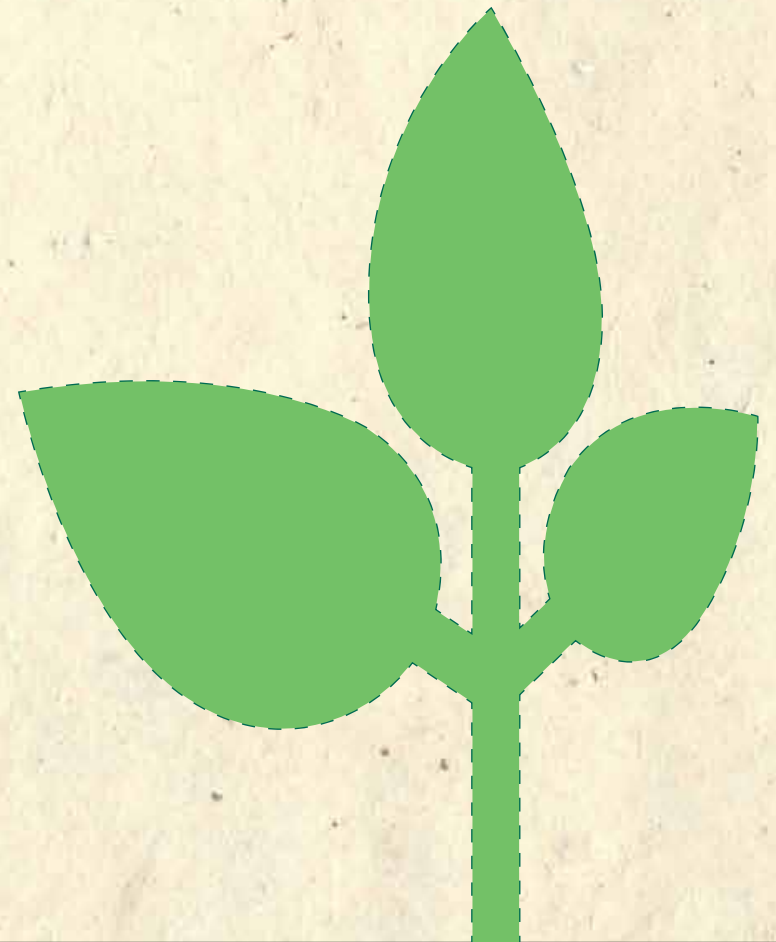




The Savola Group

The Savola Group

Sustainability Report 2011





Seed paper that grows !

Plantable paper is a biodegradable eco-paper that is made with post-consumer materials (no trees harmed for this paper!) and embedded with seeds. When the paper is planted in a pot of soil, the seeds grow and the paper composts away. All that is left behind is flowers, herbs or vegetables and no waste. It's easy to plant and grow.

How To Plant Plantable Paper

- a pot for planting
- some good potting soil
- plantable paper
- water
- a sunny corner



In the name of Allah,
the Most Gracious, the Most Merciful





01 Introduction Speech

A Word From The Group Managing Director

06

02 The Savola Group In Lines

I. Introduction
The Savola Group Strategic Direction
The Project Focus Strategy
Major Risks Facing The Group Business
Corporate Social Responsibility Programs Funding
2011 Key Achievements
Savola's Investments
Performance, 2011
Major Financial Indicators, 2011
2011 Major Highlights
Forecast For 2012
Diminished Reliance On Capital Gains
Income Statement By Segments
II. Our Operational Companies & International Presence
III. Our Vision And Mission
Vision
Mission
Our Strategy
Our Ethics & Values

08

IV. The Savola Group Anti-Corruption Policy

1. Non-Conflict Of Interest Policy
2. Non-Trading Policy
3. Confidentiality Information Commitment Policy
4. Operating Company Board Of Directors Policy
5. Disclosure And Transparency Policy

V. The Group's Significant Cooperation In CSR

- Injaz - Saudi Arabia
- Ministry Of Labor
- Employment Network
- Prince Sultan Foundation
- Chamber Of Commerce Employment Office

VI. Savola Bridges

VII. Organizational Structure Of The Savola Group

- Executive Board
- Board Of Directors
- Composition And Nomination Of The Board
- Processes To Evaluate The Highest Governance Body

VIII. The Savola Group Committees

- Board Of Directors Committees
- Audit Committee
- Compensation, Nominations & Corporate Governance Committee
- Risk Management Committee
- Investment Committee
- Corporate Social Responsibility Committee (CSR)

03 Savola Sustainability Report 38

IX. Sustainability Reporting In The Savola Group

Stakeholder Groups: How Do We Communicate-
With Our Stakeholders?

Initiatives

04 Reporting 48

X. First: Our Employees

Working Within An Ethical Framework

Country Salary Scales

Establishing And Revision

Working Age

Probation Period

Training And Development

Ongoing Staff Training And Development

Training Management, Budgets & Approvals Guidelines

Eligibility

Nominations & Registrations

Types Of Training

Management Trainee Program

Buddy & Mentor Training Program

Performance Appraisal System For Supervisor Level (SL) And
General Workers (GW)

The Savola Smart Objectives System

Savola Executive Competency Framework

Further Guidelines

Workforce And Communication Program With Employees

Special Programs Developed For Employees

1) Employee Home Loan Scheme

2) Employee Cooperative/Takaful Program For Death And
Permanent Or Partial Disability

3) Employee Takaful Fund

Other Related Policies

Employees Benefits

Employment Of People With Disability In The Savola Group

Injuries Rate

Compliance With Applicable Laws & Regulations

XI. Second: Our Community

The Savola Group Social Responsibility Programs

Leave The Change For Them Initiative

Saudi Injaz Entrepreneurs Project

Our Social Bridges Performance

Product Responsibility Aspect

The Savola Group Marketing Direction

XII. Third: Our Environment

The Savola Group's Environmental Strategy

Environmental Initiatives

Environmental Awareness Staff Training

05 Appendix 84

The GRI Table

Quality Assurance Statement

Certification



Introduction Speech

A word from the Group Managing Director

01



A word from the Group Managing Director



In the name of Allah, the most Gracious, the most Merciful

I am delighted to share with you the first sustainability report produced by the The Savola Group. Through this report you will be informed about the Group's strategic direction, key achievements and other financial and investment highlights as well as Corporate Governance and Corporate Social Responsibility initiatives and the outcomes during 2011.

We have instituted "Pledges" and "Bridges" which are the two initiatives stemmed out of the Group's ethics and values "The Balanced Way" as a basic methodology that promise all our stakeholders - both internal and external - our solid commitment towards our corporate governance & corporate social responsibility.

With our Pledges we undertake the guarantee that all contracts will be honored; between employees, suppliers, vendors, and partners alike. With our Bridges we are initiating a variety of programs specifically designed for long-term community development. Our Bridges are action-oriented self-help programs to provide opportunities for the less fortunate to cross the path towards self-reliance and self-productivity.

