



TOGETHER

TOWARDS A SUSTAINABLE FUTURE



Global context and challenges

Several natural disasters brought the interwoven challenges facing our world into sharp focus in 2022. In Pakistan, severe flooding caused devastation to local communities while serving as a stark reminder that as the climate changes, extreme weather incidents are on the rise. In the US and Cuba, Hurricane Ian inflicted loss of life and livelihoods and caused over \$100 billion of damage. In Europe, war in Ukraine caused widespread destabilization and further highlighted the vulnerability of economies too reliant on foreign energy. The imperative to grow the energy supply while simultaneously decarbonizing has never been clearer.

But there was also strong progress. Increasingly, sustainability is something that garners action and not just words from governments and businesses alike. As the target date looms for delivery against the UN Sustainable Development Goals to which we align ourselves as a Group, there is still more to be done. Notably, progress has been seen and felt. Seen physically in the growth of green technology and infrastructure and felt mentally in terms of an attitudinal shift. Sustainability is no longer on the agenda; it is the agenda. Not seen as a responsibility or sacrifice, but as a great opportunity. A widespread realization has finally dawned: sustainability doesn't just build a better world; sustainability builds better business.



Welcome to our 2022 sustainability report

At Al-Dabbagh Group (ADG) we are guided by the principles of Omnipreneurship: Giving, Earning and Sustaining.

By staying true to these principles, we will continue to enhance our status as a positive global corporate citizen, delivering impact for the greater good.

Contents



Our Vision

Our leadership perspective	4
Our global participation	5
2022 Highlights	6
Our global operations	7
Our diverse group	8
Our strategic approach	9
Our governance	10



Growing revenues through sustainability

Introduction	12
Sustainability in Saudi Arabia	13
Electromin: Building the future of e-mobility	16
Hydromin: Making zero-carbon heavy transport a reality	17
Tanmiah: Circular agriculture	19
Flexible Packaging Solutions (FPS): Working with clients to meet mutual goals	21



Building a resilient business

Introduction	23
Our financials savings	24
BARQ Systems: empowering through education	25
Group HR	26
Petromin Express and Auto Care: at the wheel and under the hood	27



Reducing our environmental impacts

Introduction	29
Petrolube: Efficiencies that are better by miles	30
Petromin Fuels: A seemingly small problem delivers big results	31
Red Sea International: wastewater that isn't wasted	32



SDG contributions

Introduction	34
Business vertical contributions	35
Looking forward	38

Find out more	40
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Our leadership perspective

Sustainability sits at the heart of our leadership agenda. As such, it's led from the highest levels of our business.



“Sustainability should no longer be seen as a peripheral issue for business, but the gravitational centre of its strategy. At ADG our commitment to Omnipreneurship: earning, giving, and sustaining, has meant that positive outcomes have always been our driving passion. It is in this spirit that we thread sustainability through every aspect of our Group.”

His Excellency Amr Al-Dabbagh
Chairman & CEO of Al-Dabbagh Group



Our global participation

As signatories to the UN Global Compact, we use the UN Sustainability Goals to ensure we play our part as a global citizen.

Our Group sustainability strategy and individual business strategies map onto the United Nations Sustainable Development Goals (SDGs). We have identified the goals where we can make the biggest positive impact and measure our progress using Global Reporting Indicators (GRI).

Engaging our teams

In 2022, we have been present at key global events to ensure our work is informed by leading edge thinking. Senior representatives participated in COP27, the World Economic Forum in Davos and we encouraged our portfolio companies to engage their teams around Climate Week in September. Locally and regionally, we maintain strong relationships with government, academia and broader community groups, through a range of portfolio company activities and our [giving program](#).

The SDGs we contribute to





2022 highlights

In 2022, our diverse portfolio of companies has made significant gains, in both reducing their own environmental impact and establishing the infrastructure for more sustainable development in Saudi Arabia.

Electromin

1st

nationwide public EV charging network in Saudi Arabia.

Hydromin

1st

Building the 1st hydrogen transport infrastructure in Saudi Arabia.

Flexible Packaging Solutions (FPS)

1,815 tons

of virgin plastic use avoided due to closed loop packaging.

Tanmiah

53,088

tons CO₂e reduction at **Tanmiah**, across scopes 1, 2 and 3 in 2022.

Petrolube

-25%

in CO₂e for every ton of product delivered by **Petrolube**, against 2018 baseline.

Tanmiah & RSI

729 megaliters

of wastewater recycled and reused in 2022 by **Tanmiah** and **RSI**, our two largest water consuming businesses.

ADG

31.9m SARs

saved through environmental actions across the Group.



Our global operations

Established in 1962 by His Excellency Sheikh Abdullah Al-Dabbagh, former Agriculture Minister of Saudi Arabia, ADG is a family business conglomerate, governed by our home-grown philosophy of Omnipreneurship: giving, earning and sustaining.

Each of our strategic business portfolios and our incubation portfolio are guided by our goal to drive value creation through sustainability.

Our strategic portfolio is comprised of over 15,500 colleagues spread across 84 companies with operations ongoing in over 20 countries. This breadth adds a layer of complexity to our business context and makes sustainability even more essential to our operations.

We have business operations in over 20 countries with the ambition to expand further



84
Companies



Over
20
countries



15,500
Colleagues



Our Group is diverse

We have a diverse range of strategic business portfolios: food, housing, mobility, packaging and retail, as well as our incubation portfolio.

Each strategic business portfolio has a flagship company, with different material issues and stages of sustainability maturity. They are, however, all aligned to and guided by the principles of Omnipreneurship.

