



Social, Environmental, and Governance Stewardship

Message from the CEO



Our Commitment to Sustainability

At the heart of our identity lies a deep commitment to sustainability, which is not just a strategic priority for us, but a fundamental responsibility. We understand the link our business has with the environment, our employees, our stakeholders, and society at large, and we are dedicated to making a positive impact. Our commitment to sustainability is intrinsically aligned with our core values:

Driven to Deliver Excellence: We are committed to incorporating sustainability into every facet of our operations, striving for excellence in environmental stewardship, social responsibility, and governance practices.

Developing Customer-Centric Services: We prioritize the needs and expectations of our customers by integrating sustainable practices that enhance their experiences and contribute to a better planet.

Maintaining Absolute Integrity: Our sustainability efforts are grounded in transparency, accountability, and ethical conduct, ensuring that we uphold the highest standards of integrity in all our actions.

Enabling Real Transformation: We recognize the power of sustainability to drive transformative changes, especially as facilitators of logistics services. By embedding sustainable practices across our operations, we create lasting value for our shareholders, the planet, and future generations.



Our sustainability framework serves as our guide in achieving our goals. We are committed to leaving a positive impact on the planet across our entire operations and influencing our supply chains to follow suit. By integrating sustainability into our business practices, we not only honor our obligation to the planet but also ensure our long-term financial success.

SAL views its sustainability efforts as both a strategic priority and a fundamental responsibility. Recognizing that ESG is an evolving area and a journey of continuous improvement, SAL has committed to a three-year ESG action plan aimed at fully integrating environmental, social, and governance principles into its operations. SAL has conducted detailed baseline studies to understand its current position and to identify key areas for improvement.

Key Areas of Focus and Materiality

SAL's ESG strategy is guided by three core principles:

Regenerative for climate and nature across our supply chain:

This principle focuses on a commitment to reduce greenhouse gas (GHG) emissions in all of our service offerings, adopting circular practices, and building sustainable infrastructure and assets.

A trusted company and a great place to work for all:

This principle ensures transparency, provides world-class working conditions, promotes diversity, equity, and inclusion, and builds talent.

Net positive for our communities and society: This principle is about contributing to community development and supporting sustainable practices across the supply chain, while also looking inwards as facilitators of logistics services as we are an integral part of the supply chains that contribute to GHG emissions.

Our key areas were identified and developed for improvement, following a thorough materiality assessment to determine which ESG topics were most relevant to SAL and its stakeholders.

SAL is committed to addressing our key areas, and improving our performance across all material ESG

areas, recognizing that this will be a journey of continuous improvement.

As a leading logistics company, we recognize the necessity to minimize our environmental impact, comply with regulatory requirements, meet the growing expectations of our stakeholders, employees, partners, and our society. Embracing sustainability is not only a moral obligation but also a strategic necessity that directly influences our financial competitiveness and performance.

While we might not have reached the end goal or have a net zero strategy today, however, we are determined and committed to sustainability being interconnected with our future goals and long-term success. By embedding sustainability into our operations, we ensure that we remain resilient and adaptable in the face of environmental challenges and market shifts. This commitment enables us to create lasting value for our shareholders, the planet, and future generations, ensuring that our company thrives in a sustainable and responsible manner.

Omar Talal Hariri

Chief Executive Officer
29 March 2025

Caring for the Environment

Focus Areas for Environmental Sustainability

SAL aims for regenerative practices for climate and nature both within its operations and across its supply chains. Our primary focus areas include:

- 1. Transforming Our Operations and Supply Chain to Reduce GHG Emissions:** We are dedicated to minimizing our GHG through innovative practices and technologies.
- 2. Adopting Circular Practices to Reduce, Reuse, and Recycle Resources:** We strive to implement circular economy principles to maximize resource efficiency and minimize waste.
- 3. Building Sustainable Infrastructure and Operational Assets:** Our goal is to develop and maintain sustainable infrastructure that supports our long-term environmental objectives.