While giving back to the community has always been a guiding principle of the Group, we too, have evolved and better understand our role as a business in society in terms of the impact of our activities, wherever we operate. The framework of our activities has moved towards a more sustainable approach. All of our CSR programs are based on innovative, long-term self-help ideas that will provide value-adding impact on our stakeholders. We realize that our success as a business is reflected not only in our financial performance but also in our ability to address sustained development. Furthermore, we believe that success will not be sustained without pure intentions and God's blessings. It is sustained success that will allow us to maximize returns to shareholders, which,

in turn, will allow us to contribute more to society and the communities in which we operate.

Dr. Abdulraouf M. Mannaa
Group Managing Director

The Savola Group In Lines

I. Introduction

The Savola Group Strategic Direction
The Group Strategic Direction: The Project Focus strategy
Major risks facing The Group Business
Corporate Social Responsibility Programs Funding
2011 Key Achievements
Savola's Investments
Performance, 2011
Major Financial Indicators, 2011
2011 Major Highlights
Forecast for 2012
Diminished Reliance on Capital Gains
Income Statement by Segments

II. Our Operational Companies & International Presence

III. Our Vision and Mission

Vision
Mission
Our Strategy
Our Ethics & Values

IV. The Savola Group Anti-Corruption Policy

1. Non-Conflict of Interest Policy
2. Non-Trading Policy
3. Confidentiality Information Commitment Policy
4. Operating Company Board of Directors Policy
5. Disclosure and Transparency Policy

V. The Group's Significant Cooperation in CSR

Injaz - Saudi Arabia
Ministry of Labor
Employment Network
Prince Sultan Foundation
Chamber of Commerce Employment Office

VI. Savola Bridges

VII. Organizational Structure of The Savola Group

Executive Board
Board of Directors
Composition and Nomination of the Board
Processes to evaluate the highest governance body

VIII. The Savola Group Committees

Board of Directors Committees
Audit Committee
Compensation, Nominations &
Corporate Governance Committee
Risk Management Committee
Investment Committee
Corporate Social Responsibility Committee (CSR)



I. Introduction



The Savola Group is a Saudi public listed company and one of the largest diversified conglomerates in MENACA region (Middle East, North Africa and Central Asia) managing a wide portfolio of businesses. The company was established in 1979 with an initial SR 40 million capital and grew significantly in subsequent years to SR 5 billion.

It is now one of the most successful and fastest growing multinational food groups in the Gulf and the MENACA region and has a wide portfolio of businesses including three core sectors: Foods (Edible Oils, Sugar and Noodles/Pasta), Retail and Plastics. The Group also has significant investments in leading publicly-listed Saudi companies, investment funds and real-estate businesses. The Savola Group is publically listed on the Saudi stock exchange and does not receive any financial assistance from the Government.

Savola currently has market shares of 62% in the Edible Oils market and 68% in the Sugar market in the Kingdom as well as 166 retail

outlets, supermarkets/hypermarkets.

On the human resources side, The Group was honored for employing more than 5,000 Saudi nationals in its total workforce, taking the percentage of Saudization to 35% of the Group's total workforce in KSA, which exceeds 14,000 employees. Furthermore, the majority of top management personnel are Saudi nationals, the total workforce of the Group (inside KSA and overseas reaches 17,000 employees). The Savola Group has around 160,000 shareholders and was ranked number 13 among the top 100 Saudi Companies in 2011 (as per Al-Eqtisadiyah newspaper report).



The Savola Group Strategic Direction



The Group continued its strategic direction, aimed at placing more focus on its core businesses:

- Savola Foods Company, which operates Edible Oils & Fats, Sugar & Pasta businesses.
- Azizia Panda United Co., which operates the Panda retail business (supermarkets and hypermarkets).
- Savola Plastics Co., which operates in the Plastics sector.

The Project Focus Strategy

The Group continues implementing its strategy, aiming at placing more focus on its core businesses:

- Savola Foods Company, which operates Edible Oils & Fats, Sugar & Pasta businesses.
- Azizia Panda United Co., which operates the Panda retail business (supermarket and hypermarkets).
- Savola Packaging Systems Co., which operates in the Plastics sector.

The strategic direction seeks to grant more autonomy to the Group's operating companies (OpCos) to run and manage their own businesses. This is achieved by giving the CEOs and Boards of subsidiaries more independence to manage their companies and take

decisions. Each OpCo CEO reports directly to his OpCo chairman. The Group maintains a majority of representatives in each OpCo Board of Directors, which will also include external (local and/or international) experts as Board members with relevant experience in the respective sectors. Minority shareholders are also represented on these Boards.

This strategy will empower the core businesses to define and execute their strategies within financial parameters set by the Group, and will provide The Savola Group with greater flexibility to pursue private placements at the level of each core business. It will also allow The Savola Group to pursue business opportunities in new sectors and to better focus on the

overall strategy of the Group to meet the objectives of stakeholders. Finally, this will allow the Group to gradually migrate into a financial holding company, which is expected to further improve the company's performance, support growth of its core businesses and enhance shareholders' value.

To enact the new model, the Savola Group developed a new organizational and governance model to protect the interests of shareholders, minimize risk exposure and maintain the values and culture within The Savola Group. This will help the Group to achieve its objectives whilst fulfilling its role as a public listed company towards its shareholders and regulatory bodies.

Major risks facing The Group Business



Every economic sector has potential risks. As an economic entity, Savola is exposed to certain risks due to the nature of commercial activities it practises in the areas of basic commodities such as sugar and edible oils, in addition to the raw materials for plastics industry.

Key risks can be represented in the probability of Group operations being exposed to fluctuations in raw material prices and currencies, dumping, and acute and unfair competition in the prices of its products in local and regional markets.

There are also economic and political risks in the countries where it operates and risk related to penetrating new markets in the region in line with the Group's geographical expansion strategy. In addition, there are risks that could face the Group due to its various investments shareholding in different companies and funds locally and internationally. The Group manages these risks through its Board of Directors, Risk Management Committee, various departments and task forces within the Group.

Corporate Social Responsibility Programs Funding
Recognizing the importance of Savola's involvement in developing communities where it operates, the Group's Board adopted a resolution to allocate 1% of annual operating net profits to support CSR programs. This is why the budget of CSR is not affected by any indirect economic impacts or global crisis.

2011 Key Achievements

- The Group achieved a record SR 1 billion net income from operations, despite:
 - Increase in commodity prices and raw material supply issues
 - Arab Spring
- Savola ranked No. 1 in KSA and No. 2 in the Arab World in Corporate Governance and Transparency, as per Standard & Poor's (S&P) and the Hawkamah Institute.

Savola's Investments



Savola has major investments in Almarai Dairy Company (30%), Herfy Foods Company (49%), Kinan Real Estate Co. (30%), Jordanian Tameer Company (5%), Dar Al-Tamlik (5%), and is the Founding Shareholder of Knowledge Economic City in Madinah and the Founding Shareholder of King Abdullah Economic City in Rabigh, Saudi Arabia.

Most recently The Savola Group approved Project Focus which allows the Group to focus on the development of its core businesses which are Foods, Retail, and Packaging. This strategy will also allow the Group to invest in related businesses maintaining its lion share in investments like Almarai (dairy and food production) and Herfy (fast food restaurant chain).

Human rights in Saudi Arabia are intended to be based on Islamic religious laws. Also, Savola pays special attention to compliance with all labor and relevant laws of the countries in which they operate and it is considered in all significant investment agreements.

