

The background of the entire page is a photograph of a vast canyon with steep, layered rock walls. Numerous hot air balloons of various colors (red, blue, green, yellow, and striped) are floating in the sky above the canyon. The sky is a mix of light blue and soft white clouds, suggesting a clear day.

Al Dabbagh

# SUSAINABILITY REPORT 2021

## **Al-Dabbagh Group is a family conglomerate, established in 1962 with over 80 companies in 62 countries.**

We take a decentralised approach to sustainability to allow each portfolio company the freedom to focus on the issues that matter in their industry and locations. The whole group is guided by our sustainability goal to be Nature Positive by 2030 and underpinned by our philosophy of Omnipreneurship.

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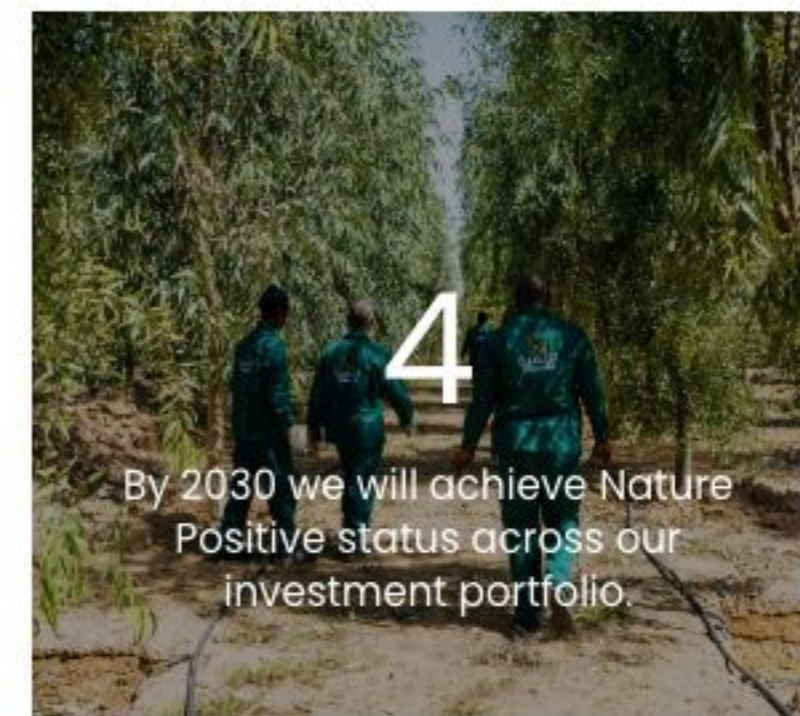
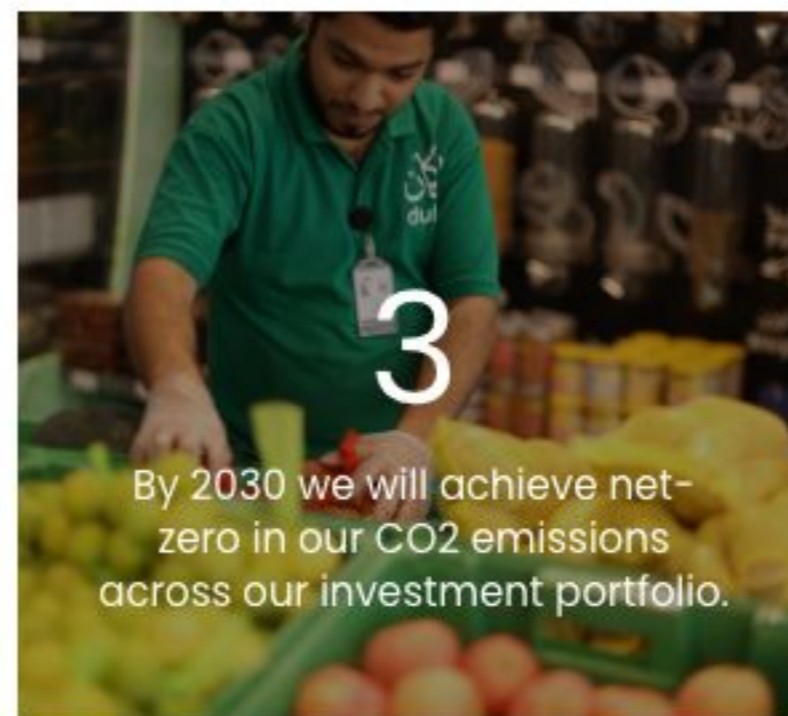
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# VISION & GOALS

**To be in the top-five family-owned businesses with a nature positive portfolio by 2030.**

## VISION & GOALS



### Translating high-level goals into action.

To achieve these goals, group wide, we focus on the three areas of impact; reducing our environmental impact, building a more inclusive business and transforming business models to be more sustainable.

The companies in Al-Dabbagh Group's portfolio are diverse, so we take a decentralised, rather than a directive approach, with regular reporting to make sure progress is being made. This decentralised approach is described below.

Please note, following internal reflection, the vision and goals were revised in 2022.

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## VISION & GOALS

**Omnipreneurship** is presented by Al-Dabbagh Group's current Chairman and CEO, His Excellency Amr Al-Dabbagh in the Simon & Schuster published book, "Omnipreneurship: An Organized Approach to Living a Life of Meaning".



"We will achieve our nature-positive vision through our philosophy of Ominpreneurship, with its principles of giving, earning and sustaining. People sometimes challenge us over what forms giving, earning, and sustaining should take, given we are a for-profit group. We grow and distribute food, operate discount stores, manufacture packaging, offer automotive services, and much more. Some might ask whether we can strike the right balance of giving, earning, and sustaining. Every company in the group's portfolio is focused on growing, while promoting a sustainable future and earning enough to invest in our philanthropic efforts. Each business is very conscious of the short- and long-term impacts of the choices they make. We constantly ask if our actions are making a better world. We humbly suggest that they are."

**HIS EXCELLENCY, AMR AL-DABBAGH**



"Our bold vision of making our investment portfolio nature-positive by 2030 reflects our commitment to sustainability and our desire to drive meaningful change in the region and the wider world."

**PATRICK MEYER**  
**CHIEF SUSTAINABILITY OFFICER**  
**AL-DABBAGH GROUP**

## OMNIPRENEURSHIP

**Omnipreneurship is an entrepreneurial approach for every aspect of life, and it guides our approach to sustainability across the group.**

In a world where the pace of change, and the degree of interdependence, have never been greater, we need to redirect our energies away from a narrowing definition of entrepreneurship that focuses on starting an innovative business to quickly harvest personal profit.

Omnipreneurship is about reclaiming the characteristics of entrepreneurship such as pluck, competitiveness, a willingness to take risks, imagination, hunger, creativity, and, most important, vision for the greater good. It is about releasing that spirit of entrepreneurship from its shackles and applying all those admirable characteristics in a much bigger way to everything we do.



A man with grey hair, wearing a dark blue suit, white shirt, and a patterned tie, is sitting on a light-colored stool. He is looking slightly to his right. The background is a plain, light-colored wall with a framed abstract painting featuring green and red shapes in the upper left corner.

# APPROACH

**With a clear focus, we're building the foundations to deliver our vision to be the top-five family-owned businesses with a nature positive portfolio by 2030.**

## OUR FRAMEWORK

From a sustainability perspective our mission is to be listed amongst the global top five wholly-owned family businesses in terms of our contribution to the UN Sustainable Development Goals (SDGs) and impactful giving.

With strategic direction at group-level our decentralised sustainability approach allows each of our portfolio companies to focus on the SDGs that make the most difference in their industry, and at their current stage of maturity.

This framework guides all the companies in Al-Dabbagh Group to establish their own materiality, set their own goals and deliver positive impact in the best way they can. The United Nations Sustainable Development Goals (SDGs) provide focus while Global Reporting Indicators (GRI) measure our progress on environmental, social, economic and governance. As signatories to the UN Global Compact (UNGC), we are committed to the ten principles of good corporate citizenship, set out here.



