breast cancer campaign
- Blood donation
- Whistle blowing
- Smoking awareness campaign
- Ramadan charity campaign

Tawuniya has launched a number of campaigns and initiatives in support of international awareness days and months, including Breast Cancer Awareness Month, International Day of Persons with Disabilities, World Heart Day, and World Diabetes Day, to improve the health of various groups within Saudi society.

**390+** Tawuniya held 390+ events, workshops and meetups



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# Our Commitment to Corporate Governance

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# Corporate Governance at a Glance



**ISO 27001**
Certified for information security

**100%**
Employees have been covered within the last 3 years training plan

Policy to protect whistleblowers from retaliation

Robust risk appetite framework (RAF) covering all business activities through carefully designed key risk indicators

Audit committee oversight over the ethical guidelines at Tawuniya

Effective implementation of bribery, anti corruption and anti money laundering policies and employee training

More than 60% of our staff undergo training on data protection and privacy

Technological project committee responsible for the privacy and data security

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# Organizational Structure

## The Board draws on a wide range of financial and legal expertise to steer Tawuniya towards its strategic goals and prosperity for all stakeholders.

The nine members of the Board of Directors (Board) are elected by the annual general meeting (AGM) for a three-year term of office. At no time may the number of independent directors be less than three. Members of the Board must receive a no-objection decision from the IA prior to their Board appointment. The AGM elected a new Board in 2023 with effect from April 10. The Board also approved the increase of the company's share capital to SAR 1.5 billion.

The current Board consists of three (3) independent directors and none of the Board members serves on the executive management team. The Board draws on a wide range of financial and legal expertise to steer Tawuniya towards achieving its strategic goal of creating long-term value for shareholders and broader prosperity for all stakeholders.

### Executive Committee

Advises the Board on strategic and operational plans, including budgets and business initiatives, and recommends such measures as may be necessary to implement them. It also takes decisive action, within the limits set by the Board, on matters that do not fall within the purview of the CEO, specifically capital expenditures and acquisitions.

### Audit Committee

Serves as a multi-faceted oversight body that manages various aspects of governance and compliance, from financial audits to ethical conduct. It is responsible for recommending external auditors, overseeing the recruitment and termination of key compliance and audit personnel, and ensuring their independence from management and the Board. It also reviews internal and external audit plans, financial statements and compliance reports to make recommendations to the Board. In addition, the Committee evaluates the effectiveness of the audit and compliance functions, monitors legal matters and ensures the optimal use of information technology.

### Nomination and Remuneration Committee

Plays a critical role in governance and talent management. It recommends candidates for the Board and its sub-committees, in accordance with regulatory and corporate standards. The Committee also assesses the composition and performance of the Board, identifies areas of weakness and monitors the independence of its members to avoid conflicts of interest. It is responsible for setting compensation policies for both Board members and senior management, overseeing succession planning and making recommendations on various matters, including nominations, dismissals and compensation.

### Investment Committee

Is responsible for overseeing the company's investment strategy to ensure its implementation is consistent with approved policies. It reviews and approves investment proposals, sets limits in accordance with IA regulations and monitors compliance across the various investment pools. In addition, the Committee hires and evaluates external investment managers and keeps the Board informed of its activities and the performance of existing investments.

**The AGM elected a new Board in 2023 with effect from April 10**

### Risk Committee

Is charged with identifying potential risks and ensuring that they are aligned with the company's approved risk appetite framework. It oversees the effectiveness of risk management systems, formulates comprehensive strategies and regularly reassesses the company's risk profile. The Committee also keeps the Board up-to date with detailed reports and recommendations and serves as an advisory body on all risk management matters.

### Technology Projects Committee

Focuses on overseeing the implementation and completion of the Core System Program Project. It has the authority to make decisions within certain limits to keep the project on track, and can intervene directly or indirectly to mitigate any risks or issues that could affect performance. The Committee regularly reviews project progress reports to keep the Board informed of the project's status. It may even expand its scope to include additional projects related to the Core System Program. The Technology Project Committee is also responsible for privacy and data security at Tawuniya, as it seeks to ensure adherence to Tawuniya's information policies and compliance with privacy procedures and rights.



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# Organizational Structure continued

## The Board has full authority to manage the Company to achieve its objectives, except in areas specifically regulated by the Companies law or by the General Assembly.

The Board has full authority to manage the Company to achieve its objectives, except in areas specifically regulated by the Companies law or by the General Assembly. The Board's chair has the power to represent the Company in all legal, financial and administrative matters, from the execution of contracts and agreements to litigation and arbitration. This broad authority gives the chair the ability to deal with various governmental, semi-governmental and private entities in different sectors and regulatory frameworks. Within the scope of its authority, the Board has the flexibility to delegate responsibility for specific tasks either to its members or to third parties, provided that such delegation does not conflict with applicable laws and regulations. In addition, the Board has the authority to borrow, sell or mortgage the company's assets and to discharge the company's debtors, unless the Ordinary General Assembly expressly limits such actions.