Performance, 2011

Revenues for 2011 amounted to SR 25.2 billion, an increase of 19.8% over last year. The consolidated net income for 2011 amounted to SR 1.2 billion, an increase of 35.6% compared with last year's SR 886.7 million.

30%	30%	49%	11%	5%	5%
					
AL MARAI	KINAN	HERFY	KNOWLEDGE ECONOMIC CITY	TAAMER JORDAN HOLDINGS	DAR AL TAMLEEK



Major Financial Indicators 2011



- Revenues amounted to SR 25.2 billion, an increase of 19.8% over last year.
- The consolidated net income amounted to SR 1.2 billion, an increase of 35.6% compared with last year's net income amounting to SR 886.7 million.

- The Group recorded its highest ever one year's net income in 2011 (before capital gain an exceptional items). This year the net income reached SR 1.08 billion, which is 15.8% higher than the previous year's net income amounting to SR 933 million.
- Operating profit amounted to SR 1.8 billion, an increase of 20% compared with last year's operating profits amounting to SR 1.5 billion.
- Earnings per share (EPS) are SR 2.40, compared with SR 1.77 for 2010.
- Savola Sudan net profit reached SR 60 million, an increase of 225% over last year.
- Afia International Algeria continued its rapid growth transforming from a loss of SR 37.5 million

- in 2010 to a profit of SR 23.5 million in 2011.
- Plastics sector revenues exceeded SR 1 billion.
- The Group distributed cash dividends of SR 650 million to its shareholders for the year 2011.

2011 Major Highlights:

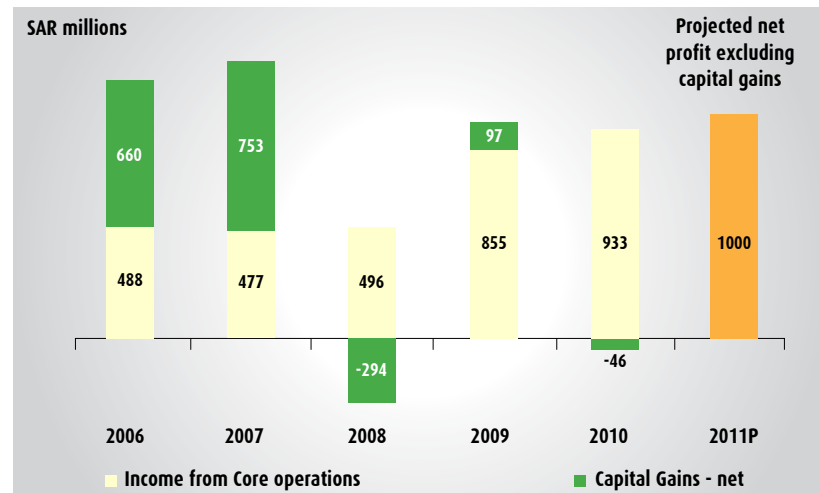
The Group continued its strategic direction, which aims at placing more focus on its core businesses and to convert gradually into a successful investment holding company.

- The Group acquired all the capital shares of Al-Malika and Al-Farasha specialized pasta companies in Egypt.
- The Group sold two plots of land, one located in Riyadh and the other in Jeddah, and achieved

- SR 153 million as capital gain, which was recorded in the 2011 results. The Group also signed a contract to sell its entire stake (equal to 80%) in the land located in Al-Madinah Al-Munawwarrah City to the Knowledge Economic City Company at a total value of SR 631 million. The Group expects to realize a capital gain of SR 231.4 million out of this deal during the year ending 2012.
- The Group increased the share capital of Savola Foods Company from SR 500 million to SR 2.2 billion.

Forecast for 2012

DIMINISHED RELIANCE ON CAPITAL GAINS



- Savola Turkey successfully entered the local olive oil market by launching its new olive oil product under the Yudum brand umbrella and gained 15% market share of the retail olive oil market in its first year.
- United Sugar Company entered the Sweetener category for the first time.
- Azizia Panda United launched an additional 20 stores during the year 2011 bringing its total stores (super and hypermarkets) to 131 in Saudi Arabia.
- The Group was ranked number one in Saudi Arabia and second in the Arab world for governance and transparency, according to the results of the study conducted by Standard & Poor's (S&P), the Hawkamah Institute & IFC which was published in early February 2011.

- The Savola Group continued to implement a range of Corporate Social Responsibility (CSR) programs during the year 2011. Key projects in the CSR program are: The Savola Center for Empowering People with Disabilities (Makeen); Handicraft initiative; Injaz Saudi Arabia Program; Al-Madinah Institute of Leadership & Entrepreneurship (MILE); "Leave the Change for Them" program by Panda stores; Conducted annual Corporate Governance (CG) compliance assessment by an independent audit firm to ensure the Group's compliance with CMA CG regulations.

FULL YEAR 2010

all figures are in SAR millions

INCOME STATEMENT BY SEGMENTS

	Segment Wise Financials									
	2010					2009				
	Revenue	Gross Profit	EBIT	Net Income	EBITDA	Revenue	Gross Profit	EBIT	Net Income	EBITDA
Food										
Oil-Mature Markets	6,014	1,033	628	147	705	4,924	880	511	244	576
Oil-Startup Markets*	989	124	(23)	(41)	11	812	97	6	(7)	38
Total Oil	7,004	1,158	605	105	716	5,735	978	517	237	613
Sugar	5,023	342	216	129	309	3,616	425	342	165	433
Total Foods	12,027	1,499	821	234	1,025	9,351	1,403	860	401	1,047
Retail										
KSA	7,599	1,626	146	106	415	6,640	1,207	69	82	270
Gulf	592	107	8	7	14	625	105	5	2	16
Total Retail	8,192	1,733	155	112	429	7,266	1,312	73	84	286
Packaging	884	156	118	100	174	751	149	12	103	165
Real Estate	0	0	36	36	36	0	0	10	10	10
Franchising	44	26	(1)	(2)	2	44	20	(9)	(17)	(5)
Herfy	0	0	61	256	61	518	165	118	113	145
Al Marai-Savola Share	0	0	382	382	382	0	0	305	495	305
HQ/Elimination/Impairments	(117)	(0)	(73)	(233)	(81)	(12)	59	(91)	(238)	(89)
Total - Unadjusted	21,029	3,415	1,499	887	2,028	17,917	3,107	1,378	952	1,864
Adjustments										
Impairments				243					222	
Capital gains				(195)					(318)	
Adjusted Profit				933					855	

*Start-up markets include Algeria, Morocco and Sudan

Forecast for 2012:

In line with the policy of enhancing its disclosures and transparency, the Group announced its financial projection for the year ending 2012 indicating that it will reach SR 1.2 billion net income (before capital gain and exceptional items). For the 1st quarter of 2012 net income (before capital gain and exceptional items) is expected to reach SR 220 million Insha'Allah.

II-Our Operational Companies and International Presence

With regard to the investment portfolio, The Savola Group has major investments in Almarai Dairy Company (30%), Herfy Foods Company (49%), Kinan Real Estate Co. (30%), Dar Al-Tamlik (5%), Jordanian Tameer Company (5%), and Founding Shareholder of Knowledge Economic City in Madinah and Founding Shareholder of King Abdullah Economic City in Rabigh, Saudi Arabia.