Our five strategic business portfolios



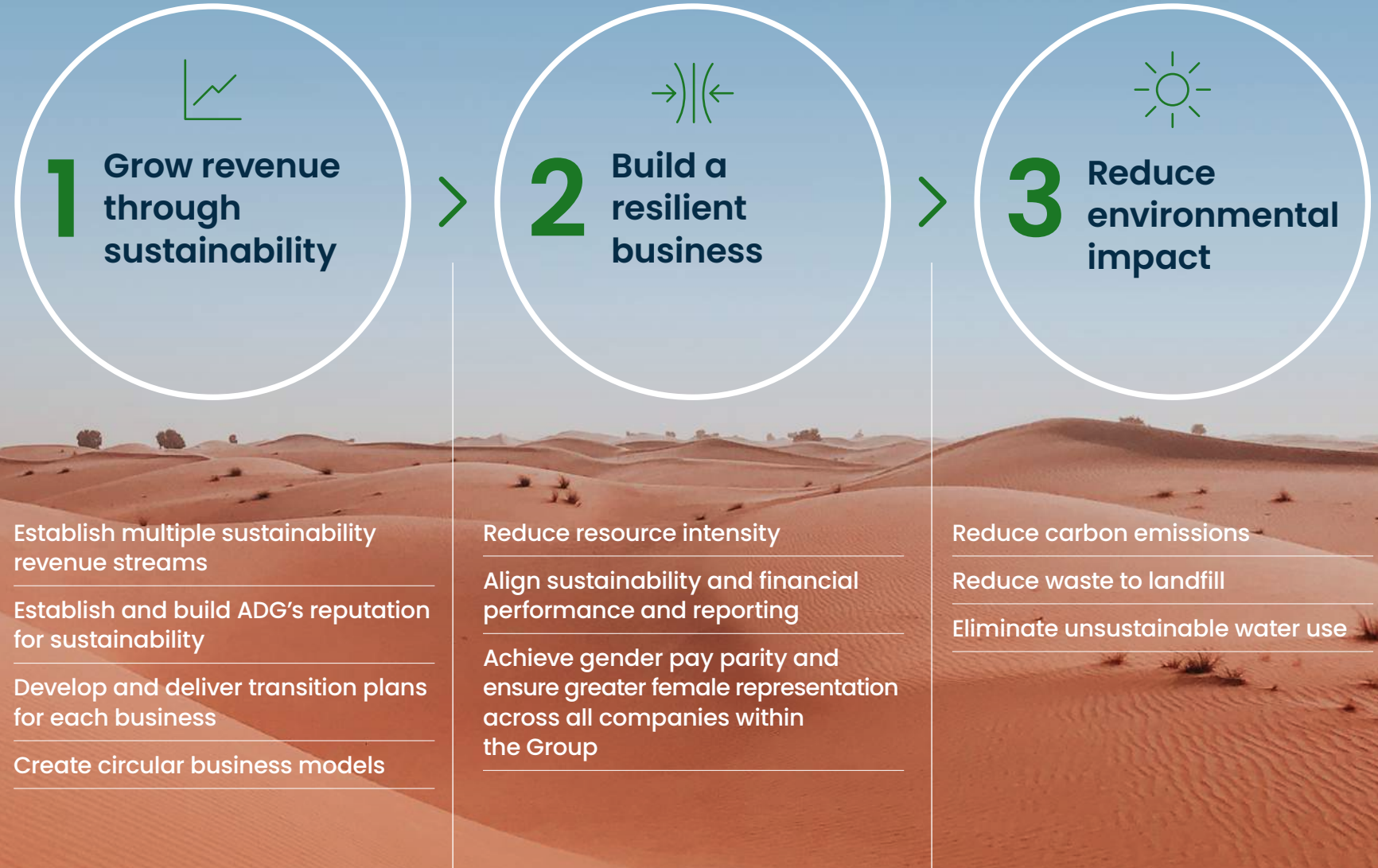


Our strategic approach

Given the diversity of our strategic portfolio, different companies face different industry specific challenges and are at different stages of their sustainability journeys.

However, the group has a vision to create business-value through sustainability, in line with its omnipreneurial values.

To do so we have identified three key strategic pillars, which will help focus our efforts.





Our governance

The Sustainability Council meets on a quarterly basis to ensure alignment, progress and accountability across the portfolio.

There is considerable diversity across industries and sustainability maturity, so within the Group, the Sustainability Council meets quarterly to share learnings and insights, discuss challenges and pool resources to deliver bigger impact, faster. Progress is measured using GRI indicators quarterly.

Our Governance structure

Al Dabbagh Group
Chairman & CEO, Director of Sustainability

Sustainability Council



They set the sustainability strategy across the Group to ensure that the portfolio is progressing along the strategic pillars. The Group's board of directors oversees sustainability at the highest level of the business and includes experts with a strong heritage in sustainability, contributing their expertise to support our journey.

The sustainability council is chaired by the Group chairman and CEO and led by the Group's Sustainability Director.

It is comprised of the strategic portfolio's CEOs and CSOs.

The Council meets on a quarterly basis to ensure progress is being made towards the set sustainability goals. External advisors and specialists also attend to offer expert guidance and offer an objective global perspective.

Our 5 strategic business portfolios



Food



Housing



Mobility



Packaging



Retail

The CEOs and CSOs of each portfolio company are accountable for driving sustainability across their companies. Thus creating ownership of their sustainability results.



Growing revenues through sustainability



Growing revenues through sustainability

“Today, the urgency of environmental and social issues are opportunities for those taking an Omnipreneurial approach.”

This is our first area of strategic focus. Having been in business for over 60 years, we know that growing our positive social and environmental impacts has to be done hand-in-hand with growing our business financially too.

Revenue growth has enabled us to invest in more transformational endeavours, like Hydromin and Electromin, which are both focused on transforming the transportation infrastructure in Saudi Arabia in heavy cargo, public and personal forms of transportation.

Success in this focus area is strongly related to the degree to which we practice Omnipreneurship. Growing revenues requires entrepreneurialism. Growing revenues through sustainability, builds on this by bringing an

entrepreneurial view to areas that a traditional commercial mindset would ignore. It's our Omnipreneurial approach that gives us confidence that we will continue to build significant revenues and positive impacts through sustainability.



Sustainability in Saudi Arabia

Sustainability in Saudi Arabia is set to transform at a pace and scale unlike any other country on the planet.

The challenges are stark but opportunity is shining through

The effects of climate change are no longer something we predict, but something we see and experience. Severe weather, increasing temperatures and desertification are just some of the impacts felt from Australia to California, to Pakistan, to our own Kingdom of Saudi Arabia. The world is waking up to these challenges and to the need to go further and faster in taking action. In Saudi Arabia, Vision 2030 sets out a commitment to reach net zero and meet a range of key environmental and sustainability objectives, from circular waste management to accelerating the transition to renewables. But increasingly there is a powerful accelerant to that awakening: opportunity.

Globally, and across the wealth spectrum, investors are seeking – and achieving – a two-fold return on their investments: financial gain with a positive impact. No longer seen as mutually exclusive, ‘doing good’ and ‘doing well’ are expected to work in partnership. The effect of this global investing trend means increased scrutiny for governments and business alike. Rigorous and transparent ESG credentials have become an essential mechanism by which major financial decisions are made. As attitudes shift, sustainable investment has moved to the mainstream and ‘sustainability’ has moved from the peripheral to the heart of every robust business strategy.