Environmental Baseline and Gap Analysis

To ensure we are making meaningful progress, we have conducted a comprehensive ESG baseline assessment. This assessment helps us to identify gaps and materiality in our current practices, allowing us to focus on areas with the most significant impact. By understanding our environmental footprint, we can set realistic and impactful goals.

Importance for the Logistics Sector and Vision 2030

As a logistics company, our activities significantly affect the environment. To mitigate this impact, we are committed to reducing emissions, improving energy efficiency, and implementing sustainable practices.

The priorities include environmental conservation with objectives to lower carbon emissions, enhance afforestation, and safeguard natural resources. These efforts align with Saudi Arabia's Vision 2030, and an ambition to reach net zero emissions by 2060.

Showcasing our Partnerships and Initiatives

To minimize our environmental footprint, we have formed strategic partnerships and launched, or are planning to commence, several key initiatives:

- **Partnership with TARSHID:** Collaborating with TARSHID to assess and implement energy-saving measures, including clean energy solutions such as PV (Photovoltaic) solar energy. SAL's partnership with TARSHID will enhance energy efficiency by upgrading facilities to global standards. Through technical studies and field surveys, this initiative reduces energy consumption, lowers operational costs, and supports sustainability.
- **SAL Fan Zone: Sustainability in Play:** The SAL Fan Zone in Riyadh, which is a dedicated area designed to enhance spectator engagement during major sporting events, showcases operational circularity by transforming 1,000+ recycled plastic pallets. Reusable over 250 times (compared to wooden pallets that are reusable only 5-10 times), these plastic pallets help reduce deforestation and carbon emissions. As part of supporting Saudi Arabia's environmental goals, this initiative reinforces SAL's commitment to sustainability, innovation, and community engagement.

- **Electric Ground Support Equipment (GSE):**

Transitioning from diesel-powered to electric GSE to reduce emissions and improve operational efficiency. SAL's GSE Electrification Initiative is reducing environmental impact by transitioning from diesel to electric ground service equipment. With 150+ units already converted, this shift cuts emissions, improves air quality, and supports aviation sustainability. It not only reduces operational emissions but also enhances energy efficiency and cost savings in the long term.

- **LEED (Leadership in Energy and Environmental Design) Certifications:** Pursuing LEED Operations and Maintenance certification for key facilities and integrating sustainable practices into new projects.

- **Circular Economy Initiatives:** Implementing practices to reuse, recycle or reduce waste, such as surplus wooden waste management and scrap material disposal.

Key Performance Indicators (KPIs) and Continuous Improvement

We are currently setting up our business to effectively track KPIs. Our collaborations with partners and agencies will enable us to work with data in innovative ways. This approach will support our business in reporting transparently and accurately on our emissions and overall environmental footprint. Additionally, it will enable us to set a realistic Net Zero target in the future. By utilizing technology and partnerships, we will be in a better position to monitor our performance through these KPIs, we can track our progress, identify areas for improvement, and ensure we meet our sustainability goals.

Our commitment to continuous improvement drives us to constantly seek new ways to lessen our environmental footprint and implement positive changes in our daily operations.

Building a Better Future Together

As a leading logistics company in the Kingdom of Saudi Arabia, we are dedicated to fostering a workplace that embodies transparency exceptional working conditions, diversity, equity, and inclusion. Our commitment to these values is reflected in our comprehensive approach to social responsibility, aligning with the Kingdom's Vision 2030.

Empowering Our Workforce

We prioritize the growth and development of our employees, ensuring they have the skills and opportunities necessary for career progression. By increasing our internal hiring rate and promoting talent mobility within the organization, we cultivate and create a dynamic and motivated workforce that drives our business forward.

Championing Diversity and Inclusion

Our commitment to diversity and inclusion ensures that every employee feels valued and respected, regardless of gender, nationality, or background. Through targeted initiatives and programs, we have enhanced female representation and continue to support gender diversity and inclusion, promoting a more equitable workplace.