- **Savola Headquarters**
Our main headquarters office is located in Jeddah – Saudi Arabia, where all strategic plans and decisions are made.
- **Our Staff Members**
In 2011, the total workforce in Savola HQ and SFC reached 4215 active employees.



Listed below are the Groups' subsidiaries and associates in KSA and overseas, their core activities and country of incorporation as of 31 December, 2011:

#	Company Name	Country Based	Core Activities	Country Presence	Ownership % (Direct & Indirect)	Capital As per Nominal Share Value
First: Foods Sector:						
1.	Savola Foods Co. (SFC)	KSA	Basic Foods (Edible Oil, Sugar & Pasta)	Holding Company Manages group investments the food sector inside & outside KSA	90%	SR 500 million & its recommended to increase it to SR 2.2 billion
2.	Afia International Co.	KSA	Edible Oils & Fats & Pasta	KSA, Gulf, Yemen, Egypt, Iran, Turkey, Kazakhstan	95.19%	SR 500 million
3.	Savola Foods Emerging Markets Company	British Virgin Islands	Edible Oils	Algeria, Sudan, Morocco	95.4%	SR 130 million
4.	United Sugar Company	KSA	Cane sugar, Beet Sugar & Sweeteners	KSA, Egypt, exports its products to most Arab Countries	74.48%	SR 395 million
5.	El Maleka Foods Industry Co.	Egypt	Pasta Manufacturing	Egypt	100%	50 million EGP
6.	Al Farasha Foods Industry Co.	Egypt	Pasta Manufacturing	Egypt	100%	20 million EGP
Second: Retail Sector:						
7.	Azizia Panda United	KSA	Retail Stores (Hypermarkets, Supermarket & Discounters)	KSA, Dubai, Lebanon, Qatar	74.4%	SR 652.8 million
Third: Plastic Sector:						
8.	Savola Packaging Systems Co.	KSA	Plastics (Flexible & Rigid)	KSA, Egypt Exports its products for more than 20 countries around the world	100%	SR 434.4 million
9.	New Marina Plast Co.	Egypt	Plastic	Egypt, Alexandria	100%	30 million EGP
10.	Al-Sharq Plastic Co.	KSA	Plastic	KSA	100%	SR 61.6 million
Fourth: Investments Sector (Non- Managed By The Group)						
11.	Herfy Foods Services Co.	KSA	Foods, Restaurant Chains	KSA & in some of GCC Countries	49%	SR 300 million
12.	Al-Marai Dairy Co.	KSA	Fresh Foods	KSA & a number of Regional Countries	29.9%	SR 2.3 billion recommended to increase it to SR 4 billion
13.	Kinan International for Real Estate Development Co.	KSA	Real Estate	KSA	30%	SR 1.7 billion
14.	Knowledge Economic City Development Co.	KSA	Real Estate Development	KSA	11%	SR 3.4 Billion
15.	Tameer Co.	Jordan	Real Estate Development	Jordan	5%	260 million Jordan Dinar
16.	Dar Al Tamleek	KSA	Real Estate Development	KSA	5%	SR 1 billion

Note: Some of the main subsidiaries indicated above also have sub-companies or affiliates.

You will find the details of their performance during 2011 and The Group's direct or indirect ownership in these companies.

III-Our Vision and Mission



MISSION  N

Vision

Give consumers a fair price, while ensuring returns to our investors and all stakeholders. Create a satisfying work experience for all Savolans. Inspire personal responsibility and enthusiasm for opportunity.

Mission

In terms of our culture of “The Balanced Way” we at The Savola Group, are committed to our Social Responsibility, and we will work relentlessly in achieving world class standards of openness, transparency and accountability towards all our stakeholders, and build bridges to reach out and serve the communities in which we operate.

Our Strategy

“We have a clear vision of success through a balanced approach towards our corporate culture, a set of enhancing support activities and good intentions.”

Our Ethics & Values

The Ethics and Values are the Modus Operandi of Savola, governing everything it does and the way it behaves towards its key stakeholders. This represents the essence of its corporate sustainability and relationships. These relationships and interactions are governed through our four ethics of Honesty (Amanah), Conscientiousness (Taqwa), Caring Justice (Birr), and Personal Control (Mujahadah). The Savola Values include 4 internal values: Confident Humility (Tawado), Apprenticeship (Iq'tida), Fierce Resolve (Azm), and Relentless Pursuit of Perfection (It'qan), and 4 external values Trusting (Ihsan Al-Dhan), Accepting (Qabool), Approaching (Iq'bal), and Caring (Mu'azarah).

IV-The Savola Group Anti-Corruption Policy



We will encourage the adoption of this policy amongst our business partners including contractors, suppliers and customers. The Savola Group has developed a clear anti-corruption policy. This policy comes from our commitment to acting professionally, fairly and with integrity, and does not tolerate any form of corruption.

The Anti-corruption policy is applied to all our major stakeholders and extends across all countries in which we operate.

1. Non-Conflict of Interest Policy

All members of the Board of Directors and the members of the committees that emanate from the Board of Directors, and all executives of Savola and its subsidiary companies, should avoid entry or participation in any activity that conflicts in any manner with the Group's interests.

2. Non-Trading Policy

This policy aims to preserve the reputation of The Savola Group, its Board of Directors and the

management, to reinforce the confidence of the Groups' investors that the members of the Board of Directors and the employees do not utilize financial information which is not declared or revealed, for the sake of achieving commercial gains. This is assured by applying all the legal requirements which were laid down in the organizational regulations pertaining to those informed of the Group's private information, its internal affairs, and its decision making, especially when circulating the shares of The Savola Group, and preventing any responsibility that may result in a liability in this field.