## OUR GOVERNANCE

### Accountability and oversight across a diverse portfolio

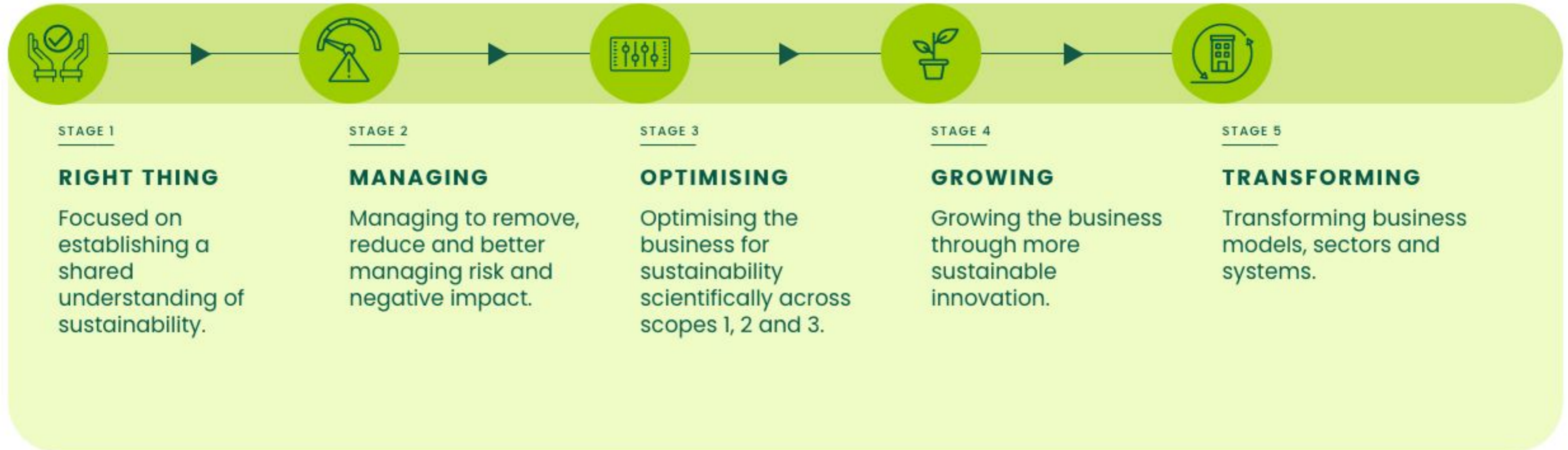
The Sustainability Council is formed by Sustainability Leads from Al-Dabbagh Group's six verticals. There is considerable diversity across industries and sustainability maturity so they meet quarterly to share learnings and insights, discuss challenges and pool resources to deliver bigger impact, faster.

Progress across the group's portfolio is measured through GRI indicators that each company reports on quarterly.



## OUR DECENTRALISED APPROACH

Our decentralised approach means our portfolio companies are all at different stages of maturity in their sustainability journey. We use the framework described above to reduce bureaucracy and enable each company to focus on their most material issues while the five stages of Al-Dabbagh Group sustainability journey help us monitor and support portfolio businesses as they progress towards maturity.



# REDUCING OUR IMPACT

**In 2021, our companies have made progress on reducing their environmental impact, as they work to achieve our ambition of nature positivity. The focus of their work varies with each business, because they operate in different sectors, but all are guided by the UN SDGs.**

# PETROLUBE: LOGISTICS EFFICIENCY

As one of the largest companies in Al-Dabbagh Group, Petrolube's progress on carbon reduction takes the whole Group closer to our net zero ambition.



## PETROLUBE: LOGISTICS EFFICIENCY



## Driving carbon out of the supply chain

Petrolube is the market leader in the Middle East for lubricant products. With its state of the art blending plant in Jeddah, backed up by Riyadh and Dubai Blending facilities, it provides world-class products to motorists, and to industrial and government institutions. Petrolube produces over 250 different lubricants products and exports products to over 35 countries in the GCC, Middle East, Africa, and Asia. Over the last 50 years Petrolube has become a market leader in the Middle East.

In 2018, as part of efforts in creating a green supply chain, Petrolube embarked on an initiative to improve the efficiency and reduce the carbon footprint of logistics. To achieve this they developed a trip management process that ensures optimal truck utilization through a system of careful planning and scheduling.

# 20%

improvement in trip  
load efficiency since  
2018

# 25%

less kilometers driven  
per trip since 2018

## PETROLUBE: LOGISTICS EFFICIENCY

### THE CHALLENGE

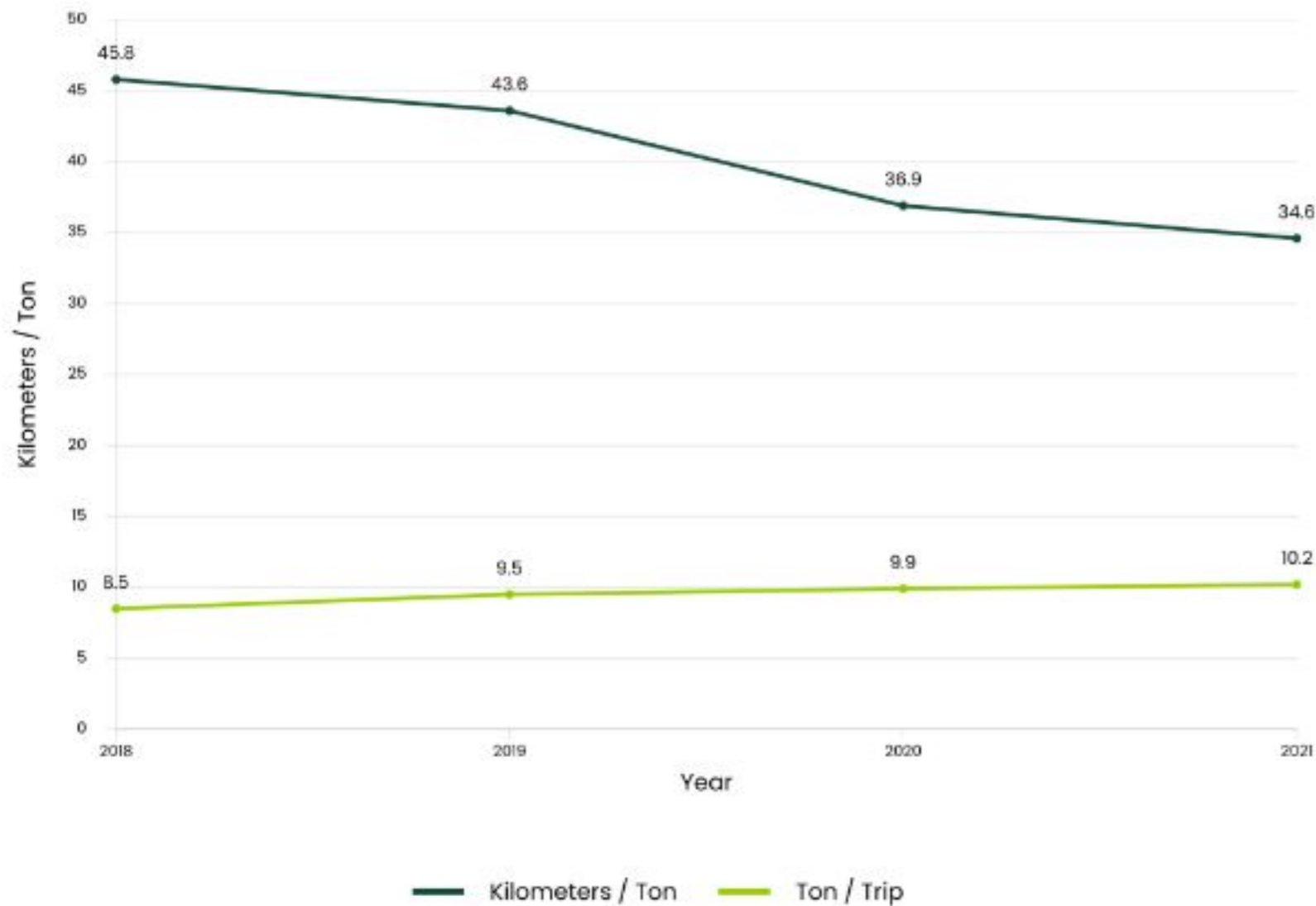
The global economy categorizes the different kinds of carbon emissions a company creates through its own operations and across wider value chain. It is widely agreed that looking at your own operations (scope 1 & 2 emissions) is not enough, and that the greatest of opportunities for decarbonisation exist by working in partnership across supply chains (scope 3 emissions).

Petrolube offers a range of 250 different lubricants products and exports these products to over 35 countries in the GCC, Middle East, Africa, and Asia. It is no surprise, therefore, that logistics is an area where both an inward review of Petrolube's owned fleet, and engaging with their partner carriers, could make a considerable impact on the overall emissions across the supply chain.



## PETROLUBE: LOGISTICS EFFICIENCY

### LOGISTICS EFFICIENCY 2018-2021



### THE RESPONSE AND RESULTS

Improving logistics efficiency has been achieved through optimal use of Petrolube's own fleet by introducing a Trip Management System (TMS), and secondly, through new ways of working with third party carriers.

Since introducing the TMS in 2018 there have been year on year improvements within Petrolube's logistics utilization. For every ton of product delivered overall efficiency of trips has improved by 20%, which equates to a 3% improvement since 2020.

By careful scheduling of the shortest and most effective delivery routes Petrolube has been able to reduce the distance of each trip by an average of 10.2 kilometers. Overall this is a 25% distance reduction since 2018 with the goal to hit 30% by 2025.

Petrolube has reduced their total trip lengths by 3.2 million kilometers and cut their CO<sub>2</sub> emissions by around 3100 tonnes. This is the equivalent to removing 585 family cars from the road.

Overall the carbon footprint for Petrolube has been reduced by 15% since 2018.