¹ Saudi Arabia Electric Vehicle (EV) Market Outlook (2021-2027) Size, Industry, Growth, Forecast, Analysis, Revenue, Share & COVID-19 IMPACT, 6Wresearch, March 2023. [Source](#)

² Business Chief, December 2022. [Source](#)

³ Reuters, January 2023. [Source](#)

⁴ Financial Times, February 2023. [Source](#)

Five high-growth areas



These five areas are supported by the financial incentives available as part of the [Green Finance Framework](#):

1. Renewable energy
2. Green construction
3. Waste management
4. Clean transport
5. Environment, preservation and protection

Saudi Arabia highlights

42.5%

EV market size projected to grow at CAGR of 42.5% 2021-2027¹

1st

CEER – the first Saudi Arabian EV with Foxconn is announced for production 2025²

65%

PIF took 65% stake in EV manufacturer Lucid Motors, USA³

30%

Target of 30% of all vehicles to be electric by 2030⁴



Sustainability in Saudi Arabia continued

For Saudi Arabia, climate change and the switch to a more sustainable path has unique challenges. Fossil fuels have been the source of great wealth for our country. Today we also have one of the highest per capita energy consumption rates in the world. Diversification of the energy mix and a pivot away from oil are essential if we are to meet net zero commitments made alongside the global community. Commitments that are not compromises, but imperatives if we are to secure our future health and prosperity. Saudi Arabia is extremely vulnerable to climate change and inaction brings huge risk. We are already threatened by low rainfall and debilitating dust storms. With temperatures set to rise faster than global averages, we also face a loss of up to 90% of land in the Arabian Peninsula through desertification and the Intergovernmental Panel on Climate Change (IPCC) has modelled that the resulting rising sea levels could lead to the loss of over 4,000 hectares of sandy beaches by 2100. Such dramatic changes in weather and landscape not only cause ecological devastation but have a severe commercial impact.

As we saw with the Men's Football World Cup in Qatar last year, hosting topflight international sport is an opportunity to make an impact on the world stage. But sport cannot be played in searing heat. Foreign tourism is another opportunity for economic diversification, but as beaches disappear under the waves, investment in a sector that is quite literally fighting the tide is a tough sell.

But there is hope. Sustainability has had a global reframing. A call to climate action that was perhaps once perceived as threatening to our way of life – demanding 'less', requiring 'concession' and diminished returns – now offers diverse opportunities for growth. As mainstream opinion and environmental legislation push progress firmly in a sustainable direction, sectors that perhaps seemed the most threatened, now show the most potential.

"Sustainability has had a global reframing."

1 International Trade Administration, September 2021. [Source](#)

2 International Finance, February 2020. [Source](#)

3 Solar Quarter, May 2022. [Source](#)

4 The European Business Review, October 2017. [Source](#)

Our big five opportunities

Renewable energy



Once seen as an outlier in Saudi Arabia, renewable energy is now becoming a major player. The government has set a target for 50% of power to be generated from renewable sources¹ and by 2025 will invest \$30 billion in renewables² largely through incentives and subsidies for giga-scale projects. Solar power shows the most potential due to the optimal climate and geographic conditions which could see Saudi Arabia produce the cheapest solar energy in the world. There is also increased uptake in solar micro generation for homes and businesses who can not only generate their own power, but also sell a surplus back to the grid. In 2022 the solar market is expected to be worth \$2.4 billion, an increase of nearly 300% from 2019³.

Green construction



Construction, one of the biggest global polluters, has been heavily targeted with environmental legislation, thus accelerating the growth of the green construction sector. With the industry firmly backed by government incentives, it is estimated that sustainable construction will be worth \$12 trillion per year by 2030⁴. The Quality-of-Life Program, part of Saudi Vision 2030, targets high-quality and affordable housing, embedded within efficient, green, and environmentally friendly urban landscaping with 300,000 new homes to be built in the next two years. With projects like Aramco's King Salman Energy Park (SPARK) – the first LEED pre-certified industrial city in the world which meets international sustainable building standards – and NEOM, a 170 km megacity planned to be completely powered by renewable energy, Saudi Arabia is already a leading force in green construction.



Sustainability in Saudi Arabia continued

Waste management



As one of the world's highest proportions of waste per person at 1.5kg a day, Saudi Arabia produces 53 million tons of waste per year¹ with 95% currently going to landfill. The environmental damage in terms of pollution and waste of resources has led to the adoption of ambitious governmental targets to reduce and recycle waste and to major investment via the Saudi Investment Recycling Company (SIRC) – a subsidiary of the sovereign wealth fund – the PIF. As a result, Forbes estimate the Saudi Arabian waste management industry grew from \$15.72 billion in 2020 to \$17.97 billion in 2021 and expected 3.1% growth in 2022².

¹ International Trade Administration, July 2022. [Source](#)

² Forbes, September 2022. [Source](#)

³ Clean Energy Ministerial, September 2020. [Source](#)

Clean transport



Finally, as the state leads a drive toward the decarbonization of domestic and commercial transportation, clean transport is a sector with huge growth potential – and a key area of focus for our Group. The Clean Energy Ministerial's (CEM) campaign also sets the ambition to reach a 30% sales share for EVs by 2030³.

Environment, preservation and protection



Science and technology that supports environment, preservation and protection is another area of huge growth potential. The Saudi Arabian General Investment Authority (SAGIA) estimates that a growing population with increasing demand will see the food industry sector reach over \$59 billion by 2025. However, water scarcity means more resource-efficient solutions must be found to support and sustain this necessary growth. This is driving a major push at state level toward improving agricultural production in desert environments, water conservation and desalination, vertical farming and afforestation.

Our own company Petromin, an industry leader in automotive maintenance, repair and refuelling, has launched two sister brands. Electromin and Hydromin launched in 2021 and 2022 respectively. These two companies are seizing the opportunity green transport presents by accelerating the necessary infrastructure needed. A network of rapid electric charge points for domestic and light industry vehicles and an end-to-end green hydrogen solution for commercial transporters is already driving a significant uptake of green transport. By investing in tried and tested technology to make it available to the mainstream – both companies are making the future of green travel a reality today.

Saudi Arabia still has some way to go on its sustainability journey, but the green shoots of progress are showing. While many of us need no greater incentive than the need to protect a safe and prosperous future for our children and for future generations, for many the risk of change still looms too large. But as the potential risks of sustainable business are mitigated by changes in regulatory and reporting frameworks as well as government subsidies, these new industries provide opportunities for businesses to create a better future for Saudi Arabia, whilst providing for the community and generating wealth for everyone involved.



Electromin: Building the future of e-mobility

Enabling people, businesses and cities to make a seamless transition to electric vehicles.

The electrification of domestic and light business vehicles needs to happen. It's not a case of 'if' but 'when'. EVs are only just being sold in Saudi Arabia. Businesses, especially international ones are already on paths to decarbonize their fleets and are looking for partners. At the same time, international vehicle manufacturers have set deadlines to end the production of internal combustion vehicles. The EV market is in its infancy but set to expand exponentially.