3. Confidentiality Information Commitment Policy

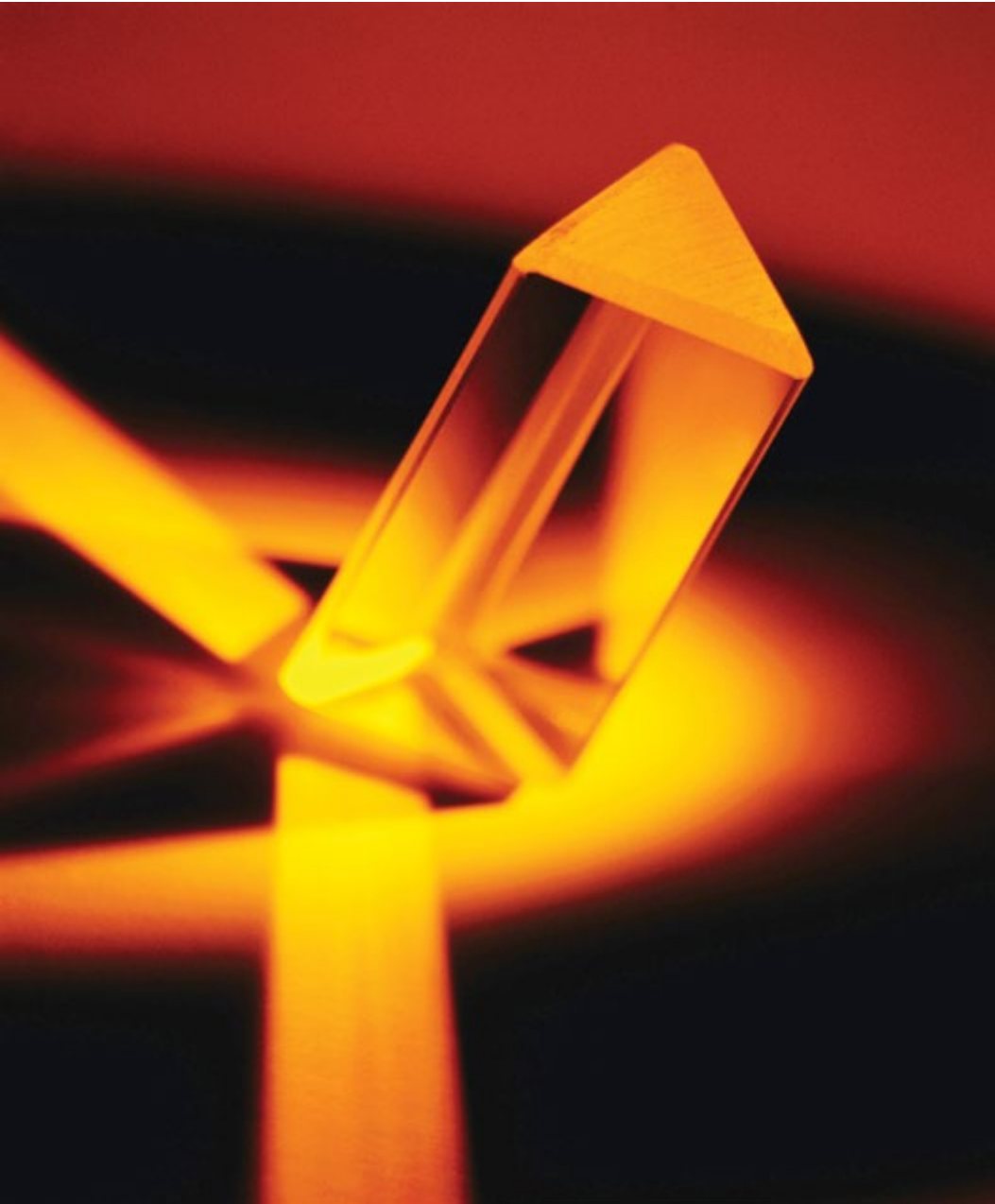
Since the business of the Company includes confidential and sensitive information it is important to keep it classified. This policy revolves around maintaining the confidentiality of the information particularly when it contains any information, operation, methods, accounting system, program, design, drawing, formation, data related to a research project, or a project under execution, or future development, or any engineering issue, production, marketing, servicing, and financial issues related to the Group, or its present or future production, sales, supplies, customers, users or its business whether it is oral or written or on data graphics, or computerized.



4. Operating Company Board of Directors Policy

All members of the Board of Directors should confirm to be committed to the decision of the Group's Board of Directors, and not to issue approval regarding the following issues until consulting it with the Board of Directors.

1. Changing the Group's goals
2. Outside expansion: Establishing production units outside the Group's original country of establishment.
3. Merger and Acquisition: Any merger acquisition program, or sale of current activities in excess of 4 million Saudi Riyals.
4. Changing the structure of the Group's capital.
5. Accepting banking facilities or loans that may increase the rate of debt-with financial burden.
6. Write off an asset with value of more than 1% of the Group's net shareholders equity.
7. Issue possible commitments and obligations which exceed the permissible rate of the Group's obligation by a percentage of the net shareholders equity.
8. Changing the Group's legal situation from a limited company to a Joint Stock Company.
9. Sale or rent of trade marks to others except for situations in which an organizing regulation list has been issued.



5. Disclosure and Transparency Policy

The Savola Group obligates itself to present accurate, consistent, and credible information on time, and in a suitable framework that fits the legal requirements of the applied regulations, in order to support the stock market.

This information must be presented no matter what the Group's circumstances are, and whatever its performance results and its financial situation are, all market players should enjoy an equal opportunity to obtain this information.

-The aim of the Disclosure and Transparency of Information policy is to enhance the trust of future investors, to help them have a clear picture of the Group, and to fulfill their expectations through disclosing suitable and reliable information and publishing it on a wide scale basis.

-The Savola Group will adopt the disclosure and transparency standards and guidelines of the American Standard and Poor index. There are 110 standards adopted in this index in relation to

transparency and its practices. The Group is doing its best to adopt these on the condition that it does not contradict with the laws in the Kingdom of Saudi Arabia and as per this schedule, approved by the Group's Board.

-All Savola Group financial information is published on its website and updated according to The Savola Group's obligation for declaring information on time.

-Circulation of rumors is prohibited. As a public company with high standards in disclosure and transparency, the Group does not tolerate these types of corruption actions, and if occurred they are faced with immediate termination and legal proceedings. However, there were no incidents reported during 2011.

V-The Group's Significant Cooperation in CSR



Injaz - Saudi Arabia

The Savola Group is a founding board company of INJAZ-Saudi Arabia board, with the previous board member H.E. the Minister of Labor, Eng. Adil Fakeih, and currently Dr. Abdurouf Mannaa represents The Savola Group on the Board. In addition of being a board member, Savola Group is the sole sponsor of "Success Skills", in which they took a pioneering initiative to develop the program "Success Skills" also in Braille for the visually impaired. This program meets the needs

of a diverse group of middle grade school students by providing engaging, academically enriching and experiential learning meetings in work-readiness education and career perspectives.

Savola employees have already begun conducting their training sessions in schools since March and they are expected to finish the training by end of April 2012.





Ministry of Labor

Kingdom of Saudi Arabia

Ministry of Labor:

The Savola Group is a member of the Advisory Board in the Ministry of Labor for issues related to employment of people with disabilities in KSA. The initiative of employing people with disability is a national strategy that helps to secure more job opportunities to people with disabilities in the Kingdom.

Employment Network:

This is another initiative by The Savola Group to

complement employment of persons with disabilities. This Employers Network will establish a network of private sector organizations to employ these persons and will provide know-how skills training and means and methodologies to integrate these people in the workforce. Again Savola is a founding member in this organization.



Prince Sultan Foundation:

This is a CSR think tank set up by the Prince Sultan Foundation, a NGO that has various benevolent works

in the Kingdom mainly in healthcare and education. This think tank gathers key CSR players and Savola plays a pivotal role in providing experience and expertise.

Chamber of Commerce Employment Office:

This is a strategic program that was set up by The Savola Group in partnership with the Jeddah Chamber of Commerce and Industry to have a dedicated outlet for people with disabilities where they can apply for jobs. Both the Chamber and Savola manage this center and provide assistance to the persons with disabilities.

VI-Savola Bridges



Savola Bridges

The Savola Group's key bridge is training and employing persons with disabilities and is considered a main umbrella. The second key bridge is leadership institute. A recently conducted survey with key Saudi journalists and media specialists revealed that Savola ranks 3rd in terms of having the most developed CSR programs after Abdulatif Jameel and National Commercial Bank.