## PETROMIN EXPRESS: WATER EFFICIENCY

While some of our Group investments are driving a shift to electric from the internal combustion engine, there will always be a need to keep vehicles clean. Scaling ultra-efficient methods plays an important role in building a more sustainable business.

**PETROLUBE: LOGISTICS EFFICIENCY****Eco-steam wash rolled out**

Petromin Express operates over 650 world-class quick service centers, offering a wide range of vehicle care solutions under one roof. This includes all major oil, battery, and tire brands, as well as A/C and car wash services.

**235**

Petromin stations offer  
eco-steam wash

**90%**

reduction in water  
consumption vs  
conventional wash

## PETROLUBE: LOGISTICS EFFICIENCY

### THE CHALLENGE

Saudi Arabia has been classified as one of the most water-scarce countries on earth. It's estimated there are 9 million passenger vehicles and about 1 million commercial vehicles in Saudi Arabia.

Local weather conditions mean cars are washed regularly, with traditional car wash methods consume a large volume of water, typically 100 – 120 liters. Given the number of vehicles, the potential for water savings is huge.



## PETROLUBE: LOGISTICS EFFICIENCY

### THE RESPONSE AND RESULTS

To tackle wasted water produced by traditional car-washing and to eliminate the use of harsh chemicals, Petromin rolled out its eco-steam car wash system after a very effective pilot in 2020. Not only is the steam wash very effective in cleaning it also only uses around 4-5 liters of water, saving a staggering 100 liters per wash versus a conventional car wash.

The water consumption of traditional pressure washer systems is about 1,500 – 2,000 l/h, while the water consumption of our steam generators is about 12 l/h.

Aside from its sustainable nature, the eco-steam car wash has economical value; the ability to wash more cars in less time, 90% less use of detergents, 30% less manpower, and 90% reduction in water usage.

As of 2021, the eco-steam car wash system has been installed in 235 stations.

On average, 175 eco washes are performed on a daily basis, delivering 13 million liters of water savings annually, the equivalent of 14,000 people's annual drinking water.



A woman with dark hair tied back, wearing a red long-sleeved shirt, safety glasses, and black gloves, is smiling as she sorts through clear plastic bottles inside a large white sack. The setting is a warehouse with blue metal shelving units in the background, some of which are filled with various items. The lighting is bright, and the overall atmosphere is one of active participation in a recycling or waste management project.

## **RED SEA: WASTE MANAGMENT**

**Creating a strong culture of waste management moves Al-Dabbagh Group closer to its nature positive ambition and creates opportunities for intra-Group collaboration and best-practice sharing.**

## RED SEA: WASTE MANAGMENT



**RED SEA**  
International



## Preventing food waste

Red Sea International is a listed construction business, focusing on modular buildings for various real estate and industrial sectors, affordable housing and supplying building material solutions. Operating in Middle East, Africa and Asia, Red Sea International employs 2,000 people.

Their hospitality and catering division provide modular kitchens and food service facilities that offer a faster, more cost-effective solution than traditional permanent construction methods.

Red Sea promotes health and well-being at client sites through providing fresh food, cooked daily, on-site. Their experienced staff provide a balanced menu and health eating options.

As part of a wider recycling initiative, Red Sea has been looking at how their hospitality and catering division can tackle food waste.

**65%**

of solid waste is  
recycled

**90%**

of cooking oil is  
recycled

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## RED SEA: WASTE MANAGMENT

### THE CHALLENGE

Food waste is one of the largest issues threatening food security worldwide. Saudi Arabia is no exception. Arable lands are limited and water resources are scarce, impacting the ability to feed an ever increasing population. This means Saudi Arabia relies heavily on imported food.

However, across Saudi Arabia it's estimated that 427kg of food is wasted per capita each year.

With Red Sea looking to reduce overall waste, these statistics showed an important area where their hospitality and catering division could make a real difference.



## RED SEA: WASTE MANAGEMENT

### THE RESPONSE AND RESULTS

Red Sea has trained their business colleagues in facility management, providing courses in why waste separation matters and how to do it. They have provided the equipment so colleagues can start to implement their training. They have invested in building the right infrastructure to enable recycling on the required scale.

Following the training there has been a significant improvement. They have recycled 3338 litres of used cooking oil, 90% of all their cooking oil. And, at one site alone, they have recycled 259 metric tons of food waste.

In 2021-22, Red Sea recycled 65% of the total solid waste generated at sites, totalling 3218 tons. They have recycled 90% of their used engine oil, around 41,400 litres, in partnership with United Lube Oil Company.



## RED SEA: WATER EFFICIENCY

**With operations concentrated in the Middle East region, developing expertise in water conservation is essential for both our long-term sustainability goals and our short-term business growth ambitions too.**

## RED SEA: WATER EFFICIENCY



**RED SEA**  
International



## Conserving water in the desert

Red Sea International is construction business, focusing on modular buildings for various real estate and industrial sectors, affordable housing and supplying building material solutions. Operating in Middle East, Africa and Asia, Red Sea International employs 2,000 people.

In 2021-22, Red Sea International has treated and reused 206 megaliters of water, representing 55% of business' total waste water output. This has delivered a saving of nearly \$700,000.

Alongside this, the management of water use has also increased. In 2021 there were zero line losses or major leaks in water infrastructure. A 2.5% improvement on the previous year.

206

megaliters of water  
treated and reused in  
last year

66%

of operating sites are  
in remote desert  
locations

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## RED SEA: WATER EFFICIENCY

### THE CHALLENGE

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## RED SEA: WATER EFFICIENCY

### THE RESPONSE AND RESULTS

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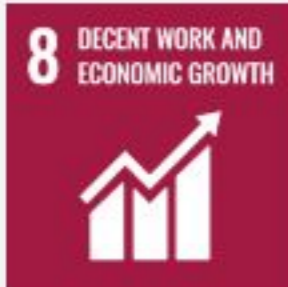
# BUILDING INCLUSIVITY

**Building a more inclusive business is an essential part of practising our Omnipreneurial philosophy. Our businesses take different approaches and are making progress in their own ways, as shown in this section.**

# PETROMIN: LOCAL EMPLOYMENT

Saudization is an important part of building a more inclusive business, which helps take Al-Dabbagh Group closer to its 2025 target of being one of the top five wholly-owned family businesses contributing to the UN SDGs.

## PETROMIN: LOCAL EMPLOYMENT



### Saudi Arabians on the forecourt at Petromin

Within Saudi Arabia, Petromin has created a network of state-of-the-art gas stations. The Petromin family of businesses offer fuel refilling, car servicing, and tire checks as well as coffee shops and daily groceries from Primo.

Petromin operates 37 fuel stations in Saudi Arabia and 141 in Egypt. Petromin Gas Stations implemented a policy of Saudization by employing Saudi Arabian nationals as forecourt pump attendants in November 2020.

# 37

Petromin fuel stations across Saudi Arabia

# 1

The only fuel station network committed to employing Saudi Arabian nationals on all forecourts

## PETROMIN: LOCAL EMPLOYMENT

### THE CHALLENGE

Recent reforms aligned with Saudi Vision 2030 are pushing for a shift towards Saudi Arabian nationals being employed in the private sector. Fuel stations like Petromin's have traditionally been dominated by expatriate workers from India, Pakistan, the Philippines and Nepal.

Around 60% of the total population of some 35 million is made up of Saudi Arabian nationals. The challenge has been to get them into employment. This is particularly true for physically demanding jobs working in outside environments, like gas station forecourts.



## PETROMIN: LOCAL EMPLOYMENT

### THE RESPONSE AND RESULTS

Petromin stations were no different but in 2021 a concerted effort in recruitment ensured that 34 Saudi Arabian Nationals were employed on the forecourts across Saudi Arabia. This recruitment drive means Saudi Arabian nationals now make up 10% of the total workforce at Petromin fuel stations and is set to continue over time.

This initial effort means Petromin has achieved NITAQAT green status which indicates a decent rate of Saudization within the employment population.

The target to have a Saudi Arabian national represented at each and every Petromin gas station in Saudi Arabia in early 2022.

Anecdotal feedback from customers is encouraging – they are happy and surprised to see Saudi Arabian nationals serving them on the forecourt, and their presence has led to increased customer interactions.



# BARQ ACADEMY: YOUTH EDUCATION

**Developing today's youth, is critical for our ability to achieve our long-term goals. We know that diversity of thought will give us the innovative solutions needed to achieve net zero and nature positive, Group-wide.**

## BARQ ACADEMY: YOUTH EDUCATION



## Work experience in tech

BARQ Systems is a leading regional IT services provider that serves business and government clients across Europe, Middle East and Africa (EMEA). They implement and maintain proven and scalable data and telecommunication infrastructure solutions and have offices in major cities in Egypt, Saudi Arabia and UAE. BARQ Systems is an operating unit of Al-Dabbagh Group and forms the group's Communication and Information Technology (CIT) Portfolio.

The BARQ Academy offers live training and work experience for high-performing students. At BARQ Systems Headquarters in Cairo selected candidates work on with real customer scenarios for valuable on the job experience.