The Board is responsible for appointing the chair, the vice-chair the CEO and potentially a senior executive officer. The Board is also required to appoint a Board secretary. No one director may serve as both chair and an executive officer.
The chair is authorized to sign on behalf of the company and to enforce Board decisions, with the authority to delegate some responsibilities to other Board members or third parties for specific tasks.
The Board sets the compensation of the chair and the CEO in accordance with the Company's bylaw and the Board may also retain advisors to assist with fixing their compensation. Board meetings shall be convened by the chair or at the request of at least two Board members, at least once every quarter. The procedures for convening meetings shall be determined by the Board. The term of office for key positions such as Chairman, Vice Chairman, Managing Director and Secretary shall not exceed the term of their respective directorships, though they may be eligible for re-election. Any or all of them may be removed by the Board, although unjustified or untimely removal may give rise to claims for damages.

**With education and expert guidance, the Board is better positioned to integrate climate considerations into long-term strategy**



# Organizational Structure continued

## The Board has taken significant steps to educate itself on the critical issue of climate change, recognizing its growing importance and impact on business and society.

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The Board has taken significant steps to educate itself on the critical issue of climate change, recognizing its growing importance and impact on business and society. As a result, Board members have participated in climate change-focused seminars. These educational sessions are designed to deepen their understanding of the issue and enable them to make more informed decisions that take into account environmental impacts and solutions. Topics in these seminars consisted of a range from the basic science of climate change to its economic impact, potential regulatory changes, and the specific risks and opportunity it presents to the insurance industry. In addition, the Board has engaged the expertise of an independent climate change consultant. This consultant brings a neutral perspective and focused expertise to help the Board navigate the complexities of climate-related decisions. Advice can cover a range of issues, from sustainability initiatives and carbon footprint reduction to governance frameworks that integrate climate considerations. The consultant can also provide insights into emerging trends, regulatory expectations, and climate governance best practices, and may be able to identify strategic initiatives and partnerships that could benefit the company. This proactive approach demonstrates a commitment not only to compliance, but also to leadership in an area of increasing concern to stakeholders, from shareholders and employees to clients and the communities in which the company operates. By investing in education and expert guidance, the Board is better positioned to integrate climate considerations into the company's long-term strategy, risk management, and operational decision-making, thereby aligning the company's objectives with broader environmental sustainability goals.

The compensation of Board members may consist of a combination of fixed salary, meeting fees, benefits in kind or a percentage of net profit, the latter of which is capped at 10%. This percentage is calculated after considering reserves, legal obligations and a minimum distribution of 5% to shareholders. Compensation should also be proportionate to meeting attendance. The total annual financial benefits for a Board member should not exceed 500,000 riyals, as controlled by the Capital Markets Authority (CMA). The chair's special remuneration for additional responsibilities is not subject to this cap, but exceeding it requires prior IA approval. Board members and related committee members are entitled to medical insurance for themselves and their dependent family members, unless they are otherwise covered. In addition, Tawuniya provides professional indemnity insurance for such persons, and covers any government taxes and fees, such as VAT, related to their Board or committee roles. This special compensation is outside the previously established limits for directors' fees and other financial benefits. A comprehensive report of all types of compensation and benefits received by directors is included in the Board's annual report to shareholders. This disclosure also applies to other roles that directors may hold in the company, such as employee or director positions, and technical or consulting services provided. In addition, the report sets out the number of Board meetings held during the financial year and the attendance of each director. The remuneration and compensation policy for current Board members and its subcommittees was approved. The compensation amounts proposed by the Board for its members, as well as for the chair, were approved only after obtaining the IA NOC for the chair's compensation, in compliance with the relevant laws, regulations and guidelines, as well as the terms and standards set by the AGM.

In accordance with Tawuniya's Corporate Governance Policy, the Nomination and Remuneration Committee is responsible for establishing the annual performance evaluation criteria for the Board, its sub-committees and executive management. A qualified third-party vendor was retained to assist in formulating the evaluation criteria, which focused on skills, prior experience, and effectiveness in fulfilling roles and responsibilities. Key performance indicators (KPIs) were also aligned with the company's strategic goals to improve the quality and accuracy of these evaluations. Non-executive directors also regularly review the chair's performance without involvement from the chair. Any identified shortcomings are addressed with recommendations for solutions that are in the best interests of the company.

**The Board engaged an independent expert to help navigate the complexities of climate-related decisions**

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# Risk Management

## Addressing financial and operational risks, the company aims to distinguish itself as a pioneer in risk management within the MENA insurance landscape.

Tawuniya goes beyond mere compliance with the risk management regulations of the IA. Tawuniya is carefully re-evaluating its risk management strategy, which has been in place since 2010. The Risk Committee is driven by a strategic ambition to position itself as a leading second line of defense within the MENA insurance industry. The Risk Committee has approved the integration of ESG risks into the risk management framework in 2023.

The Committee diligently outlines key functions and activities that go beyond basic regulatory requirements to achieve this strategic objective. Rather than simply adhering to the prescribed guidelines, Tawuniya is committed to creating a robust risk management framework that aligns with industry best practices. By proactively addressing financial and operational risks, the company aims to distinguish itself as a pioneer in risk management within the MENA insurance landscape.