Savola Packaging Company Is A Member Of:

- Plastics Chamber of Commerce
- Gulf Petrochemical & Chemical Association (GPCA)

Savola Food Company Is Associated With:

- Saudi Standards Organization (SASO)
- Arab Center for Nutrition (ACNU)
- AOCS (American Oil Chemists Society)

VII-Organizational Structure of The Savola Group

Executive Board




Dr. Abdulraouf Mannaa
Group Managing Director


Mr. Abderrahim Maaraf
CEO, Savola Foods Co.
(Foods include, Edible Oils
& Fats, Sugar & Pasta)



Mr. Muwaffag Mansour Jamal
CEO, Panda



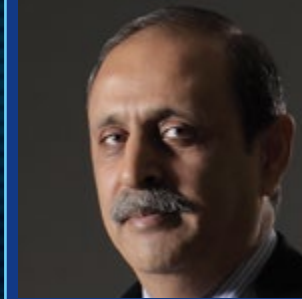
Eng. Azhar M. Kenji
CEO, Plastic Sector



Mr. Mahmoud Abdul Ghaffar
Chief Executive of
Corporate Affairs &
Board Secretary








Mr. Nouman Farrukh
CFO







Board of Directors

Board Composition, Qualifications and Joint Stock Companies Membership:

The Group Board Members were elected for the new cycle, which commenced on 1st of July 2010 and will continue for three years ending 30th June 2013. All Board Members are non-executives and independent with exception of the Group Managing Director. The table also includes details of other joint-stock companies where Savola Directors currently hold Board positions.

#	Member Name	Member Photo	Membership Classification	Qualifications	Company Memberships (listed and unlisted) where Savola Directors currently hold Board Membership (excluding The Savola Group) Membership
1	Mr. Sulaiman A.K. Al-Muhaidib Chairman of the Board		Non- Executive	Second Class, Faculty of Medicines, 1985.	Listed: Almarai Co., Arabian Pipe Line Co., Saudi British Bank, The National Industrialization Company. Not Listed: Abdulqadir Al Muhaidib & Sons Co., Tatweer Al Aoula Co., Jousour Swicorp Co.
2	H.E. Eng. Abdullah Mohammed Noor Rehami-Vice Chairman (Representing The General Public Investment Fund)		Non- Executive	Bachelor of Mechanical Engineering, King Fahd University of Petroleum and Minerals Science in Dhahran, Saudi Arabia, 1975. (He is former President of the General Authority of Civil Aviation up to March 2010).	Listed: National Commercial Bank, Herfy Food Services Co., and Alujain Co.
3	Dr. Abdulraouf M. Manna Group Managing Director		Executive	Ph. D University of Washington, Seattle, USA, 1982; Master of Engineering, University of California, Berkeley, USA; B. Sc. University of Petroleum and Minerals, KSA.	Listed: Almarai Co, Saudi Investment Bank, Herfy Food Services Co. Not Listed: Kinan Int'l for Real Estate Development, Azizia Panda United Co. representing The Savola Group and General Organization for Social Insurance (GOSI).
4	Mr. Ibrahim M. Al Issa		Non-Executive	Bachelor of Business Administration, Chapman University, California, USA, 1974.	Listed: Yanbu Cement Co., Taibah Holding Group, Saudi Fransi Bank, and Almarai Co.
5	Dr. Sami M. Baroum		Non- Executive	Ph. D. in Operations Management and MIS from Indiana University; MBA with distinction from Wharton School of Business University of Pennsylvania 1985.	Listed: Knowledge Economic City Co., Arabian Cement Not Listed: Azizia Panda United Co. representing The Savola Group.

Board of Directors

#	Member Name	Member Photo	Membership Classification	Qualifications	Company Memberships (listed and unlisted) where Savola Directors currently hold Board Membership (excluding The Savola Group Membership)
6	Mr. Ammar A. Al Khudairy		Independent	Bachelor of Engineering, George Washington University, USA, 1984. USA. 1984	Listed: Al Deraa Al-Arabi Co., Herfy Food Services Co., Zain Mobile Telecommunications Company. Not Listed: Rowad Schools Co., Sport Clubs Co., Saudi Rockwool Co., Morgan & Stanley, Al Tayyar Group for Travel & Tourism & Zehoor Al Reef Trading Co.
7	Mr. Abdulaziz K. Al Ghufaily Representing General Organization for Social Insurance (GOSI)		Non- Executive	Master of Economics, USA; Bachelor of Economics, King Saud University.	Listed: Al Rajhi Bank, Herfy Foods Services Co.
8	Dr. Ghassan Ahmed Al Sulaiman		Independent	Ph.D. in Strategic Management, University of Hull, U.K.; Master of Business Administration (Honor Degree), University of San Francisco, USA; Bachelor of Science in Business Administration, Menlo College, California, 1978.	Listed: Arabian Cement Co. Not Listed: Al-Magrabi Group of Hospitals. Oniazah for Investments, Saudi Venture Capital Investment Co.
9	Mr. Mousa O. Al Omran		Independent	Master of Business Administration, Saint Edward; and Bachelor of Industrial Engineering, King Saud University 1990; Diploma of American Institute (AIB), USA.	Listed: (Arabian Cement Co., Almarai Co., Saudi Fransi Bank). Not Listed: Azizia Panda United Co. representing The Savola Group and General Organization for Social Insurance (GOSI).
10	Mr. Mohamed A. Al Fadl		Independent	Bachelor of Economics and Marketing Sciences, USA, 1977.	Listed: None Non Listed: Jeddah Holding Co., Dar Al Tamlik, Kinan International Co.
11	Mr. Badr Abdullah Al-Issa		Independent	Masters of Business Administration, Rice University, USA; Bachelor of Arts and Economics, University of Virginia, USA.	Listed: The Saudi Hotels & Resort Areas Co. Not Listed: Al Qeeq Real Estate Development Co., Aseelah Investments Co., Saudi Fransi Capital.

Composition and Nomination of the Board



The Board of The Savola Group is keen to facilitate and ease matters through an approach based on high ethics and values, which contribute to reach sound resolutions. The board members come with various specialties that maintain the shareholders rights, ensure transparency, and bear responsibility.

Such specializations cover fields like: industry related, administrative strategic planning, accounting, legal, marketing, corporate governance, human resources, risk management, and mergers & acquisitions. In addition, Board Members do have administrative abilities and are equipped with both local and international information related to Savola's businesses.

Moreover, each Board Member shall have the following characteristics. The Compensation and Nomination Board Committee should ensure availability of such characteristics in the selection and nomination process:

- Should be capable of taking sensible resolutions in agreement with the values and ethics of Savola.
- Should have a good reputation and has never been

convicted of a crime of honor and honesty.

- Should be capable of allocating time and effort as necessary as and when Savola interest demands.
- Should have appropriate experience relevant to the above fields.
- Should be prepared and willing to extend his membership office term if required.