# 693

graduates since  
launch in 2017

# 33%

of graduate population are female

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## BARQ ACADEMY: YOUTH EDUCATION

### THE CHALLENGE

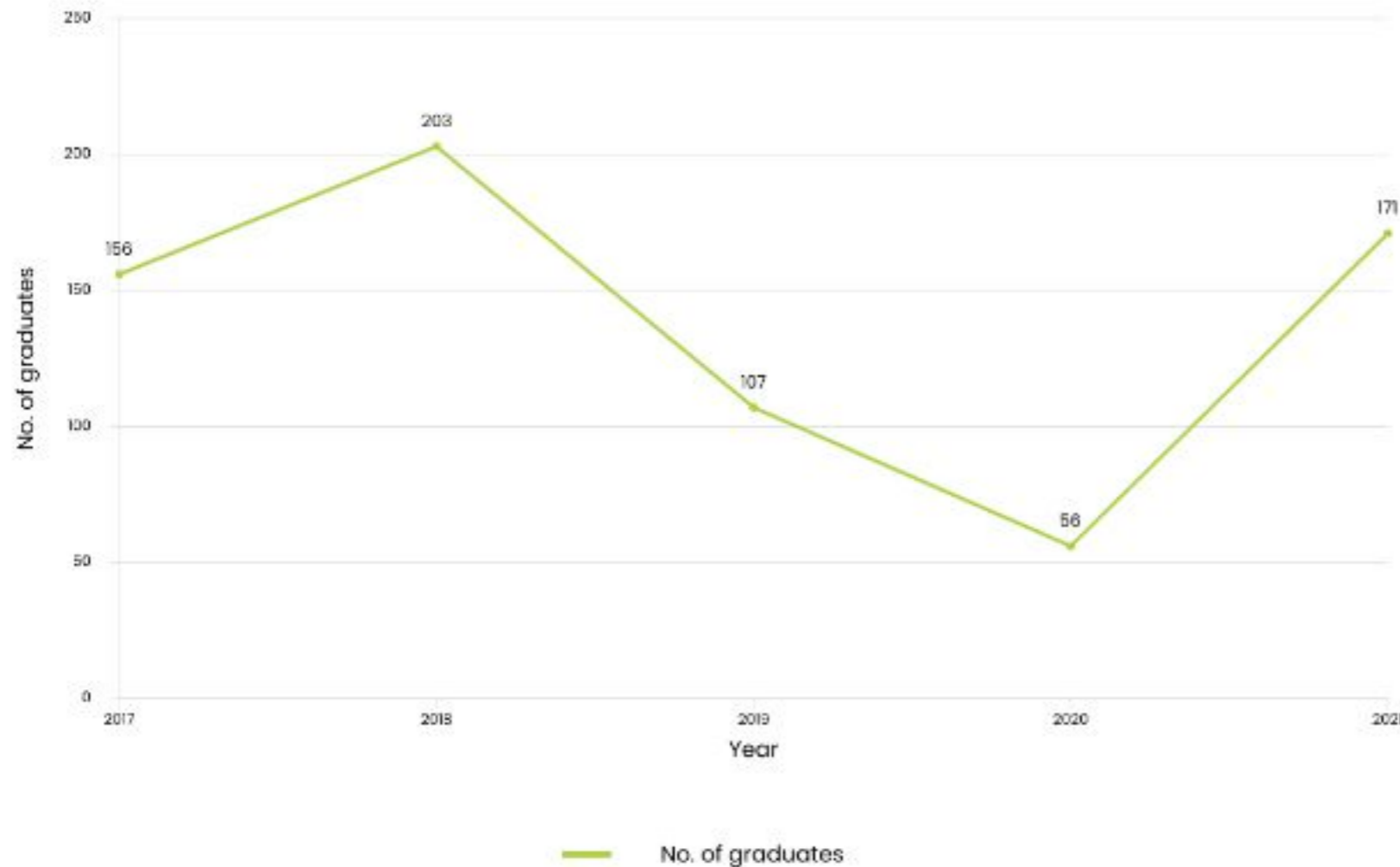
In 2017, youth unemployment in Egypt was 30%, three times higher than the overall national average unemployment rate. BARQ Academy was set up in 2017 after discussions with Egyptian universities about ways to increase the pipeline of high calibre candidates because there is a general lack of skills and experience in the IT market.

The universities cited securing relevant work experience as the key struggle for senior students and new graduates in IT.



## BARQ ACADEMY: YOUTH EDUCATION

### ACADEMY GRADUATES 2017-2021



### THE RESPONSE AND RESULTS

In response, and aligned with Al-Dabbagh Group's Giving principle, BARQ Academy was launched with a free one-week programme offering both online and offline training. The Academy provides a pipeline of talented technical leaders both for BARQ systems and for the wider technical community in EMEA.

The live training and work experience for high-performing students takes place at BARQ Systems Headquarters in Cairo. The students work on real customer scenarios on technical, networking, security, routing and switching skills in addition to machine learning, cloud computing and AI tracks. This offers the students valuable on the job experience.

BARQ Academy has educated 693 graduates, around one third of these graduates are female. 24 graduates have found direct employment with BARQ systems. From the 2021 graduate population four secured employment within BARQ systems including one female graduate.

The pandemic had a considerable impact in 2020, and so, 2021 heralded many changes in the programme structure such as offering the course year-round instead of during the summer period. Increased promotion efforts included social media campaigns, partnerships with universities and talks helped in increase the graduate number by over 60%, from just 56 in 2020 to 171 in 2021.

## IPD: YOUTH EMPLOYMENT

**Investing in youth education, especially young females, not only contributes to Group-wide goals but is also a manifestation of Al-Dabbagh Group's decades-long committed to creating multi-generational wealth.**

## IPD: YOUTH EMPLOYMENT



## Helping graduates find work

IPD (International Project Developers Group) was founded in 1999. Its subsidiary companies are committed to provide world-class quality products and services to the construction, infrastructure, and project development sectors, primarily catering to a diversified set of segments such as power, oil & gas, education, analytical R&D and hospitality in the region.

IPD teamed up with Saudi Logistics Academy to upskill young graduates. This provided a great opportunity to focus on gender equality in recruitment.

# 30%

increase in female colleagues

# 31%

of new colleagues in 2021 from graduate training scheme

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## IPD: YOUTH EMPLOYMENT

### THE CHALLENGE

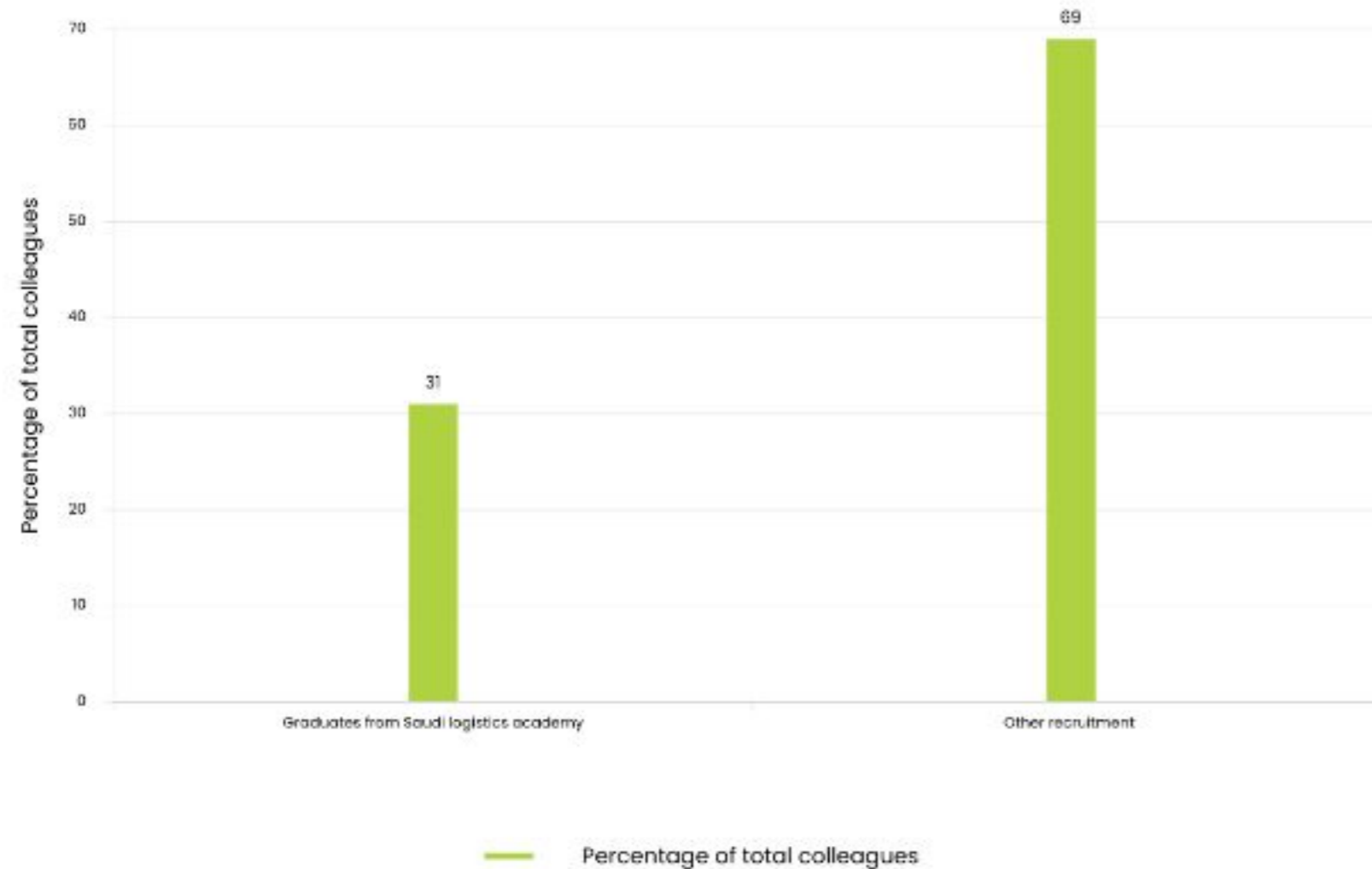
Youth unemployment is 30%, four times that of adult unemployment in Saudi Arabia. This is due, in part, to a gap between the skills that employers are looking for and the skills young graduates have.