### Financial Risk

**Risk Appetite Framework and Key Risk Indicators**

The Risk Appetite Framework (RAF) has been in place since January 2017. Risk appetite indicators are reported to the Risk Management Committee (RMC) through the RAF, which is divided into different categories. There are 32 risk appetite statements and tolerance limits, covering both qualitative and quantitative measures, categorized as follows:

- Strategic Risk
- Insurance Risk
- Market Risk
- Liquidity Risk
- Cybersecurity
- IT Risk
- Reputational Risk
- Human Capital Risk
- Compliance Risk
- Credit Risk
- Investment Risk
- Re-Insurance Risk



Tawuniya goes beyond compliance regulations of the Insurance Authority (IA)

# Risk Management continued

Maintaining the regulatory solvency margin is essential for IA compliance, and also for maintaining business growth and liquidity.

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## Financial Risk continued

### Solvency and Capital Adequacy

Regulatory Solvency:

- Continuous monitoring
- Quarterly reports on the solvency position to the RMC

Maintaining the regulatory solvency margin is essential not only for IA compliance, but also for maintaining business growth and liquidity. A breach of the solvency criteria could result in regulatory intervention by IA. Solvency is measured quarterly through IA financial reporting forms prepared by the Finance Department. The Risk Management Department is also responsible for analyzing Tawuniya's solvency status.

Capital Adequacy:

- Quarterly monitor of S&P Capital model
- Report observations to RMC quarterly

### Investment Portfolio Risk Exposures

Beginning in 2017, Risk Management began presenting risk reports on the Investment Department to the Investment Committee (IC) of the Board of Directors, in accordance with IA regulations that require regular review and reporting of risks associated with investment activities. The Risk Management Department (RMD) produces a quarterly report detailing both qualitative and quantitative investment risks. These analyses not only monitor investment exposures against established limits, but also delve into asset class exposures, risk-adjusted return metrics, global macroeconomic trends, liquidity levels, aggregate credit ratings, Value at Risk (VaR) assessments, and investment policy reviews, recommending changes in line with IA guidelines and improved risk management.



### Anti-Fraud Related

In accordance with IA anti-fraud regulation, Tawuniya established the Anti-Fraud Review Committee (aFRC) to oversee the company's anti-fraud management strategy. The board of directors renewed both the anti-fraud management strategy and the aFRC charter in 2022. Tawuniya also established an Anti-Fraud Unit (AFU) under Risk Management in 2022, to strengthen anti-fraud activities and ensure compliance with internal and external policies.

The 2023 financial risk management risk register included more than 160 identified risks and more than 300 mitigated controls, as shown below:

- Incorrect financial reporting and potential fraud
- Fraudulent policies
- Excessive, invalid, duplicate or fraudulent claims risk
- Fraud committed against clients
- Processing of unauthorized / incorrect and fraudulent transactions

**Tawuniya established the Anti-Fraud Review Committee to oversee the company's anti-fraud management strategy**

# Risk Management continued

RCSA provides assurance on the effectiveness of controls and risk mitigation activities, and has evolved with the company's growth and changing regulations.

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## Operational Risk

### Risk and Control Self Assessment

Tawuniya's Risk and Control Self-Assessment (RCSA) provides assurance on the effectiveness of controls and risk mitigation activities. This framework bolsters the first line of defense in managing risk and has evolved with the company's growth and changing regulations.

1. The RCSA covers 23 business units, each of which has its own set of risks and controls that are assessed quarterly, semi-annually, or annually after formal adoption from RCSA workshops.
2. Currently, there are 700 identified risks and 1,025 mitigating controls across these entities.
3. RCSA champions key departmental focal points, facilitates the process and receives regular training and awareness sessions.
4. RMD continuously working to expand RCSA coverage.



### Risk Registers

The risk register is a dynamic record of all risks that could affect the organization's objectives. In 2023, its usability was improved for better monitoring. Risk Management regularly reviews Tawuniya's enterprise risk registers, assessing the risks and their mitigation plans. Each risk in the register is accompanied by mitigation plans, actions and status. The register is regularly updated and monitored. It is also regularly communicated to relevant stakeholders. The following information is provided for each risk in the register:

- Risk description - risk likelihood and impact
- Risk rating (i.e., low, medium, high, or extreme)
- Current control(s) / control(s) to be implemented
- Early warning indicator(s)
- Risk owner(s)
- Time frame(s)

### Business Continuity Management

The Risk Management team launched the BCM program in September 2021 to align with the IA BCM Framework. Achievements include the establishment of a dedicated BCM unit with a designated manager, development of BCM policies and procedures, adoption of risk assessment and business impact analysis reports, and a review of all BCM governance documents.

The diversity of our business model requires the company to identify, assess, measure, aggregate and manage risks effectively. Our goal is to participate in a holistic approach to risk management and effective stewardship of our capital and brand.

The following principles underline our risk management framework:

- Risks should be within a pre-defined risk appetite
- Risks need to be approved through the risk management framework
- Risks need to be adequately compensated
- Risks should be continuously monitored and managed

Under the IA guidelines, the insurance industry is required to implement a risk appetite framework based on the guidelines issued by the Financial Stability Board (FSB). Tawuniya has also implemented a robust risk appetite framework, which has been in place since January 2017. Under the framework, risk appetite statements and threshold limits are carefully designed and implemented each year, taking into account the strategic business plan and objectives, industry and peer analysis, and future outlook and challenges, etc.