Building the infrastructure

In 2022, Electromin became the first public EV charging operator to establish a nationwide infrastructure. The business is expanding out across the wider GCC. The Electromin app was also launched to enable users to locate our chargers, see the live status and start/stop a charge.

Partnerships are critical to building new infrastructure at pace. Electromin has secured partnerships to electrify the Hilton Hotel network in Saudi Arabia, supply vehicles to a number of private sector and government entities and agreed partnerships with leading automotive brands and technology providers.

"We are committed to building new partnerships and infrastructure to continue to accelerate the presence of electric vehicles in Saudi Arabia."



1st

nationwide public EV charging network in Saudi Arabia

100

charging locations



Vector image

“Hydromin is building an end-to-end solution for transporters. Bringing together a fledgling and fragmented industry and making it a commercial reality.”

Hydromin: Making zero-carbon heavy transport a reality

Enabling green hydrogen-powered heavy transport in Saudi Arabia and the GCC. From taxis and buses, to trucks and ships, we have the solution.

More cargo, less carbon

Saudi Arabia has ambitious plans to capture a third of global cargo, meaning a huge increase in overland heavy transportation is required. However, trucks are heavy carbon emitters which could put those growth plans at odds with the Saudi Vision 2030 decarbonization goals – unless there is a meaningful shift toward greener haulage. Trucks cannot be electrified in the same way as lighter vehicles as the batteries would be too heavy to be practical, but there is another solution: Green Hydrogen. However, it can only be a complete solution if it can be made commercially and operationally viable. Enter Hydromin.

Making the possible, possible

Hydromin was created to play a specific and crucial role in the decarbonization of heavy transportation. One that united innovation, technology and infrastructure. As part of the Petromin Corporation, Hydromin brings decades of industry expertise and a vast network of fuelling stations as well as existing leasing and maintenance solutions for commercial transporters. Quite simply, Hydromin understands the challenges of trucking, so with the sector facing its biggest challenge ever, they knew they had to be a leader in providing a solution. By partnering with companies within our Group as well as collaborations with leading specialists from across the region, Hydromin is building an end-to-end solution for transporters. Bringing together a fledgling and fragmented industry and making it a commercial reality.

1500km

range

Lease a 44-ton Heavy Truck with a world leading range



Vector image



Hydromin case study continued

An end-to-end solution

Hydromin is now ready to make green hydrogen fuelled heavy transportation a reality. 2022 was a year of planning and partnering to ensure the business could offer its customers a sustainable, profitable and reliable solution. Crucial to that mission is creating hydrogen corridors, key commercial trade routes with the infrastructure necessary to ensure smooth, green transportation of goods. We have three pilots planned, with government and commercial partners for 2023, across a range of transport types. The heavy transport pilot scheme will run from the AMSTEEL terminal at King Abdullah Port to Jeddah at the end of 2023.



We're enabling green hydrogen-powered transport in the Kingdom of Saudi Arabia and the GCC.

We cover the whole system from fuel-cell conversion to bespoke leasing and maintenance solutions.



Vector image



Vector image



“Tanmiah is on a mission to become the leading sustainable poultry company in the region. A carbon neutral business with an exemplary circular business model to inspire others.”

Zulfiqar Hamadani, CEO, TFC

Tanmiah: Circular agriculture

A business on a mission to be carbon neutral through collaboration and innovative technology.

Don't waste waste

Tanmiah Food Company produces 60,000 tons of chicken manure a year and this will increase as we expand. In 2020, they decided to look at how to turn this into multiple streams of value, for the business, the environment and the local community. They knew they needed to bring in expertise from outside the business.

Harvesting the best ideas

Committed to the objectives of Saudi Vision 2030 and our Group Omniprenuer values and principles, Tanmiah decided the way to make the biggest positive impact was to put the call out to innovators everywhere. Launched in 2020, the Omnipreneurship Grand Challenge is a \$1m global crowdsourcing initiative that invites entrants around the world to find sustainable solutions to specific challenges.

Tanmiah set the challenge in 2020, to turn the increasing volume of poultry waste into value. During 2021, ideas were collected and went through a rigorous assessment from a panel of experts. Polymeron, a start-up from the incubator at King Abdullah University for Science and Technology (KAUST), was selected as the winner in 2021.

The Polymeron solution uses poultry waste to produce a renewable energy source, syngas. This gas will be used to generate clean energy at zero cost. During pyrolysis (the process by which this happens) a by-product is created called biochar. This can be used to make biodegradable materials that can be used as an alternative to plastic which can be sold to generate revenue. The biochar also acts as a form of carbon sink, locking in the carbon from the manure, which would otherwise, over time find its way back into the atmosphere.

On-track for carbon neutral

In 2022, Polymeron's innovative technology passed through several stringent feasibility studies. When it reaches scale it will process 170,000 tons of manure. The energy produced from the captured gas will save 40,000 tons of CO₂ per year.



When fully operational, the project will deliver 342,000 tons of CO₂ reductions annually through a combination of clean energy production, manure diversion and biochar. Equal to 60% of our Scope 1 and 2 emissions.



Tanmiah case study continued

Biochar-based Advanced Carbon Materials

Tamniah Food Company - Upcycling of poultry manure



**Poultry
manure**

1

Biomass waste is a renewable resource but can be harmful to the environment if not managed properly due to ammonia emissions.



**Biochar
production**

2

Biochar is a carbon negative material with the potential to sequester up to 2.5 tons of CO₂ per ton.



**Biochar
functionalization**

3

Biochar has various applications including as a construction material, in water filtration and as a fertilizer.



**Bio-Carbon
Plastic**

4

Bio-carbon plastic has the potential to replace mulching plastic in agriculture and trash bags, and will not only reduce the negative impacts of plastic pollution but also will help to improve soil health.



Flexible Packaging Solutions (FPS): Working with clients to meet mutual goals

FPS is a global, flexible packaging business which has always operated with sustainability in mind. The shared client ambition to reduce plastic waste resulted in new contracts and big impacts.

Same standards, less plastic

When FPS signed a new European-wide contract with Yara in 2021, it came with a significant sustainability ambition: to ensure a minimum of 30% recycled content in their flexible intermediate bulk containers (FIBCs) while still meeting the strict industry compliance standards. Yara and FPS committed to this partnership ambition.

Closing the loop

FPS forged supply partnerships with collection service companies to generate and direct packaging to its recycling hub. This has created a genuine closed loop, whereas previously used FIBCs would have ended up in low-value recycling processes or landfill. Now they were able to be recycled and returned to work as new FIBCs that still meet the rigorous industry safety standards.