Supporting Nationalization Efforts

In line with the Kingdom's Vision 2030, we maintain a strong focus on Saudization, ensuring that a significant portion of our workforce comprises Saudi nationals.

This not only supports the local economy but also aligns with the Kingdom's objectives of empowering its citizens and foster economic growth.

Enhancing Employee Engagement and Retention

We believe that a satisfied and engaged workforce is key to our success. Our efforts to enhance employee retention, reduce voluntary turnover, and recognize long-term service have resulted in a stable and committed workforce. Through the adoption of best practices in human capital management, we ensure that our employees are motivated and aligned with our organizational goals.

Celebrating Recognition and Awards

Our efforts in creating a positive and supportive work environment have been recognized through various awards and accolades. Being named a "Top Employer" for the third consecutive year and winning multiple management excellence awards highlights our commitment to employee engagement and well-being.

Showcasing our initiatives for employees' health and well-being

- Let's Padel Competition
- E-XPAND – For Employees
- Towsal – Program for University Graduates
- World Diabetes Day – Seminar
- Prostate Cancer – Awareness Drive

- Influenza Vaccination – On-site (HQ)
- Eating habits and Your Mental health – Webinar
- Change your Energy Tomorrow – Webinar
- Culture Program Survey – Webinar

Aligning with Vision 2030

Our social responsibility initiatives are closely aligned with Saudi Arabia's Vision 2030, which aims to create a vibrant society, a thriving economy, and an ambitious nation. By fostering a supportive and inclusive workplace, we contribute to the Kingdom's goals of economic diversification, citizen empowerment, and sustainable development.

In conclusion, our commitment to social responsibility is a core component to our business strategy. By aligning our practices and actions with the Kingdom's Vision 2030, we ensure that we remain a trusted company and a great place to work for all.

Health, Safety, Security, and Environment (HSSE)

Driving Operational Excellence and Sustainable Growth

Commitment to Safety, Security, and Sustainability

At SAL, the safety and well-being of our employees, customers, and partners remain paramount. Our comprehensive HSSE framework, aligned with the national regulations and international standards and recommended practices, ensures safe, secure, and environmentally responsible logistics operations. We foster a zero-harm culture across our facilities, integrating risk-based decision-making into every operational layer.

Strategic Integration of HSSE into Business Resilience

Our proactive HSSE strategy directly supports SAL's operational resilience, regulatory compliance, and leadership in sustainable logistics. By embedding HSSE into our core operations, we enhance:

- **Business Continuity:** Minimizing incidents and operational disruptions.
- **Regulatory Assurance:** Ensuring consistent compliance with Saudi and international safety and environmental regulations.
- **Reputation and Trust:** Demonstrating HSSE leadership to customers, investors, and stakeholders.
- **Sustainability Leadership:** Aligning operations with Saudi Vision 2030's sustainability and workforce safety objectives.

Key HSSE Risks and Risk Management Approach

We conduct ongoing risk assessments, workplace inspections, and internal/external audits to identify and mitigate key risks, ensuring a safe and secure work environment across our facilities. Our 2024 HSSE risk focus areas included:

Risk Category	Key Risks Identified	Mitigation Actions
Workplace Safety	Cargo handling injuries, slips, trips, falls	Advanced safety training, PPE compliance checks, workplace safety audits
Security	Pilferage, cargo theft, unauthorized access	Upgraded surveillance, tighter access controls, cargo security workshops
Environmental	Emissions, fuel spills, hazardous materials	Hazardous material handling SOPs, spill drills, environmental performance tracking
Operational	Equipment failure, non-compliance disruptions	Predictive maintenance, compliance training, process automation

Governance and Leadership Commitment

SAL's HSSE governance structure drives accountability and transparency across all levels of the organization:

- **Board-Level Oversight:** The HSSE Steering Committee provides strategic direction and reports to the Executive Leadership Team.
- **HSSE Leadership Team:** Oversees policy formulation, audits, and compliance monitoring.
- **Operational Teams:** Embed HSSE practices into daily activities, supported by ongoing training and performance reviews.
- Senior management reinforces our HSSE culture through visible leadership, resource allocation, and proactive safety reviews.