**Our goal is to participate in a holistic approach to risk management and effective stewardship of our capital and brand**

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# Risk Management continued

SAS has improved operational risk management, increased efficiency and effectiveness, streamlined risk oversight, and facilitates better decision making, in line with ESG principles.

## Implementation of SAS Risk System

The launch of our new SAS Risk Management System in December 2021 is in line with our proactive risk management process and commitment to addressing ESG risks. This proactive approach to driving risk management processes serves to achieve both business and regulatory objectives, and contributes to the broader ESG framework.

By automating RCSA assessment tools and moving from a manual to a comprehensive workflow within SAS, we are driving a systematic assessment of controls over time. This integration lets functions to respond to queries and tests, rate controls, and submit workflows for validation, facilitating a more sustainable risk management process.

Implementing SAS has not only improved operational risk management, it has also increased efficiency and effectiveness. It has streamlined risk oversight, helping to reduce enterprise-wide risk. The system's features facilitate better decision making, ultimately saving time and effort, in line with ESG principles that emphasize efficiency, risk mitigation and responsible governance. The system's features further support these goals, including:

- Alerts/Notifications
- Compliance Management
- Dashboard
- Data Visualization
- Operational Risk Management
- Reporting/Analytics
- Risk Alerts
- Risk Analysis



**The new SAS Risk Management System is in line with our proactive risk management process and commitment to addressing ESG risks**

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# Business Ethics

Trust is a privilege, and we make it our top priority to ensure that every decision we make is rooted in ethical principles.

## Ethics and underlying policies

We, at Tawuniya, have an unwavering commitment to upholding the highest standards of business ethics. As Saudi Arabia's leading insurance company, our stakeholders trust us to act with integrity, fairness and transparency in all our endeavors. This trust is a privilege, and we make it our top priority to ensure that every decision we make is rooted in ethical principles. Our high ethical standards are governed by codes and policies that are continually updated and reviewed to ensure the ethical integrity of our operations. Below is a list of these documents:

- **Anti-money laundering policy**
- **Gift policy**
- **Whistleblower policy**
- **Bribery and anti-corruption policy**
- **Grievance policy**
- **General code of conduct**
- **Conflict of interest policy**
- **Corporate governance code**
- **Code of ethics**
- **Professional conduct policy**

**Unwavering commitment to the highest standards of business ethics**

Without employee awareness and buy-in, it is impossible to successfully implement workplace ethics policies. For this reason, we have implemented several measures to raise employee awareness of specific ethical issues. For example, all employees are required to sign and acknowledge the Code of Ethics before starting work at Tawuniya. Ethical standards are delivered to employees in three ways:

1. **Web site:** Employees can browse the intranet, take self-paced online courses and access ethics-related policies.
2. **Awareness sessions:** Online sessions are conducted that employees can access through their electronic devices.
3. **Induction period and orientation program:** All new employees undergo an induction period during which they learn about Tawuniya's various ethical policies.

Board members, senior management and the wider Tawuniya team are committed to upholding the best interests of the company, putting the company ahead of personal gain. Each director acts in the interest of all shareholders, balancing their responsibilities to secure company-wide benefits. Compliance with all applicable laws is a cornerstone of our governance, and there's zero tolerance for misuse of position or company assets for personal gain. Clear policies are in place to govern access to and use of internal company information and to protect against unauthorized disclosure.



# Business Ethics continued

While we are committed to transparency we also recognize that certain situations may warrant discretion.

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## Grievance Mechanism

Tawuniya values its employees and understands that their well-being directly impacts the health of our organization. With this in mind, we have implemented a robust grievance mechanism designed not only to address concerns, but also to facilitate open communication within our workforce. This mechanism helps to ensure that complaints are addressed proactively, resulting in solutions that are timely, balanced and sensitive to all parties.

We primarily seek immediate resolution at the managerial or operational level, believing that issues can be most effectively addressed closest to their source. However, we recognize that some complaints may require a more structured review. In such cases, we turn to our Specialized Grievance Committee, a dedicated team of individuals who delve deep into concerns and conduct in-depth investigations that include interviews, evidence reviews and other forms of research. Their thorough analysis ensures that resolutions are not only fair, but also consistent with Tawuniya's core values and mission.

While we are committed to transparency and encourage our employees to share their identity for a more direct dialog, we also recognize that certain situations may warrant discretion. To that end, our mechanism supports anonymous submissions, underscoring our commitment to creating a safe environment where every voice feels valued and heard. This iterative and inclusive process demonstrates Tawuniya's commitment to employee well-being and makes sure our workforce remains cohesive, motivated, and engaged.

**Tawuniya values its employees and understands that their well-being directly impacts the health of our organization**

## Whistleblower Mechanism

Central to Tawuniya's operations is our Whistleblowing Policy, an essential tool for maintaining corporate integrity. The policy requires the active support of all our stakeholders and employees, who have an obligation to report any suspicious activity or breach that they may encounter, whether it is an internal policy breach or a regulatory or legal breach. It is also critical that everyone associated with Tawuniya cooperate with any investigation into these reported incidents.