More for less

From this partnership alone, around 1,815 tons of virgin plastic will now not enter the general market. Furthermore, the process has also created a reprocessed material that still meets exacting industry standards.

The aim is to increase the capacity of the FPS recycling hub in 2024 and beyond, to enable the company to provide this recycled material to other global manufacturing facilities within their network.



1,815tons

of virgin plastic will now not
enter the general market



Building a resilient business



Building a resilient business

“The more limited the experiences of the decision-makers, the more limited their decision-making. This is why, from the perspective of advancing our business, we are committed to diversity. However, it is not the whole reason.”

This second area of strategic focus is especially important in an increasingly turbulent and uncertain world. By reducing the resource intensity across our Group, we can increasingly decouple our economic growth from our environmental impact, and therefore earn more so we can give more.

This decoupling relies on our ability, across the Group, to make high-quality decisions. Our business decisions must be based on information that presents a more holistic picture of the commercial, environmental and social consequences. That’s why we’re working to align our sustainability and financial performance and reporting.

The experiences of a team are as influential on decisions as data. Therefore, for the sake of making more informed decisions, it’s important to have a diverse team. This is why, from the perspective of advancing our business,

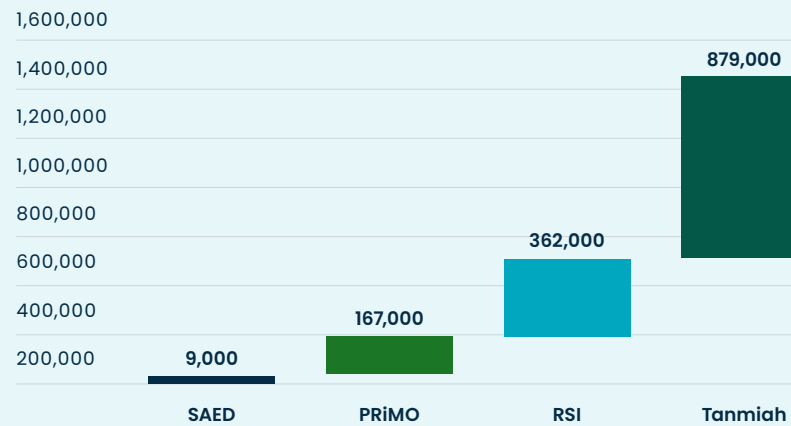
we are committed to diversity. However, it is not the whole reason. The principles of Omnipreneurship include the values of respect, integrity and teamwork. Living these principles to the full means embracing the diversity, inclusion and equity across the Group.



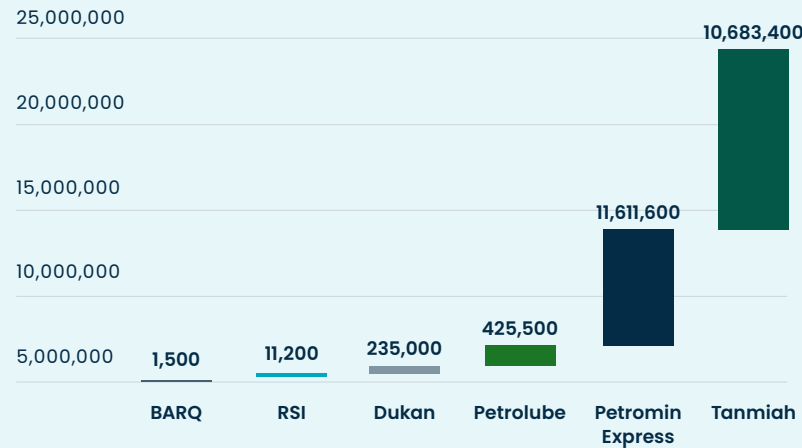
Resource efficiency driving financial savings

In 2022, we started to see an increase in the results delivered by a variety of initiatives.

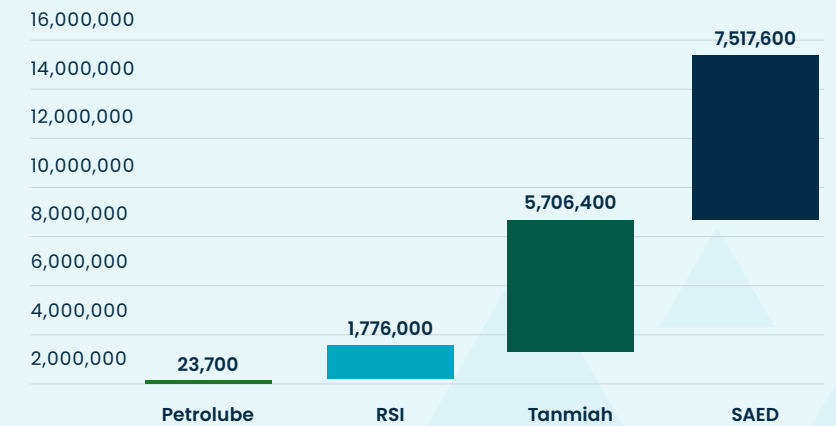
Energy savings (SAR) – 1,417,000



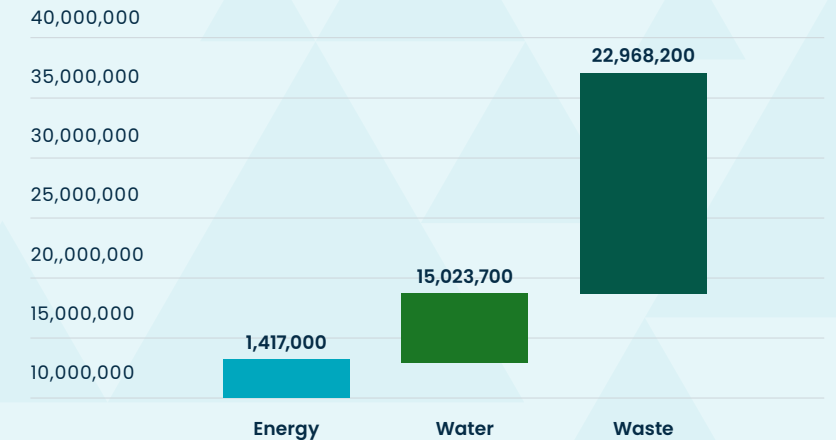
Waste savings (SAR) – 22,968,200



Water savings (SAR) – 15,023,700



Group-wide financial savings from targeted environmental actions (SAR) – 39,408,900





BARQ Systems: empowering through education

BARQ Systems embraces the omniprenuerial principle of giving through one of the greatest and most empowering gifts anyone can give: education.