Key Initiatives and Performance Highlights (2024)

In 2024, SAL delivered several key HSSE programs to enhance safety, security, and sustainability across operations:

- **Digital Incident Reporting System:** Streamlined real-time incident tracking and root cause analysis.

- **Enhanced Cargo Security Program:** Upgraded CCTV surveillance, introduced real-time access alerts, and ran cargo security workshops with supply chain partners.
- **Emergency Preparedness Drills:** Conducted multi-scenario safety drills across key facilities, testing emergency response protocols.
- **Workforce Well-being Programs:** Rolled out fatigue management systems for shift workers and expanded mental health support initiatives.
- **Sustainability Integration:** Initiated waste reduction programs, expanded environmental training, and started tracking carbon footprint across key operations.

Performance Metrics and Continuous Improvement

We continuously track and analyze HSSE performance indicators, driving data-based decision-making and continuous improvement. These performance indicators include, but are not limited to, Total Recordable Injury Rate (TRIR), Rate of Incidents, Environmental Compliance Score, and Safety Training Completion Rate. These metrics drive targeted improvement initiatives, from enhanced contractor onboarding to predictive safety analytics.

Future Outlook and Innovation Focus

As we advance towards 2025 and beyond, SAL will focus on:

- **AI and Predictive Analytics:** Leveraging data to predict incidents, improve equipment reliability, and enhance workforce safety.
- **Sustainability Leadership:** Expanding renewable energy use at facilities, reducing emissions, and integrating sustainability into procurement and supplier evaluations.
- **Digital Transformation:** Enhancing real-time incident monitoring, mobile safety tools, and interactive HSSE training platforms.
- **Regulatory Alignment:** Staying ahead of evolving GACAR regulations and international standards, ensuring seamless compliance.

SAL's commitment to safety, security, and sustainability supports our long-term business resilience, customer trust, and contribution to Saudi Vision 2030 goals.

Governance

SAL prioritizes transparency, accountability, and continuous improvement, ensuring that it not only complies with regulatory expectations but also fosters integrity and sustainability crucial for long-term stakeholder trust.

This approach aligns with the ESG governance principle, emphasizing the importance of ethical management and strong governance practices to maintain high standards of conduct and operations.

At present SAL is governed with the following policies that demonstrate we are committed to a transparent approach towards ESG principles of “G”:

Disclosure and Transparency

SAL pursues strict compliance with regulations such as Companies Law, Corporate Governance Regulations, and Capital Market Laws, ensuring complete and accurate disclosures as mandated by the Capital Market Authority. This commitment enhances governance through accountability and precise communication.

Code of Conduct

At SAL our Board Members, Committee Members, Executive Management, and employees are committed to adherence to our ethical and legal standards, which promote transparent and effective governance.

Related Parties

SAL outlines the guidelines and approval processes for transactions involving related parties. These parties may include subsidiaries, associates, joint ventures, substantial shareholders, directors, key managerial personnel, their relatives, or any entities they control.

Conflict of Interest

SAL not only addresses ethical and financial conflicts but also aligns its entire governance framework with sustainable and responsible business practices. Company decisions are made without personal bias, safeguarding the Company’s integrity and stakeholder interests.

Whistleblowing

SAL upholds its commitments to ESG by fostering ethical governance and promoting accountability. It advocates for the disclosure of unethical or illegal practices such as corruption, fraud, conflicts of interest, and harassment by employees, Board Members, contractors, and clients. This framework is structured to safeguard the Company’s reputation and reduce risks, addressing actions that could impact operations both internally and externally.