The industries that IPD operates in are mainly traditional manual labour roles. These industries have low rates of female representation.

IPD wanted to help bridge the skills gap between employers and graduates, and increase female representation within their businesses.



## IPD: YOUTH EMPLOYMENT



### THE RESPONSE AND RESULTS

IPD worked with Saudi Logistics Academy, in partnership with the Human Resource Development Fund (HRDF), to upskill young graduates.

In 2021, IPD recruited all of the 15 graduates who took part in the program. This represented 31% of their total annual recruitment.

Over the year female representation has been increased by 30%. Big strides have also been made to increase representation in management roles and at group level. At the end of 2021, 39% of Al-Dabbagh Group's employees were female.

IPD is at the start of their sustainability journey and looks forward to making a much bigger impact over time.

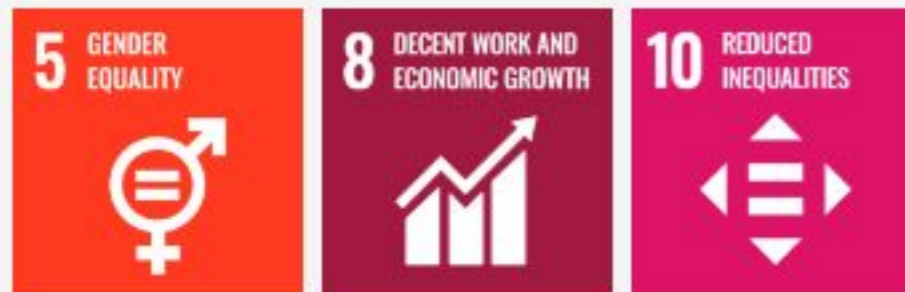
## **RED SEA: INCLUSIVE EMPLOYMENT**

**Building a more inclusive business helps take Al-Dabbagh Group closer to its 2025 target of being one of the top five wholly-owned family businesses contributing to the UN SDGs.**

## RED SEA: INCLUSIVE EMPLOYMENT



**RED SEA**  
International



## Inclusive Recruitment

Red Sea International is construction business, focusing on modular buildings for various real estate and industrial sectors, affordable housing and supplying building material solutions. Operating in Middle East, Africa and Asia, Red Sea International employs 2,000 people.

Red Sea is committed to developing a workforce with diverse skills and experiences. All our colleagues are committed to making sure that the actions and behaviours within the business demonstrate respect.

**60%**

of colleagues are  
Saudi Arabian  
nationals

**58%**

increase in percentage of female  
colleagues since 2017

## RED SEA: INCLUSIVE EMPLOYMENT

### THE CHALLENGE

For decades the public sector has been the primary employer of Saudi Arabian citizens. Recent reforms see a shift towards more Saudi Arabian nationals working in the private sector. Around 60% of the total population is made up of Saudi Arabian nationals, yet previously the private sector was dominated by expatriate workers.

While new rules around employment quotas have created competition for well-qualified Saudi Arabian men, they have also opened up the job market for women. This is particularly true since legal changes in 2019 made discrimination based on gender illegal.

In 2021, Reuters reported that women now made up 1/3 of Saudi Arabia's labour force – nearly double what it was in 2016. Across age brackets and education levels, Saudi Arabian women are taking up jobs previously restricted to men.



## RED SEA: INCLUSIVE EMPLOYMENT

### THE RESPONSE AND RESULTS

Red Sea has developed a recruitment policy to reach a target of 30–45% Saudi Arabian nationals and 3% women.

Red Sea has made great strides by running job fairs to encourage more female, and Saudi Arabian nationals, to apply for roles.

In 2017, 19.8% of Red Sea colleagues were Saudi Arabian nationals. As of 2021, that figure has risen to 60%, well above our target.

Red Sea now has 2.7% female colleagues, nearly double the 1.7% from 2017, and are continuing to improve to meet targets.



# TRANSFORMING BUSINESS MODELS

To become more sustainable, our businesses need to change and transform. Not just incrementally by reducing their impacts, but fundamentally by reinventing their business models. This sections shows some of the ways our portfolio companies are doing this.

# OMNIPRENEURSHIP AWARDS: INNOVATION

Achieving our ambitions to be net zero and nature positive by 2030 need Group-wide innovation, internally and externally. The Omnipreneurship Awards are the driving force of this innovation.

## OMNIPRENEURSHIP AWARDS: INNOVATION



### Encouraging innovative ideas

Founded in 2020, the Omnipreneurship Awards communicate what Omnipreneurship means to the world. The Awards offer the winning company \$1 million for sustainable solutions to the challenges facing the group's key sectors.

The Omnipreneurship Awards has two sides. Internally, for our colleagues to enter, and externally, for anyone in the world to enter.

The internal awards are run via a collaborative innovation platform open to all business units and colleagues. The outreach into the businesses is supported by Omnipreneurship trainers, ambassadors and council members.

# 26

Proposals submitted  
to the 2021 Challenge

# 14

Countries submitted ideas to the  
2021 Challenge

## OMNIPRENEURSHIP AWARDS: INNOVATION

### THE CHALLENGE

The Omnipreneurship Awards were created to incentivise innovations that will drive sustainability. Each year the award focuses on a different challenge in one of the groups key sectors.

The first year challenge, in 2020, was led by Tanmiah. The challenge was to find a sustainable solution to converting poultry waste to value. The traditional disposal practice is via landfill. This leads to greenhouse gas emissions, social and water pollution and pathogen-related health risks. It also accounts for 10% of the carbon footprint of chicken production. Poultry litter is a substance rich in nitrogen and phosphorous nutrients and while the team knew there was huge potential in this waste stream, the technology wasn't available to capture it at scale. Due to COVID there was a delay in announcing the winner, which happened in 2021.

The second year challenge, in 2021, was led by Petrolube. The winners will be announced in 2022. The challenge focuses on finding innovative solutions to refine used vegetable cooking oils into bio-base oils that can be used in lubricants. Currently, some 540,000 metric tons of cooking oil are used in Saudi Arabia every year. Finding ways to prevent this going to waste will help prevent pollution and provide a more sustainable input for Petrolube's products.