Building opportunities

Science and advanced technologies have a crucial role in the development of our societies, particularly in the regions our Group operates in. However, such advances can only be made if there is a pipeline of talent: young people who are educated and inspired to become the next generation of tech entrepreneurs. BARQ Systems decided the best way to guarantee that pipeline, was to create it. And in doing so, playing their part in tackling youth unemployment, which was 17% in Egypt in 2021. This is due, in part, to a gap between the skills that employers are looking for and the skills young graduates have, which is something BARQ Academy addresses head-on.

The BARQ Academy

Launched in 2017, the BARQ Academy put our Group 'giving' principle into practice. The academy is aimed at young people from all backgrounds, with a particular focus on empowering women in tech. The curriculum and training programs cover every aspect of IT to ensure graduates are ready to enter the profession with the skills they need to launch their careers.

Currently the academy runs in Egypt, however plans are underway to launch in Saudi Arabia in 2023.

Giving gives back

Omnipreneurship is built on the principles of giving, earning and sustaining and the belief that each principle reinforces the other. The BARQ Academy is a terrific example of this in action. Not only does it deliver against the fourth Sustainable Development Goal of quality education but it also brings talent into the business. As an employer who values talent development and embraces diversity and inclusion, BARQ is attracting and retaining recruits of the highest calibre. In turn, the BARQ team goes from strength to strength and customer satisfaction levels continue to climb.



See more:
www.aldabbagh.com/sustaining

Number of 2022:

Total graduates

280

Male

192 (69%)

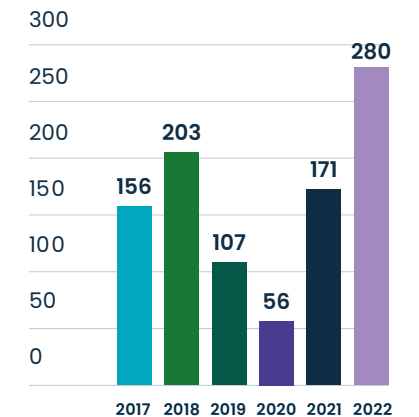
Female

88 (31%)

Hiring rate of
all 2022 interns

76%

Number of graduates



“Omnipreneurship is built on the principles of giving, earning and sustaining and the belief that each principle reinforces the other.”



Group HR: a family of businesses, a family approach

Our strategic portfolio covers a wide spectrum of industries, but what unites them is the value placed on our people across the Group.

People are our greatest asset, and we strive to ensure that everyone feels included, valued and that they too are part of the family.

A place to belong

Recruiting the best talent means recruiting diverse talent. Retaining that talent means making everyone feel like they belong. Our Diversity and Inclusion Policy is our commitment to building a diverse workforce that reflects the diversity of our customer base and creating a fair and inclusive environment in which that team can thrive. This policy includes clear targets for all companies in the Group.

However, we know that championing diversity and inclusion takes work. We give our teams and managers training so they recognise their role in

embedding our D&I policy, and that they question and challenge unconscious bias, including their own. Our whistleblowing policy and processes ensure confidentiality.

A place to thrive

Part of feeling like you belong is feeling valued. At ADG, we offer our colleagues development opportunities to help them personally progress in their careers.

Alongside support to improve physical health, like subsidized gym membership and healthy living financial incentives, every member of our team receives a training plan, based on an assessment of that individual's learning needs. This tailored plan may include on-the-job training from a trained departmental leader, an external training consultant or government approved agency. This is administered by our portfolio company Human Capital departments, who are also responsible for training on our Code of Conduct, our Non-Discrimination and Anti-Corruption and Bribery Policies.

The goal is enhancing skills and knowledge and maximizing potential and performance. But there is a wider impact. We know that happy employees must feel they are contributing, but also continually learning. That's why they stay. That's why they become part of the family.

3,615

In 2022, the Group's strategic portfolio companies created 3,615 jobs globally



See more:
www.aldabbagh.com/sustaining



“We have a bold mission of building a gender-balanced workforce and are proudly making steady progress toward achieving it.”

Tariq Javed (CEO NCMC)

¹ The Arab Gulf States Institute in Washington, December 2022. [Source](#)

Petromin Express and Auto Care: at the wheel and under the hood

Petromin Express delivers fast, convenient basic vehicle services like oil changes for customers who need speedy service. It has 650+ stations across Saudi Arabia, serving 10,000+ customers a day.

Petromin Auto Care offers a wider range of automotive services to customers including electrical and mechanical repairs. Both are driving gender equality and providing opportunities for women in this predominantly male industry across their outlets, bringing new strength and diversity to their teams.

Driving diversity

Saudi Vision 2030 recognises and promotes Saudi Arabian women as a vital part of the Kingdom's strength, aiming to develop their talents and provide them with opportunities to build their futures. Conscious that even globally it is rare to find women in mechanical workshops and oil change outlets, the teams at Petromin Express and Petromin Auto Care knew a concerted effort would need to be made to break the stereotypes and bring women into their frontline workforces. At a time when female representation in the workforce is

growing rapidly (up to 33.6% in March 2022, from 17% in 2017¹), breaking stereotypes is particularly important in the male-dominated automotive services industry.

Growing equality, growing business

At Petromin Express, a carefully targeted recruitment drive began. Once the first hires had been made, classroom and on-the-job training followed before fulltime placements were made in two of our Jeddah outlets. Both outlets have seen a rise in glowing online reviews, national and international news coverage, and a significant increase in customer numbers, as more female vehicle owners enjoy the customer experience of interacting with female technicians. The work has earned media coverage across the Middle East, Pakistan, India and Indonesia. It's all reflective of Petromin Express' commitment to customer service, which has seen them win four gold awards at the Gulf CX Awards in 2022.

At Petromin Auto Care, so far four women are on track to become fully certified auto technicians and the recruitment drive continues. The ambition is to have the first female branch manager by 2024.

Across the two Jeddah Petromin Express outlets where women have joined the frontline team in 2022:

+25%
revenue increase

+10%
increase in customer satisfaction



See more:
[www.al-monitor.com/
originals/2022/06/saudi-women-
move-behind-wheel-under-hood](https://www.al-monitor.com/originals/2022/06/saudi-women-move-behind-wheel-under-hood)



Reducing our environmental impacts



Reducing our environmental impacts

“Our Group’s diversity makes this journey a challenging one, but also means it’s filled with opportunities to collaborate, share learning, experiment and operate at a scale beyond one that of a single business.”

Our companies operate in different industries and at different stages of maturity. Nevertheless, we have to keep a constant focus on reducing our environmental impacts.

Our Group’s diversity makes this journey a challenging one, but also means it’s filled with opportunities to collaborate, share learning, experiment and operate at a scale beyond one that of a single business. As the Group holding company, it is our responsibility to turn this diversity into a strength and to capture the opportunities it presents.