Specifically, our Whistleblower Policy is designed to securely connect the party reporting a breach with the unit responsible for investigating and addressing the breach. This unit receives and processes all reports of breaches in the areas of embezzlement, corruption and illegal, immoral or unprofessional conduct. The primary objective of this policy is to establish clear guidelines for the receipt and handling of these reports and to ensure that our stakeholders and employees feel comfortable reporting such matters without fear of negative repercussions.

We emphasize our commitment to treating every report with the utmost seriousness. All reported concerns are treated with complete confidentiality and the reporting individual is protected from any form of harm or retaliation. This mechanism not only reinforces a culture of accountability and integrity within Tawuniya, but also instills a sense of responsibility in all associated individuals. To further facilitate this, we have established clear procedures for reporting and handling breaches, in conjunction with a confidential channel that allows both employees and stakeholders to safely raise any concerns.

**All concerns are treated with complete confidentiality**

# Compliance

Tawuniya uses an advanced compliance system to track, understand and respond to regulatory updates to ensure timely and complete compliance.

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## Compliance

The Compliance Department plays a key role in ensuring Tawuniya's alignment with regulatory standards. Key responsibilities include:

1. **Monitor** compliance with regulatory bodies such as the IA
2. **Improve** regulatory compliance
3. **Respond** quickly to multiple regulatory requirements
4. **Submit** regular compliance reports
5. **Educate** management on regulatory compliance risks and evaluate control effectiveness
6. **Foster** a culture of high-performance engagement
7. **Access** to all corporate resources for complete business oversight
8. **Ensure** that departmental processes are aligned with compliance standards



Tawuniya's compliance program is fully compliant with regulations issued by bodies such as the IA, Capital Market Authority, Health Insurance Council and other regulatory bodies. The company uses an advanced compliance system to track, understand and respond to regulatory updates to ensure timely and complete compliance. This system also provides insight into potential areas for improvement, streamlining compliance with industry-specific mandates.

Our Compliance Department conducts rigorous assessments against insurance regulatory guidelines to ensure that our operations are synchronized with applicable regulatory standards. The department is instrumental in setting and monitoring compliance benchmarks across various units. Through collaborative interactions with stakeholders, the Compliance team develops and communicates action plans to ensure a comprehensive understanding of and adherence to established ethical and regulatory parameters. Regular assessments are conducted to further improve our compliance efforts, and any discrepancies are reported quarterly to the Audit Committee. Beyond identification, the Compliance team plays a consultative role, providing departments with robust compliance guidance to help mitigate risk. Ongoing reviews of internal policies, product releases, and contract reviews underscore our commitment to ensuring that every facet of our business complies with current regulations.

**Tawuniya's compliance program is fully compliant with regulations issued by local authorities and regulatory bodies**

# Compliance continued

## Tawuniya has a dedicated team to monitor and track the company's finances, while conducting checks on all potential clients and partners.

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### Anti-Money Laundering and Combating of Terrorism Financing Practices

As a company with high ethical standards, Tawuniya remains committed to preventing money laundering in all its forms by implementing the Anti-Money Laundering Risk Charter for the prevention of criminal activities. The company has a dedicated team to monitor and track the company's finances, while conducting checks on all potential clients and partners to assess potential money laundering risks. Tawuniya has also drafted and implemented a corrective plan to address and comply with all requirements related to anti-money laundering regulations in the Kingdom of Saudi Arabia.

Furthermore, we have devised a remediation plan to address and comply with all anti-money laundering requirements in the Kingdom of Saudi Arabia. The AML team has designed "know your client" forms and worked with business teams to incorporate them into our internal systems. We have also engaged Thomson Reuters to validate the company's client and sanctions lists to ensure they comply with domestic and international standards.

Tawuniya has robust control mechanisms in place to minimize the risk of criminal money laundering. However, we also recognize that employee awareness of money laundering risks is equally important in preventing money laundering. Therefore, we provide ongoing training to all our employees on money laundering and other financial crime risks. The percentage of employees who have completed this training has steadily increased in recent years.

Tawuniya's anti-money laundering policy is comprehensive and far-reaching, reflecting our commitment to maintaining the highest standards of business ethics. While we ensure rigorous adherence internally, we also require our vendors, business partners and third-party agencies to adhere to these standards. During the bidding process, our dedicated team conducts thorough due diligence to ensure that these entities have not only adopted a comparable anti-money laundering policy, but also actively enforce it within their operations. This approach cements Tawuniya's position as a leader in promoting transparency and accountability across the business spectrum.

**We provide ongoing training to all employees on money laundering and other financial crime risks**



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# Internal Audit

## The Internal Audit function assists the organization in achieving its objectives.

Internal audits are conducted to maintain the efficiency and effectiveness of Tawuniya's corporate governance policies and procedures. The Internal Audit Division functions as an independent, objective review and advisory service to assist Tawuniya's Board of Directors, Audit Committee and Executive Management in preserving the assets, reputation, and continuity of the organization. In accordance with international standards, the Head of Internal Audit reports directly to the Board's Audit Committee and administratively to the CEO.