## OMNIPRENEURSHIP AWARDS: INNOVATION

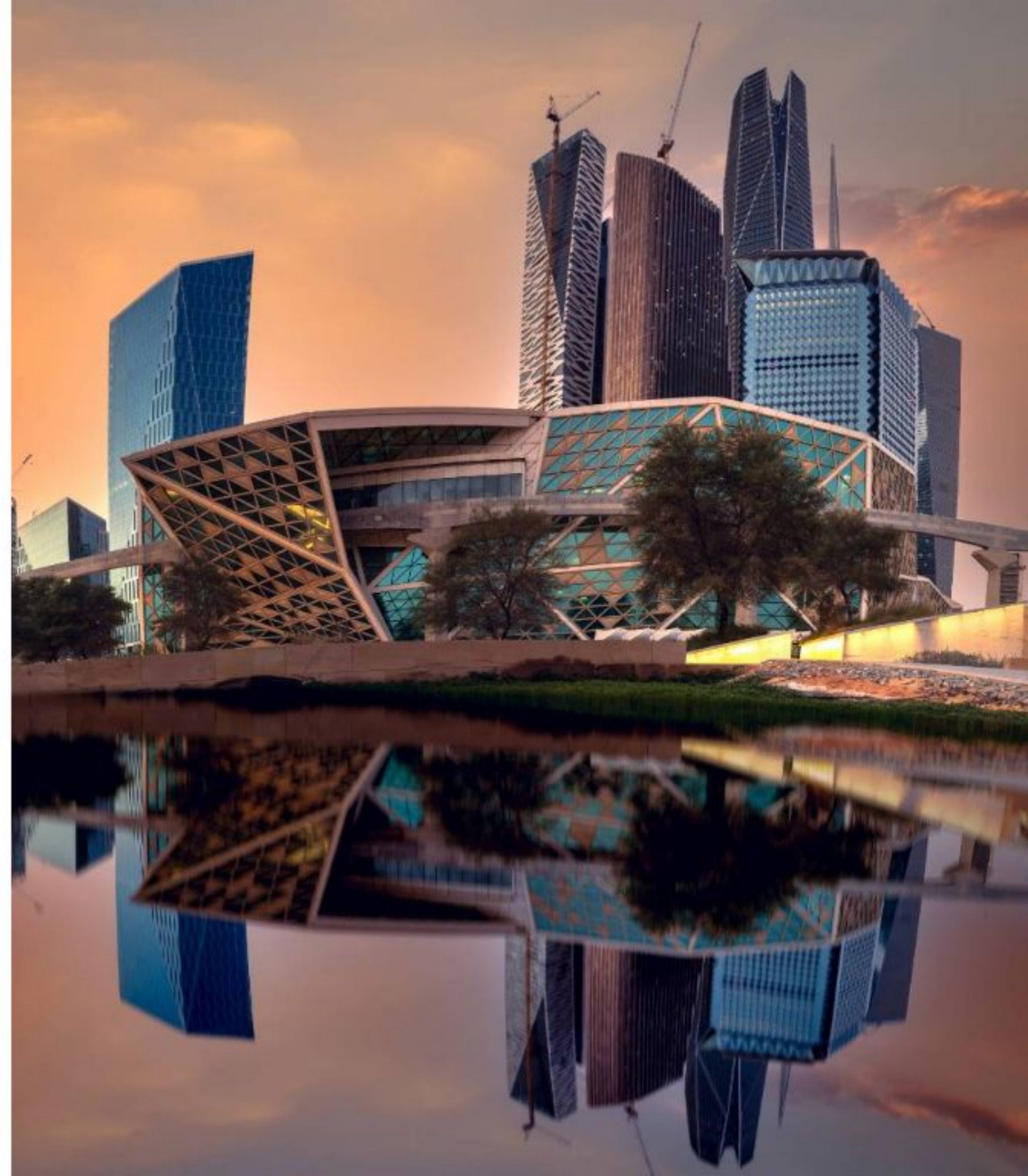
### THE RESPONSE AND RESULTS

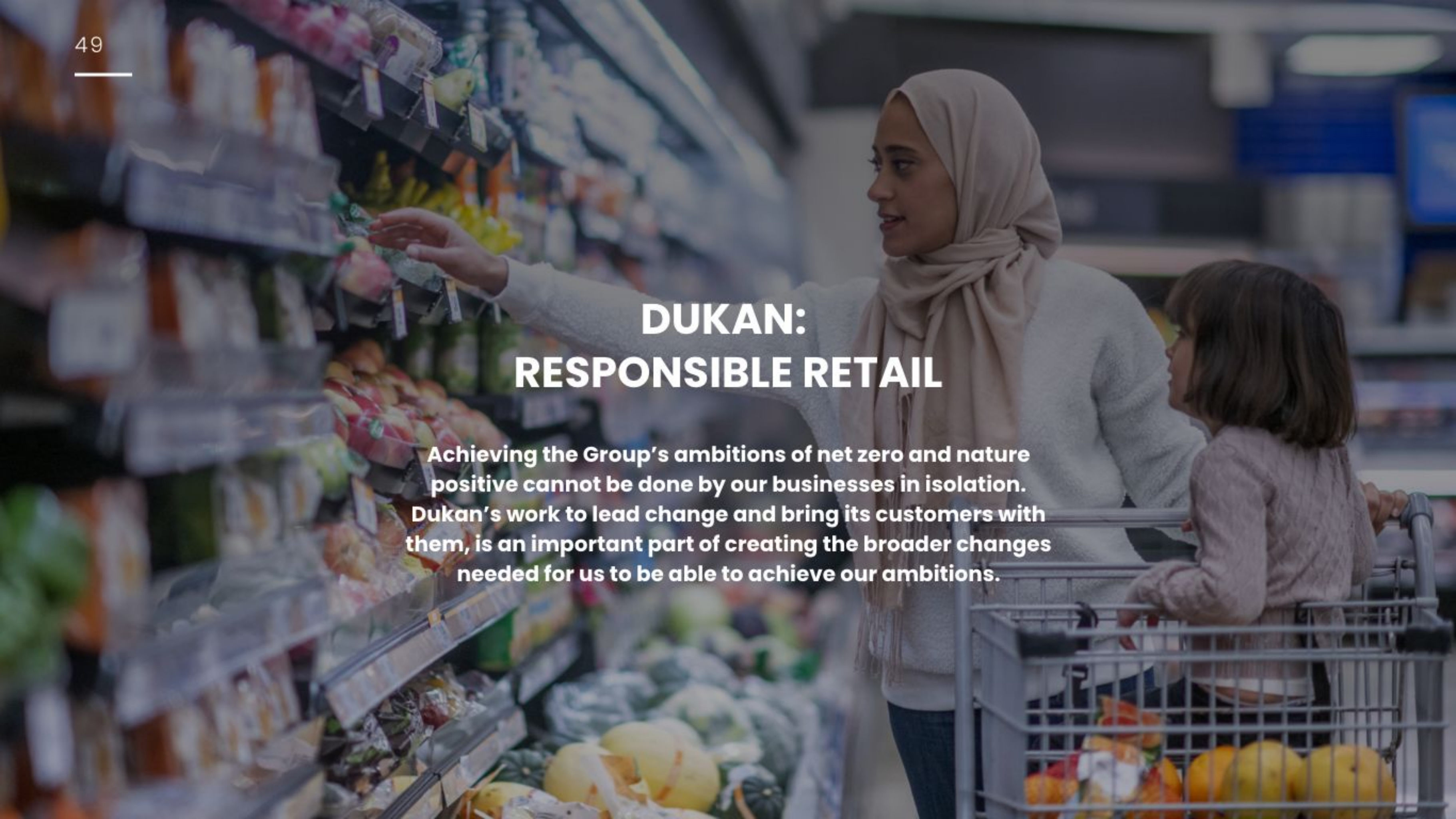
The 2021 prize was won by Polymeron. Their biochar technology converts the waste into biochar to be used as a bio-organic soil improver and biodegradable plastic polymer.

This soil improver is then used to further Tanmiah's One Million Tree Initiative, avoiding the need for expensive, imported fertiliser. The tress provide a habitat for wildlife and local communities to enjoy as well as providing inputs back into the poultry farms in the form of wood shavings which would otherwise be transported in from hundreds of miles away.

Companies within the group are exploring other ways to use biochar. FPS is investigating how it can use biopolymers, whilst Red Sea International are experimenting with low carbon biochar to replace high carbon cement in construction.

The response to the 2021 challenge was global. Ideas were received from 14 different countries, across 5 different continents. The winners are being announced in 2022.





## DUKAN: RESPONSIBLE RETAIL

**Achieving the Group's ambitions of net zero and nature positive cannot be done by our businesses in isolation. Dukan's work to lead change and bring its customers with them, is an important part of creating the broader changes needed for us to be able to achieve our ambitions.**

## DUKAN: RESPONSIBLE RETAIL



## Responsible retailing

Dukan is a chain of neighborhood, or proximity stores opened in 2014 and is dedicated to changing the grocery shopping experience in Saudi Arabia. By 2019, Dukan had 100 stores. They are dedicated to introducing Saudi Arabian customers to new ways to be a sustainable consumer from recycling to reusable shopping bags.

These stores, based in Jeddah, Makkah, and soon also in Taif and Riyadh, offer a full range of fresh produce, basic groceries and a differentiated assortment of private label and exclusive brand products. Importantly, this means residents can shop sustainably, in their local neighborhood store, with a nice shopping experience, whilst avoiding additional car trips to large supermarkets.

# 30%

monthly reduction in  
CO<sub>2</sub>

# 2m

kilowatts of energy saved per year

## DUKAN: RESPONSIBLE RETAIL

### THE CHALLENGE

Awareness of the impact of individual actions on sustainability is still limited within the general public across Saudi Arabia. Neighbourhood retail stores are a great place to raise awareness that small changes in our daily habits are an important part of creating the changes we all need. At the same time, Dukan needs to be leading by example.