We have already made great headway on regionally-critical issues like water, with for example Petromin Express’ eco-steam car wash, which uses 90% less water than traditional approaches.

Such innovations go hand in hand with simpler changes to policy and supplier contractual relationships. As discussed in previous chapters, Tanmiah, which accounts for the bulk of the Group’s environmental footprint continues to explore innovative circular approaches to environmental impact reduction. The following examples illustrate how other companies in the Group are also taking action on issues material to their businesses.



See more:
www.aldabbagh.com/sustaining



“The company prides itself on meeting its OTIF delivery targets – that’s ‘On Time and In Full’.”

Petrolube: Efficiencies that are better by miles

Petrolube has strived in a journey to find efficiencies that would reduce their carbon footprint while maintaining the high levels of service they are known for.

More satisfaction, fewer emissions

As a leading lubricant manufacturer in the Kingdom of Saudi Arabia with over 55 years of experience, Petrolube has a very large customer base to satisfy. The company prides itself on meeting its OTIF delivery targets – that’s ‘On Time and In Full’. However, the challenge was to continue to do so while also driving logistical efficiencies.

The results?

The company performed an extensive analysis of their operation to identify where efficiencies could be made without compromising on service excellence. And the results speak for themselves.

Overall trip efficiency improved by 23%*

Reduction of 4.2million kilometres*

CO₂ emissions reduced by 3675 tons – a 37% reduction compared to the 2018 base line emissions

Emission reduction equivalent to 790 cars running on full year basis*

OTIF (On Time In Full) performance average: 99%*

*Figures measured since beginning 2019

Fleet emissions reduction since 2018

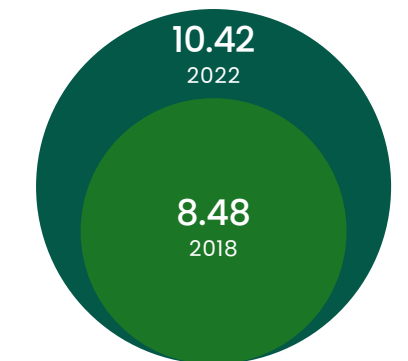
-25%

Reduction in carbon intensity of every kilometre travelled



+23%

Increase in tons of product carried per trip





“At Petromin Fuels we are reducing fuel vapor losses across the value chain from terminal to car tank and will keep striving to find solutions to our carbon emissions.”

Petromin Fuels: A seemingly small problem delivers big results

Petromin Fuels operated 228 fuel stations in Saudi Arabia and Egypt at the end of 2022.

While other parts of the Petromin Corporation are working on accelerating the transition to electric and hydrogen-powered transportation, Petromin Fuels is working on reducing the carbon impact of meeting the existing demand for fueling.

Fuel vapour loss is a real problem

Fuel evaporates when it is transported from the fuel terminals to gas stations' under ground storage and eventually through a nozzle to a car tank. In a Middle Eastern climate, this evaporation is increased. In the Kingdom's fueling industry, this fuel vapour loss is typically 0.4-0.6% of all fuel volume sold.

That doesn't sound like much, but with a regional retail industry size of 43 billion liters, it matters, both financially and environmentally.

Percentage returns that deliver results

Since 2020, Petromin Fuels has worked on reducing vapor loss at key stages of the fuel transport cycle. With best operational practices in place, they have reduced vapor loss by 45%, saving SAR 1.7m and avoiding 1.8 tons of CO₂e emissions.

Fuel vapor reduction

-45%

reduction in fuel vapor loss since 2020



1.8 tons

of CO₂e saved in 2022

SAR 1.7m

of cost savings in 2022



Red Sea International: wastewater that isn't wasted

For more than four decades, Red Sea International (RSI) has met the needs of its customers by providing high-quality, quick, reliable, innovative, and durable industrial housing products as well as unparalleled customer service.

In 2022 it set its sights on Sustainable Development Goal 6 – Clean Water and Sanitation, aiming to make a difference at the residential camps it builds and maintains.

“Thanks to our landscaping and urban tree planting we are off-setting 78% of our carbon emissions.”

Lucious landscapes, lower costs

Water that has already been used is classed as ‘wastewater’. But with a global water shortage looming, ‘wasting’ is not an option. With the right treatment, wastewater can be put to good use, which is why RSI is deploying the latest technologies to reduce and reuse water.

RSI-treated water is being reused for landscaping inside camp boundaries, nourishing trees planted as part of offsetting the CO₂ emissions of the camp. Furthermore, because the process of treating wastewater filters and removes contaminants that can cause illness, it prevents disease-causing bacteria from getting into other water sources and the ground, where they can harm plants and animals.

Money (not) down the drain

RSI-installed wastewater plants have treated 148 megaliters of wastewater in 2022 – around 50% of all the wastewater from the camps. To further reduce waste, RSI has also paid close attention to pipe maintenance, resulting in a year without any line losses or major leaks.



See more:
www.aldabbagh.com/sustaining



In 2022:

50%

of wastewater treated and re-used

100%

of treated water used for landscaping

SAR 1.8m

approximate savings in watering costs



Our contribution to the UN Sustainable Development Goals



Our contribution to the UN Sustainable Development Goals

“It’s through partnerships that we will fulfil our Group mission and scale our contribution to the SDGs.”

The framework the Sustainable Development Goals (SDGs) create and give important focus, especially for a Group of our size that operates internationally. While we do not and cannot contribute to all 17 goals, we are focused on the ones we do contribute to. As a responsible citizen, it’s important we’re clear about how much of a contribution we make.

2030 is not just the deadline for the SDGs, it’s also the end point of Saudi Vision 2030, which will fundamentally transform our home country, and these changes will ripple out across the world, not least through businesses like ours.

Partnership is fundamental to the SDGs, from both their creation and in their delivery. Partnership is also fundamental to our business. It’s through partnerships like Tanmiah’s with Tyson Foods that we’re growing that business, and Hydromin’s partnerships

with Ohmium and Quantron that we’re building the green hydrogen heavy transportation infrastructure for the future. It’s through partnerships that we will fulfil our Group mission and scale our contribution to the SDGs.



See more:
www.aldabbagh.com/sustaining



How our strategic portfolio is contributing to the SDGs

The UN Sustainable Development Goals underpin our Group-wide sustainability approach. As a responsible global citizen, it's important we're clear about the contribution we're making to them.