The activities of the Internal Audit Division are aligned with all relevant regulatory frameworks in the Kingdom of Saudi Arabia and comply with relevant professional standards, including the International Standards of the Institute of Internal Auditors (IIA).

Our Internal Audit team undergoes specialized training in various areas including, but not limited to, internal audit, emerging trends, ethics, data privacy, ESG issues, and the like, to maintain the highest ethical standards. In line with Tawuniya's unwavering commitment to protecting sensitive information, the Internal Audit Division places paramount importance on ensuring the confidentiality and integrity of data.

The International Standards for the Professional Practice of Internal Auditing (Standards) require that an external quality assurance review (EQAR) of internal audit activities be conducted at least once every five years by a qualified, independent assessor or team of assessors from outside the organization.

The Institute of Internal Auditors

In 2022, Tawuniya's Internal Audit Division had its External Quality Assurance Review (EQAR) conducted by an independent consulting firm and was rated in conformity with all Institute of Internal Audit (IIA) Standards, including the Internal Audit Code of Ethics. A summary of the IIA Standards is provided below.

Positioned as the third line of defense, the Internal Audit Division plays a critical role. It provides independent and reasonable assurance on the effectiveness of Tawuniya's governance, risk management and control processes, ensuring that the first line of operational management and the second line of governance, risk management and control (GRC) and compliance functions function effectively.

**Positioned as the third line of defense, the Internal Audit Division plays a critical role.**

Internal Audit prepares and implements annual and three-year strategic internal audit plans. The development of an internal audit plan is driven by an approved methodology that primarily includes the audit universe, risk assessment, discussions and input from senior management, and regulatory requirements.

The Internal Audit function assists the organization in achieving its objectives by applying a systematic and disciplined approach to evaluating the effectiveness of governance, risk management and control processes and ensuring that:

- **Risks and controls** are appropriately identified and managed
- **Interactions** with various governance groups occur as needed
- **Relevant financial, managerial, and operating information** is communicated accurately, reliably, and promptly
- **Processes** comply with policies, standards, procedures, and applicable regulations
- **Resources** are acquired economically, used efficiently, and adequately protected
- **Quality** and continuous improvement are integrated into organizational control processes
- **Legislative or regulatory** issues, if any, are identified and addressed efficiently and effectively

In 2023, an annual audit plan was completed that included both quarterly and annual regulatory requirements as well as risk-based audits. The Internal Audit Division performed several audits/assignments during 2023, which fell under the purview of the following four internal audit units:

1. Operational Audit
2. Financial Audit
3. IT and Cybersecurity Audit
4. Audit Planning and Quality Assurance

# Data Privacy and Information Security

## Tawuniya has enhanced its customer data protection in accordance with the Kingdom of Saudi Arabia's Personal Data Protection Law (PDPL).

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The digital landscape continues to evolve, driving industries and organizations to transform. As Tawuniya strives to be the digital-first partner of choice, we are executing on our digital strategy, enterprise applications, IT strategy, and working to deliver on our data strategy, while remaining cognizant of the challenges that come with digitization, specifically the regulatory and security implications.

Tawuniya remains firm in its commitment to protecting the personal data and privacy of its shareholders. It has therefore deployed a **Cyber Incident Response Plan** and while the data protection requirements have been coordinated with our Cyber Team, we acknowledge that this system has not yet been tested. This proactive measure further reinforces our commitment to protecting our data from potential breaches.

At Tawuniya, we respect and advocate for **Individual Data Control Rights**. In other words, we respect the rights of individuals to control their personal data. Every individual has the right to access and review the data we hold about them, to correct any inaccuracies, and, if they so choose, to request that their data be removed from our systems. We remain committed to fulfilling these rights with the utmost transparency and efficiency.

Protecting the personal data and privacy of our employees, customers, and partners has evolved into one of our top corporate governance priorities. Our company is constantly striving to strengthen its security measures to keep pace with evolving risks. We believe that prevention is the best defense against future threats. As such, we have developed and implemented **data protection and privacy programs**, such as a data classification program for all web, email, and network traffic. Our Identity and Access Management system provides an authentication and authorization process that enables IT to work hand-in-hand with functional and business teams. Our data governance framework defines access to data with a rules-based protocol consisting of four different classifications::

1. Internal
2. Confidential
3. Public
4. Restricted

We are also committed to protecting personal privacy. The company has enhanced its customer data protection in accordance with the Kingdom of Saudi Arabia's Personal Data Protection Law (PDPL).



Our **Data Leak Prevention (DLP) Program** includes software that actively analyzes our IT systems to find vulnerabilities and potential data leaks. This allows us to be transparent about our data security compliance efforts and establish KPIs to measure the process. Our current privacy and information security system includes more than 190 controls and procedures and is fully aligned with current Saudi National Disaster Management Office (NDMO) and Saudi Data and Artificial Intelligence Authority (SDAIA) standards.