In Connection With The Board's Composition, Savola Is Committed To The Following

The Company shall be managed by a Board of Directors consisting of only eleven members to be appointed by the General Shareholders Assembly for a period of three years. Compensation and Nomination Board Committee should initiate and lead the selection and nomination process.

The General Assembly shall appoint the board members for the office term stated in the AOA of the company, provided that such duration shall not exceed three years. Unless otherwise provided for in the AOA of the company, board Members may be re-appointed.

The majority of Board Members shall be non-executive Board Members.

The independent Board Members shall not be less than two members, or one-third of the members, whichever is greater.

It is prohibited to combine the position of the Chairman of the Board of Directors with any other executive position in the company, such as the position of Managing Director (MD) or the Chief Executive Officer (CEO).



The AOA of the company shall specify the manner in which the membership of the Board of Directors terminates. At all times, the General Assembly may dismiss all or any of the Board Members even though the AOA provides for otherwise. On termination of membership of a Board Member in any of the ways of termination, the Company shall promptly notify the Authority and the Exchange, and shall specify the reasons for such termination.

A Board Member shall not act as a Board Member of more than five joint stock companies at the same time.

The judicial person who is entitled under the company's AOA to appoint representatives in the Board of Directors, is not entitled to a nomination vote of other members of the Board of Directors.

Processes To Evaluate The Highest Governance Body

The Board of Directors is the highest governance body in The Savola Group: Part of the Compensation and Nomination Committee's role is to ensure proper assessment for Board's performance is in place. The committee recommends the necessary criteria for the process based on the Board's role and function stipulated in the CG manual, and in line with the Board Assessment

Framework approved by the Group Board of Directors; this should be carried out by independent assessors at least twice during each Board office term (i.e. twice during three year of time).

The Assessment Is Carried As Follows:

- Individual or self -assessment
- Peer assessment
- Assessment for the Board as a whole
- Committee Chairman & member assessment (self-assessment and being assessed by the Board).
- Managing Director or CEO assessment.

Methodology

- Agree on a set of performance indicators with the Board. These may already exist in the Corporate

Governance manual including the Board's role & main functions. Meeting attended by Directors & their contribution to the discussion etc.

- Consider using Specialist/Consultant in Board assessment & Corporate Governance two times during each Board Officer tenure (which is 3 years).
- Use a combination of approaches to collect information, such as interviews with members & executives as well as a structured questionnaire.
- Invite the views of the top Executive Management team of the Group as well as the Board Secretary, who also assumes an executive role at the Group level.
- Present the result of the assessment to the Board in a workshop & plan the necessary measure for the fixes required.

VIII-The Savola Group Committees



Board of Directors Committees:
The Savola Group Board has five sub-committees, the membership of which is comprised of Board Members, external independent specialists and Savola senior executives. These Committees have a special Charter, approved by the Group Board, to govern their scope of work and related procedures. These committees are as follows:

Audit Committee

The Audit Committee consists of four non-executive members, including specialists in financial and accounting affairs. The Committee held five meetings in 2011, playing a vital role in helping the Board to meet its supervisory responsibilities. In 2011, the Committee supervised and coordinated The Group’s internal and external auditing activities to verify that internal control systems are operating effectively and efficiently, which support the Board of Directors’ role in discharging their supervisory responsibilities. The Committee is also responsible for tackling grievances related to stakeholders.

Main Roles & Responsibilities

To supervise The Group’s internal audit work and ensure its effectiveness; to review the internal audit

#	Name	Position
1.	Mr. Abdulaziz K. Al Ghufaily	Chairman
2.	Mr. Badr Abdullah Al Issa	Member
3.	Dr. Mohammed Ali Ikhwan (Outside Member)	Member
4.	Mr. Bandar Saeed Omar Alesayi (Outside Member)	Member
5.	Mr. Mahmoud M. Abdul Ghaffar	Committee Secretary

report and pursue the implementation of corrective measures with respect to the comments included in them; to recommend to the Board of Directors the appointment, dismissal and the fees of external auditors; and to review the interim and annual financial statements prior to presenting them to the Board. It is also responsible for the settlement of grievances related to stakeholders.

The Committee Remuneration

Members received the amount of SR 195,000, of which SR 106,000 represents an annual remuneration and SR 89,000 represents meeting attendance fees and travel expenses. (The members of the Committee who are Board Members of the Group do not receive annual remunerations for their membership in the Committee & only receive meeting attendance fees).



Compensation, Nominations & Corporate Governance Committee: The committee consists of four members and all are non-executives and independents. The Committee held four meetings during 2011.

Main Roles & Responsibilities

To recommend to the Board of Directors appointments for membership to the Board, sub-Board and Committee, in accordance with the set standards.

To conduct an annual review of the requirement of suitable skills for membership to the Board, prepare a description of the required capabilities and qualifications for such membership. To review the structure of the Board and determine areas of strength and weakness in the Board of Directors and recommend changes. In addition, the Committee draws clear policies regarding the indemnities, remunerations and succession plan of the Board members and top executives to ensure that such policies meet the standards related to performance. It also follows up the implementation of these policies

#	Name	Position
1.	Dr. Ghassan A. Al Sulaiman	Chairman
2.	Eng. Abdullah M. Noor Rehami	Member
3.	Mr. Mousa O. Al Omran	Member
4.	Mr. Mohammad A. Al Fadl	Member
5.	Mr. Mahmoud M. Abdul Ghaffar	Committee Secretary

and ensures Board independence on annual basis. It is also responsible for compliance with Corporate Governance regulations and investigation and settlement of grievance cases of employees.

The Committee Remuneration

Members received the amount of SR 71,400, which represents attendance fees for the meetings held

during the year, (the members of the Committee who are the board members of the Group do not receive annual remunerations for their membership in the Committee and only receive meeting attendance fees.

The Savola Group Committees



Board Assessment

Pursuant to paragraph 4 of Article 15 of the Corporate Governance regulation issued by CMA and the Group CG Code, the Group is currently carrying out an independent assessment of the Board of Directors' performance, which started its office term on 1st July 2010. The assessment was commissioned by an independent specialist in Board Assessment. This exercise aims to identify the strengths and weaknesses of governance requirements and then develop an action plan accordingly to enhance the Board's performance. This task, which started in January 2012, includes interviews with Board Members and holding a workshop to develop the required criteria for evaluation. The specialist will then carry out a survey for Board Members through questionnaires

and the results of interviews and workshops will be integrated in an action plan as indicated above.

Risk Management Committee

This committee has six members, each with relevant experience and qualifications. Its role is to manage risks across the Group and its subsidiaries. The Committee held only one meeting in 2011 and the list of members, attendance records, and the role of the Committee are summarized below:

Main Roles & Responsibilities

To continuously improve risk management policies and monitor their implementation; supervise all plans and strategies concerning any risks that the Group and subsidiaries might face and the effects thereof;

prepare terms of reference for the purchase of raw materials, commodities and future contracts and monitor its implementation at all levels within The Group; monitor geographical expansion risk; provide advice to the Board on the risks faced by the Group's business and how to manage and mitigate these risks.

The Committee Remuneration

Members received the amount of SR 48,750 of which SR 18,750 is paid to the external members and SR 30,000 represents meeting attendance fees for committee members (members of the Committee who are Board Members of the Group do not receive annual remunerations for their membership in the Committee & only receive meeting attendance fees).