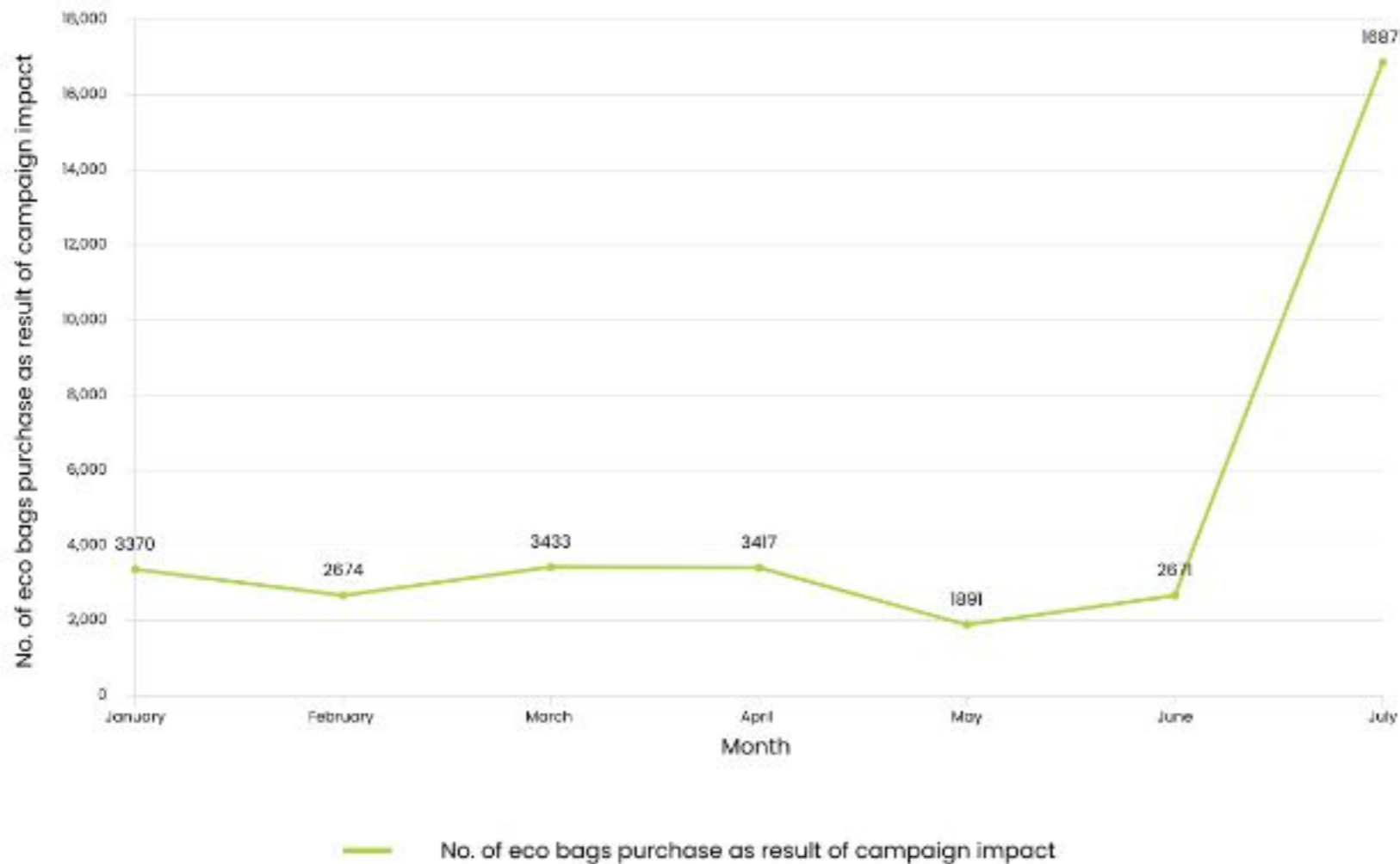
For example, Dukan stores have been encouraging their customers to learn about recycling by installing recycling bins. These bins have started many conversations about the importance of recycling and thinking about how to reduce waste as an individual or family.

While seemingly trivial, these conversations begin to set a trend of behavioural changes in the way locals shop.



## DUKAN: RESPONSIBLE RETAIL

### MONTHLY SHOPPING ECO BAG USAGE



### THE RESPONSE AND RESULTS

A new business model introduced in 2021 sees the Dukan chain leading on sustainable practices in retail for Saudi Arabia and working hard to raise awareness of key issues with their customer base.

In July 2021 Dukan launched a campaign to encourage their customers to use eco bags and the effects are clear. The monthly usage of standard shopping bags dropped by approximately 50% in July when compared with the month March 2021, while sales of eco bags jumped to nearly 6 times the monthly average.

Dukan finished implementing first-line energy saving practices such as replacing all light fittings with LED bulbs. Other measures, like ensuring cooling units are operating optimally by fitting doors on chillers and freezers are being implemented. Alongside these activities, other simple initiatives such as making the most of the available daylight in store rather than turning on electric lights have made a good impact on overall energy savings.

During 2021 a new logistics optimization strategy reduced the number of trucks delivering to the stores, which has equated to approximately 30% reduction in CO2 emissions per month.

Overall, in 2021 stores have saved 2,866,668 KW of energy and more reductions are expected in 2022.

## **ELECTROMIN: DIVERSIFICATION**

**Growth is at the heart of our omnipreneurship philosophy – earning to give, in ways that sustain for future generations. That’s why we’re focused on creating sustainable business models that will achieve our nature positive ambition. Electromin’s network is key to not just Al-Dabbagh Group’s transformation, but the whole of Saudi Arabia too.**

## ELECTROMIN: DIVERSIFICATION



## Introducing Electric Vehicles to Saudi Arabia

Electromin is a newly formed business unit within Al-Dabbagh Group which was established to build a comprehensive electric vehicle (EV) infrastructure across Saudi Arabia.

Rolling out of EV chargers is planned to start in 2022 with a goal of installing 23,200 chargers in 9,000 Electromin operated charging stations within Saudi Arabia by 2030.

Electromin's charging network will offer a complete spectrum of services – from AC home/office chargers, DC fast chargers, all the way through to DC ultra-fast chargers, catering for all customer segments.

# 23,200

Electromin EV chargers  
installed by 2030

# 9,000

Electromin operated charging  
stations by 2030

## ELECTROMIN: DIVERSIFICATION

### THE CHALLENGE

EVs offer an opportunity to replace fossil fuels within the transport industry and reduce tailpipe emissions. The Gulf region is still in the early stages of developing a new EV infrastructure but it's clear that Saudi Arabia can contribute much to the development of the sector under the Saudi Vision 2030 agenda.

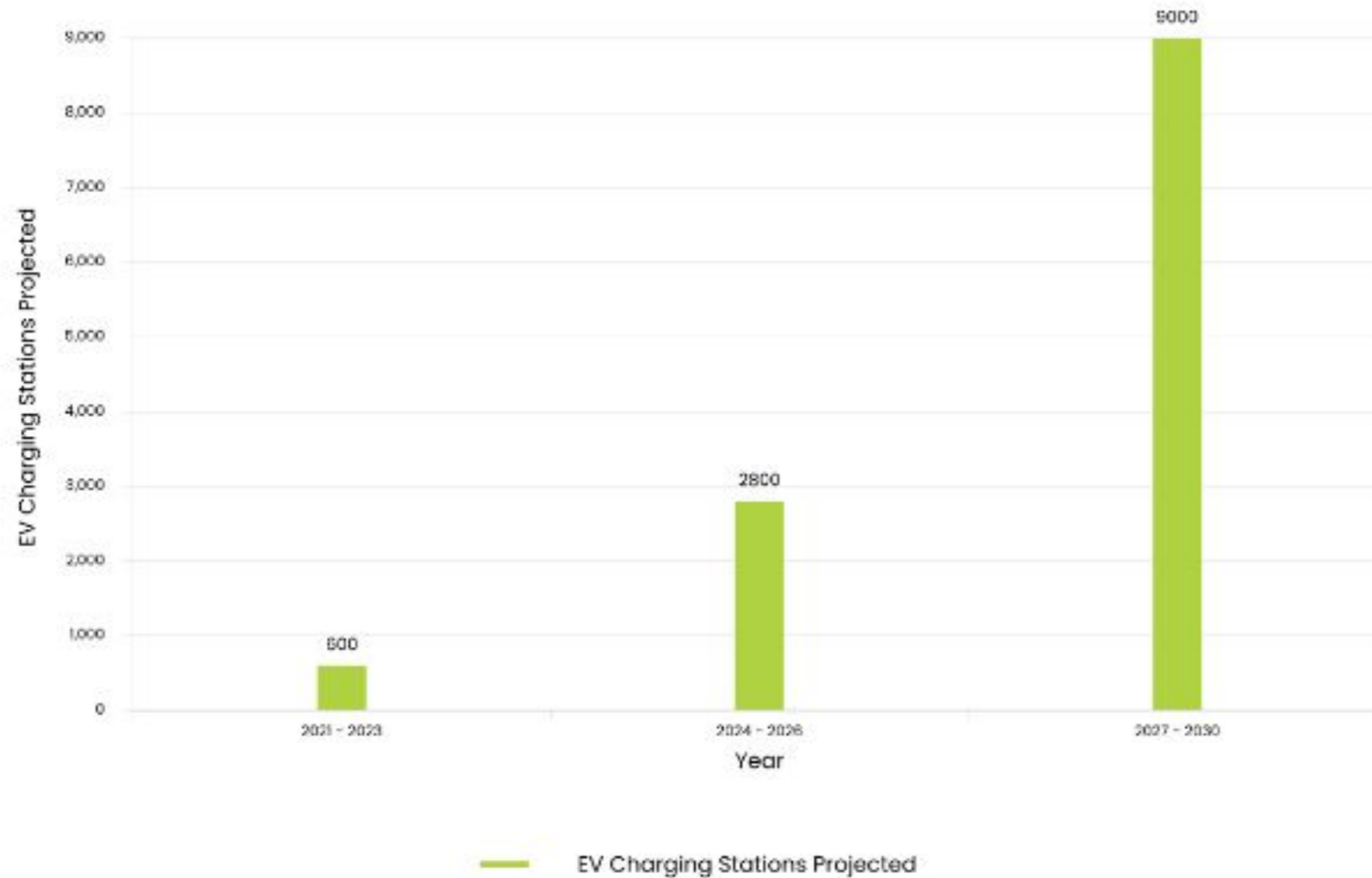
With concerns over climate change and the general trend of vehicle manufacturers moving toward EVs there will be clear growth in this line of sustainable transportation across the region.