Tawuniya has established robust **Information Security Policies and System Audits** to ensure the highest standards of privacy and regulatory compliance. These policies not only guide our internal operations, but also serve as a beacon for maintaining trust with our stakeholders. Recognizing the importance of external validation and oversight, Tawuniya has committed to bi-annual system audits conducted by independent third-party auditors. This rigorous external audit mechanism ensures that our systems, protocols, and practices are subject to unbiased scrutiny, reinforcing our commitment to protecting the data we manage. It also allows us to proactively identify and remediate potential vulnerabilities, ensuring we are prepared in an ever-evolving digital landscape. Information security system is certified to ISO 27001.

**Employee training on data protection** has been rolled out and more than 60% of our employees have received training on data protection.

**Protecting the personal data and privacy of our employees, customers, and partners is one of our top corporate governance priorities**

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Gorgeous Jacaranda Trees with their lush purple flowers in Abha, Saudi Arabia

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| **THE ORGANIZATION AND ITS REPORTING PRACTICES** | | |
| GRI 2: General Disclosures 2021 | 2-1 Organizational details | Tawuniya at a Glance |
| | 2-2 Entities included in the organization's sustainability reporting | Tawuniya's Commitment to SDGs and GRI<br>Tawuniya subsidiaries, and affiliates included in the audited Annual Report 2023 are not included in this report |
| | 2-3 Reporting period, frequency and contact point | Tawuniya's Commitment to SDGs and GRI<br>for any inquiries about the sustainability report please contact: IR@tawuniya.com.sa |
| | 2-4 Restatements of information | - |
| | 2-5 External assurance | Tawuniya did not conduct an external assurance for the 2023 report |
| **ACTIVITIES AND WORKERS** | | |
| GRI 2: General Disclosures 2021 | 2-6 Activities, value chain and other business relationships | Health Insurance<br>Mobility Insurance<br>General Insurance<br>Asset Management<br>Our Suppliers<br>Financial Inclusion |
| | 2-7 Employees | Our People – Diversity and Inclusion |
| | 2-8 Workers who are not employees | Our People – Diversity and Inclusion |
| **GOVERNANCE** | | |
| GRI 2: General Disclosures 2021 | 2-9 Governance structure and composition | Organizational Structure<br>For more information about our Board of Director and Executive management please refer to our annual report |
| | 2-10 Nomination and selection of the highest governance body | Organizational Structure<br>For more information about our nomination and section process please refer to our bylaw and Board of Director report |
| | 2-11 Chair of the highest governance body | The Chairman is not an executive member |

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| **GOVERNANCE** continued | | |
| GRI 2: General Disclosures 2021 | 2-12 Role of the highest governance body in overseeing the management of impacts | Organizational Structure<br>The highest governance body of the Board has ultimate responsibility for approving Tawuniya approach to risk identification and management |
| | 2-13 Delegation of responsibility for managing impacts | Organizational Structure<br>The emerging executive committee is responsible for the ESG |
| | 2-14 Role of the highest governance body in sustainability reporting | The highest governance body has delegated the emerging committee with the responsibility of reviewing and approving the sustainability report |
| | 2-15 Conflicts of interest | Organizational Structure<br>For more information about conflict of interest please refer to the Bylaw P10 |
| | 2-16 Communication of critical concerns | Our People – Employee Experience and Engagement<br>Business Ethics<br>During 2023, no critical concern was communicated to the board of directors |
| | 2-17 Collective knowledge of the highest governance body | Organizational Structure<br>For more information about the Board members experience and qualification, please refer to our annual report |
| | 2-18 Evaluation of the performance of the highest governance body | Organizational Structure<br>For more information please refer to our annual report |
| | 2-19 Remuneration policies | Organizational Structure<br>For more information please refer to our annual report |
| | 2-20 Process to determine remuneration | Organizational Structure<br>For more information please refer to our annual report |
| | 2-21 Annual total compensation ratio | Cannot be disclosed due to Confidentiality constraints |

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| **STRATEGY, POLICIES AND PRACTICES** | | |
| GRI 2: General Disclosures 2021 | 2-22 Statement on sustainable development strategy | Chairman Message<br>CEO Message<br>ESG Strategy |
| | 2-23 Policy commitments | Business Ethics and Compliance<br>Policies are not publicly available due to confidentiality constraints that prohibit sharing internal policies publicly |
| | 2-24 Embedding policy commitments | ESG Strategy<br>Our People – Employer by Choice<br>Business Ethics and Compliance |
| | 2-25 Processes to remediate negative impacts | Risk Management<br>Business Ethics and Compliance |
| | 2-26 Mechanisms for seeking advice and raising concerns | Stakeholder Engagement<br>Our People – Employee Experience and Engagement |
| | 2-27 Compliance with laws and regulations | Tawuniya did not suffer any legal action or fine for non-compliance with social and economic laws or regulations in 2023 |
| | 2-28 Membership associations | Tawuniya doesn't hold a significant role in any association |
| **STAKEHOLDER ENGAGEMENT** | | |
| GRI 2: General Disclosures 2021 | 2-29 Approach to stakeholder engagement | Stakeholder Engagement |
| | 2-30 Collective bargaining agreements | There are no collective bargaining agreements<br>Tawuniya is compliant with Saudi Labor Law |
| **MATERIAL TOPICS** | | |
| GRI 3: Material Topics 2021 | 3-1 Process to determine material topics | Materiality<br>Our report content and boundaries are based on the outcomes of the 2022 materiality assessment (including the associated stakeholder consultation)<br>Based on this input from our stakeholders and the reporting principles outlined in GRI 1, we have defined the content of this report |
| | 3-2 List of material topics | Materiality |
| | 3-3 Management of material topics | Materiality<br>ESG Strategy |