Trends

- ↑ Strong contribution
- ↗ Moderately improving
- ↔ No change
- ↓ Decreasing





How our strategic portfolio is contributing to the SDGs 2/3





Trends

↑ Strong contribution

↗ Moderately improving

↔ No change

↓ Decreasing

SDG Indicator	Explanation
	<p>↗</p> <p>We created <u>OmniU</u>, an internal education platform in partnership with our portfolio company, <u>OneValley</u> and made available to employees across the portfolio. It contains courses from Coursera and the Disney Institute, that include vocational skills and education for sustainable development.</p>
	<p>↗</p> <p>The Group operates in a wide range of sectors. In some, female participation is more commonplace, like education and IT services. In others, like building construction and lubricant manufacturing, female participation is harder to attain. <u>Petromin Express</u> is a good example of how driving forward on gender equality delivers clear business benefits. We have set targets this year, across the Group, and we're making progress. While some business, like FPS and RSI, have circa 50% of women in leadership positions, more progress is needed across the Group.</p>
	<p>↓</p> <p>While progress has been made on water, including reducing the Group's water impact, overall it has increased. This is because Tanmiah, which accounts for 85% of total Group water use, has seen its business grow rapidly, and with that comes an increase in water use. However, Tanmiah is working to increase the total volume of water that is treated, reused and recycled to offset their growth.</p> <p>For companies where water is a material issue, we take steps to use this precious resource more efficiently. <u>RSI</u> have saved approximately SAR 1.8m through their treatment and use of 148 megaliters of waste water. <u>Petromin Express'</u> eco-car washes are a standard across the business. By running on steam, they are approximately 90% more water efficient than traditional washes.</p>
	<p>↔</p> <p>The potential for renewable across the Group is substantial. While we are at the very beginnings of our renewables journey, the investments we're making in <u>Hydromin's</u> green hydrogen infrastructure (creating hydrogen locally, with 100% renewable energy), should accelerate our progress here.</p>



How our strategic portfolio is contributing to the SDGs

3/3

Trends

↑ Strong contribution

↗ Moderately improving

↔ No change

↓ Decreasing

SDG Indicator		Explanation
	↑	<p>In 2022, the holding company has rolled out training via <u>OmniU</u> across the board, alongside diversity and inclusion targets. <u>The BARQ Academy</u> has increased its impact, providing training for over 900 graduates since 2017.</p> <p>Through the Omnipreneurship awards, <u>Tanmiah</u> and <u>Petrolube</u> have found and are investing in innovative solutions to improve resource efficiency and shift to more circular business models. Petromin Corporation is developing more sustainable economic growth through its investments in <u>Electromin</u> and <u>Hydromin</u>, which will play important roles in transforming the transportation infrastructure across Saudi Arabia and beyond.</p>
	↑	<p>Our businesses are playing their part in wider industry and infrastructure change, across multiple markets. <u>FPS</u> is partnering with customers to support industry-wide change. Petromin Corporation continues to drive the transport sector forward, with <u>Electromin</u> and <u>Hydromin</u>. Two businesses that are building the EV and hydrogen fuelling infrastructure across the Kingdom and beyond.</p>
	↗	<p>Across the Group, our businesses are investing in operating more responsibly. <u>Tanmiah</u> is turning waste into value, <u>Petrolube</u> continues to reduce its impact through logistics efficiencies, and <u>Petromin Corporation</u> is improving operational sustainability.</p>
	↔	<p>The Group's businesses that are more advanced on sustainability are showing steady reductions in scope 1 and 2 emissions, while other companies are at the start of their carbon journeys.</p>
	↗	<p>Tanmiah is making progress towards their goal of planting 1 million trees, which will help combat desertification and improve the land and local environments. In 2022, they planted 100,000 trees, bringing the total trees planted to 300,000.</p>

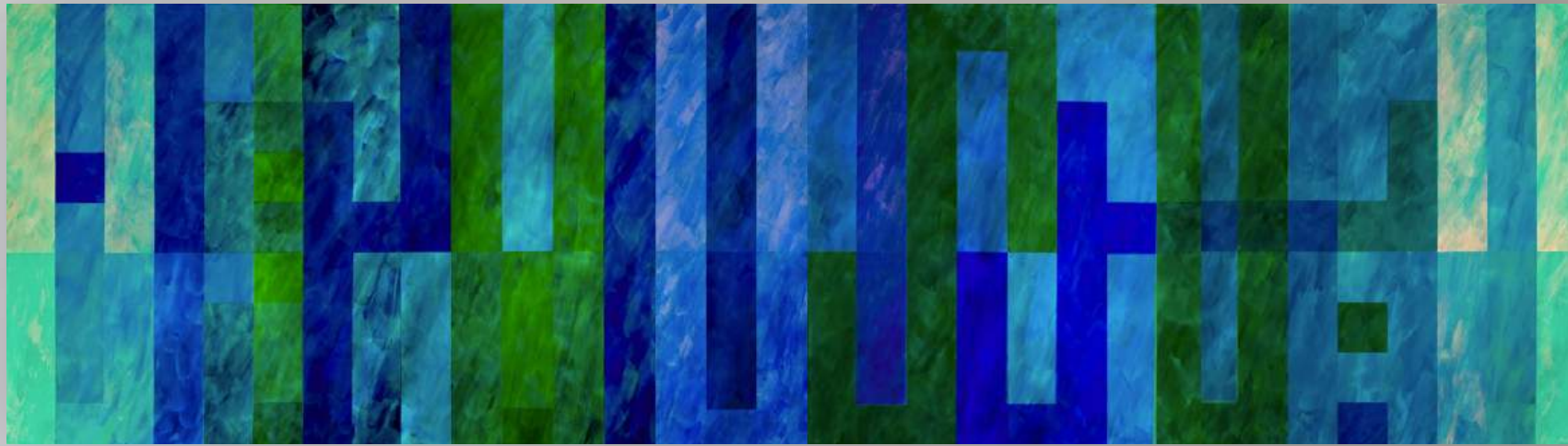


Looking forward

2022 has been a good year for sustainability at Al-Dabbagh Group, and its companies. Progress has continued to be made, both in terms of improving the way our current businesses operate, and in innovating to create, launch and build new businesses whose business models have sustainability at their very core.

Looking forward to 2023, we expect to see more progress and growth, especially with the incredible advancements being made in Saudi Arabia. With 60 years of heritage in the Kingdom and region, we will continue to work hard to be a key part of this transformation for many years to come.

His Excellency, Amr Al-Dabbagh
Chairman & CEO of Al-Dabbagh Group



About this artwork

The use of calligraphy and geometric patterning is a particularly meaningful style for Boullata as it evokes his time at the Dome of the Rock as a child living in Jerusalem as well as his early training under the iconic painter Khalil Halabi.

Artwork title – La yura illa-lalwan

Artist – Kamal Boullata

Artwork commission date – 2009

Find out more

To learn more about our business and sustainability work, please visit aldabbagh.com

If you would like to find out more about our sustainability ambitions please get in touch: sustainability@dabbagh.com