However, the introduction of any new nationwide infrastructure brings complexity coordination across multiple organisations. In short, while Electromin is taking a leading role there is a need to engender a collaborative approach across the transport industry.



## ELECTROMIN: DIVERSIFICATION

### PUBLIC EV CHARGING STATIONS IN SAUDI ARABIA



### THE RESPONSE AND RESULTS

In 2021, Electromin signed sponsorship of Saudi Motorsport for eKarts to begin to raise awareness of electric vehicles in Saudi Arabia. They have also signed several deals with strategic partners such as Schneider Electric and ABB to strengthen their propositions around building an EV infrastructure.

Electromin are offering consultancy services on emobility for individuals, businesses and cities as they encourage Saudi Arabians to consider their next vehicle to be an electric one. Their new website aims to attract early adopters and dispel common myths about what it's like to own an electric vehicle, what the running costs are and how long it takes to charge.

By 2030 Electromin hope to have launched a robust infrastructure that can push the region forward into these future modes of transportation.

## **TANMIAH: CIRCULAR BUSINESS MODEL**

**Moving to a more circular business model takes Tanmiah closer to being Nature Positive, and builds the experience and expertise to share with other companies in Al-Dabbagh Group as we move forward.**



## TANMIAH: CIRCULAR BUSINESS MODEL



## Turning waste into value

Tanmiah was established in 1962 and has grown to become a leader in manufacturing and distribution of food and agricultural products with a team of more than 2,000 people.

As one of the largest poultry providers in the region, Tanmiah's operations have a significant environmental footprint. While a lot of work has been done to reduce this impact, the team know that as they grow so will their impact. Addressing this means moving beyond activities to reduce impact into innovative business practices and introducing a circular business model.

Tanmiah has already been putting circular thinking into practice in its operations. As well as manure, their operations also produce two million liters of waste water. By building waste water treatment plants at its main facilities, and combining this output with their commitment to plant one million trees by 2025, they have created a circular model.

1m

trees to be planted by  
2025

680

million liters of water treated and  
reused annually

## TANMIAH: CIRCULAR BUSINESS MODEL

### THE CHALLENGE

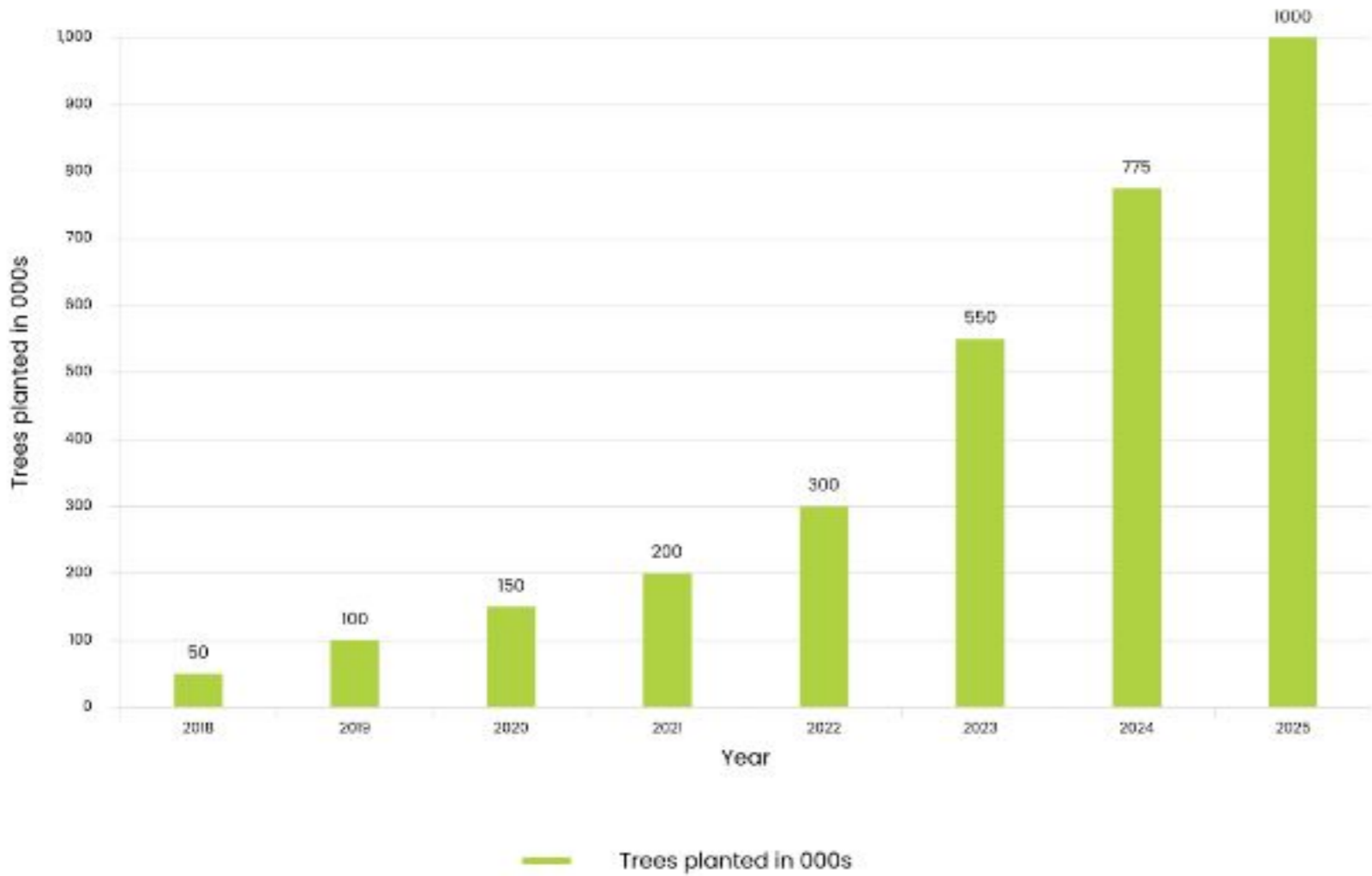
The team has taken this circular thinking further forward. One of the largest areas of environmental impact – chicken manure waste. The operations produce 600 – 700 tonnes of waste a day. Under traditional practices, this waste is sent to landfill, leading to greenhouse gas emissions, soil and water pollution and pathogen-related health-risks. The chicken waste produced by Tanmiah is rich in nitrogen and phosphorous nutrients and so the team knew there was huge potential to change this waste stream into value they didn't yet have a process to capture it.

To find a solution Tanmiah teamed up with Al-Dabbagh Group's first Omnipreneurship Award. The Awards offered the winning company \$1 million for a sustainable, scalable solution to converting poultry waste to value. They were looking for an idea that would be integrated into the business, delivering multiple sources of value.



TANMIAH: CIRCULAR BUSINESS MODEL

ONE MILLION TREE INITIATIVE



THE RESPONSE AND RESULTS

The winner, Polymoran, have a technology that turns the waste into biochar that is then used as a biopolymer plastic and a bio-organic soil improver. This soil improver is used to feed the trees. The biopolymer is used for packaging, to displace virgin plastic.

At Tanmiah, the water treatment plants at that irrigate the trees with 680 million liters of water a year, water that would otherwise be wasted. The trees themselves are projected to remove 1.3 million tons of carbon as they grow. The trees also provide habitats and spaces for local wildlife and people to enjoy and thrive. With careful management, the trees also deliver other benefits, for example shavings from these trees have replaced imported wood shavings for the chicken house floor cover.

The waste from the chicken manure, which is converted into biochar to fertilise the trees reduce the carbon per kg of chicken by 10%, saving 65,000 tons of carbon every year. Other uses for the biochar outputs from the waste are being explored across the group: at Red Sea International, exploring the use of biochar with cement to create a lower carbon building material; and with FPS Flexible Packaging Solutions, the biopolymer is being considered for use in their work leading flexible plastics products.

## CONTACT

Our Group sustainability team convene regular meetings with portfolio CSOs and collate monthly reports on progress across the group.

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