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| **MATERIAL TOPICS** continued | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Annual Report 2023 |
| GRI 201: Economic Performance 2016 | 201-1 Direct economic value generated and distributed | Annual Report 2023 |
| | 201-3 Defined benefit plan obligations and other retirement plans | Annual Report 2023 |
| | 201-4 Financial assistance received from government | Tawuniya haven't received any financial assistance from the government |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Our People – Employer by Choice |
| GRI 202: Market Presence 2016 | 202-1 Ratios of standard entry level wage by gender compared to local minimum wage | Our People – Diversity and Inclusion |
| | 202-2 Proportion of senior management hired from the local community | Our People – Diversity and Inclusion |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Our Suppliers |
| GRI 204: Procurement Practices 2016 | 204-1 Proportion of spending on local suppliers | Our Suppliers |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Business Ethics and Compliance |
| GRI 205: Anti-Corruption 2016 | 205-1 Operations assessed for risks related to corruption | Tawuniya conducts assessment in terms of corruption controls effectiveness of all the functions exposed to anti-bribery and corruption risks and/or entrusted with validation/control responsibilities |
| | 205-2 Communication and training about anti-corruption policies and procedures | Business Ethics and Compliance<br>Tawuniya Code of Conduct (CoC) are communicated to all employees, as all employees are required to acknowledge on an annual basis that they have read the Coc<br>Targeted employees from different levels are trained annually on Anti-corruption policies<br>Data on the percentage of employees and management that took trainings of Anti-corruption policies and procedures are unavailable |
| | 205-3 Confirmed incidents of corruption and actions taken | There were one confirmed incident of corruption during 2023 |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Climate |

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| **MATERIAL TOPICS** continued | | |
| GRI 302: Energy 2016 | 302-1 Energy Consumption within the organization | Climate |
| | 302-3 Energy Intensity | Climate |
| | 302-4 Reduction of Energy Consumption | Tawuniya HQ renovation project finished in 2022 with major application of water and energy reduction measures, additionally BMS was installed to manage the energy consumption in our HQ |
| | 302-5 Reduction in energy requirements of products and services | Not applicable, as Tawuniya provide financial services and does not engage in sales of products that consume large amount of energy |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Water |
| GRI 303: Water and Effluents 2018 | 303-1 Interaction with water as a shared resource | Water is provided by the water authority and private service providers<br>This topic is not material as we are a service provider and water usage is related to employee usage and for cleaning purposes |
| | 303-2 Management of water discharge-related impacts | Water is provided by the water authority and private service providers<br>This topic is not material as we are a service provider and water usage is related to employee usage and for cleaning purposes |
| | 303-3 Water withdrawal | Water is provided by the water authority and private service providers and no withdrawal of any type happen through Tawuniya |
| | 303-4 Water Discharge | Tawuniya uses utility sewage system<br>This topic is not material for Tawuniya as we are a service company |
| | 303-5 Water Consumption | Water |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Climate |

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| **MATERIAL TOPICS** continued | | |
| GRI 305: Emissions 2018 | 305-1 Direct (Scope 1) GHG emissions | Climate |
| | 305-2 Energy indirect (Scope 2) GHG emissions | Climate |
| | 305-3 Other indirect (Scope 3) GHG emissions | Climate |
| | 305-4 GHG emissions intensity | Climate |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Our People – Employer by Choice<br>Our People – Employee Experience and Engagement<br>Our People – Diversity and Inclusion |
| GRI 401: Employment 2016 | 401-1 New Employee hires and employee turnover | Our People – Diversity and Inclusion |
| | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | Our People – Employer by Choice |
| | 401-3 Parental Leave | Our People – Diversity and Inclusion |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Our People – Learning and Development |
| GRI 404: Training and Education 2016 | 404-2 Programs for upgrading employee skills and transition assistance programs | Our People – Learning and Development |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | 100% of employees receiving regular performance and career development reviews |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Our People – Diversity and Inclusion |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees | Our People – Diversity and Inclusion |
| | 405-2 Ratio of basic salary and remuneration of women to men | Our People – Diversity and Inclusion |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Our People – Diversity and Inclusion |
| GRI 406: Non-discrimination 2016 | 406-1 incidents of discrimination and corrective actions taken | There were no reported incident of discrimination and corrective actions taken |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Customer Satisfaction<br>Giving back to Society |

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| **MATERIAL TOPICS** continued | | |
| GRI 413: Local Communities 2016 | 413-1 Operations with local community engagement, impact assessments, and development programs | Customer Satisfaction<br>Giving back to society |
| | 413-2 Operations with significant actual and potential negative impacts on local communities | No operations with a significant actual or potential negative impact on our local communities were reported in 2023 |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Data Privacy and Information Security |
| GRI 418: Customer Privacy 2016 | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | Zero complaints concerning breaches of customer privacy and losses of customer data |

# Disclaimer

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