Savola has formed a Risk Management Committee to carefully manage these risks. This committee has six members, each with relevant experience and qualifications.

#	Name	Position
1.	Mr. Ammar Al-Khudairy	Chairman
2.	Dr. Abdulraouf M. Mannaa	Member
3.	H. E. Eng. Abdullah M. N Rehaimi	Member
4.	Dr. Sami M. Baroum	Member
5.	Mr. Badr Abdullah Al- Issa	Member
6.	Mr. Omar Abdullah Bajunaid (External member – independent)	Member
7.	Mr. Mahmoud M. Abdul Ghaffar	Committee Secretary

The Savola Group Committees



Investment Committee:
 The Investment Committee was formed with five members to develop the criterias, standards and plans for the Group’s investment activities. The Investment Committee helps the Group develop sound investment plans and to explore and then seize the most attractive opportunities.

This committee reviews opportunities before they are presented to the Board, makes recommendations to the Board accordingly, and then monitors progress on these recommendations. The Committee held four meetings during 2011.

Roles and Responsibilities

Defines, studies, and evaluates investment opportunities within the Group and core sectors in Saudi Arabia and overseas according to the Group’s defined strategy, and recommends findings to the Group Board of Directors.

The Committee Remuneration

Members received the amount of SR 115,000 which

represents attendance fees and travel expenses for Committee Members. (The members of the Committee who are Board Members of the Group do not receive annual remunerations for their membership in the Committee & only receive meeting attendance fees).

#	Name	Position
1.	Eng. Abdullah M. N. Rehaimi	Chairman
2.	Mr. Ammar A. Al Khudairy	Member
3.	Dr. Abdulraouf M. Mannaa	Member
4.	Mr. Abdulaziz K. Al Ghufaily	Member
5.	Mr. Badr A. Al Issa	Member
6.	Mr. Mahmoud M. Abdul Ghaffar	Committee Secretary



Corporate Social Responsibility Committee (CSR): CSR Committee: Chairman & Members:

#	Name	Position
1.	Dr. Ghassan Ahmad Al Sulaiman	Chairman
2.	Dr. Abdulraouf M. Mannaa	Member
3.	Dr. Al Sharif Zeid Al Ghalib	Member
4.	Dr. Mervat Ahmad Tashkandi	Member
5.	Mr. Mahmoud Mansour Abdul Ghaffar	Member

The CSR Committee consists of five members, each with the relevant experience to fulfill their roles and responsibilities.

The Committee held four meetings in 2011 and the list of members, attendance records, and the role of the Committee is summarized below:

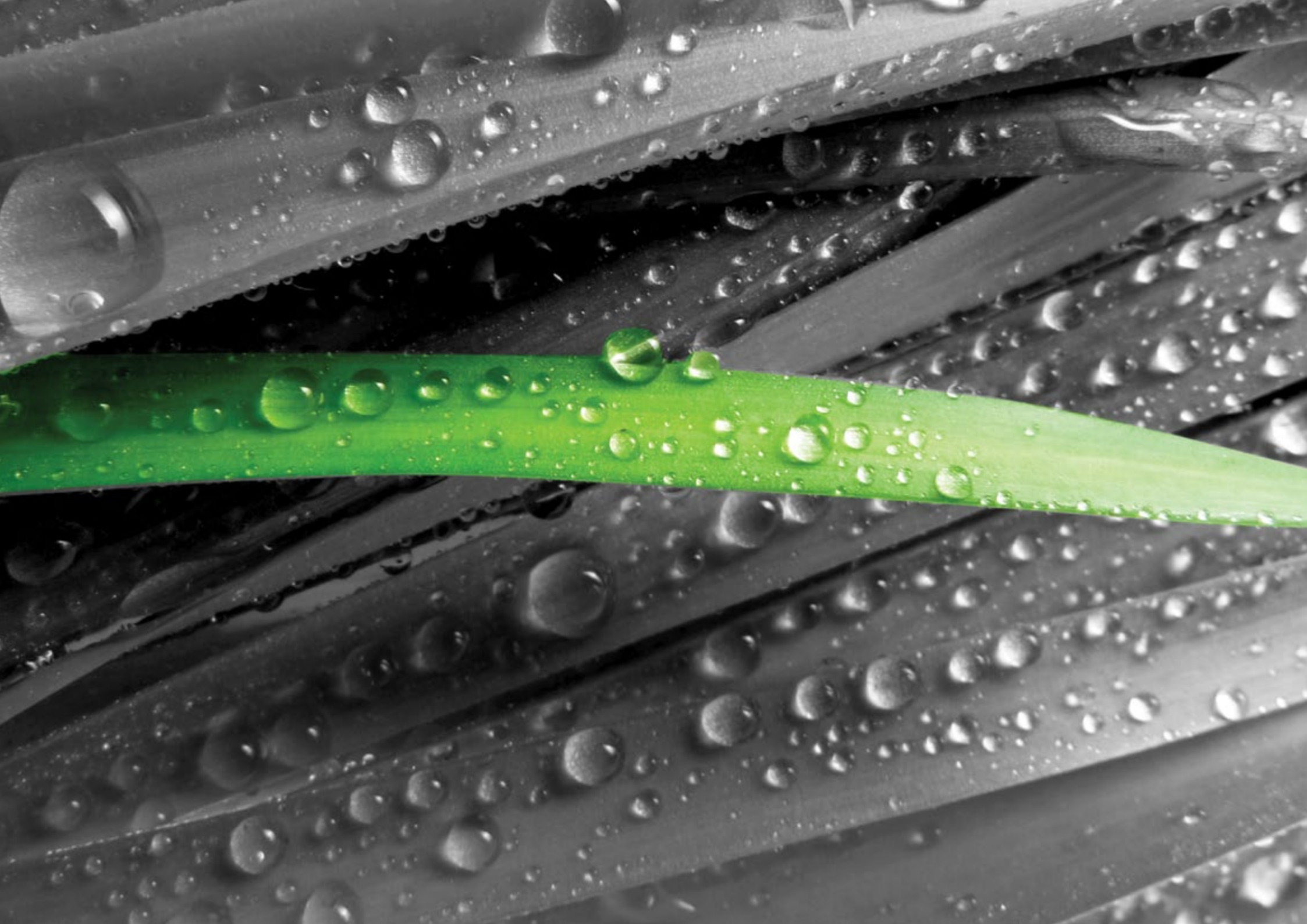
Main Roles & Responsibilities

- Develop and pursue programs that contribute to deepening the sense of social responsibility of the Group and its subsidiary companies
- Develop criterias and standards for social responsibility programs
- Activate the role of the Group in adopting policies, initiatives and social responsibility programs toward its contributors, importers, customers, the environment and the whole community in order to support and enhance the Group's reputation

- Approve the recommendations of the Group's Management regarding the budget of the social responsibility programs

The Committee Remuneration

Members received the amount of SR 195,000 of which SR 100,000 represents annual remuneration and SR 95,000 represents meeting attendance fees for committee members. (The members of the Committee who are the Board Members of the Group do not receive annual remunerations for their membership in the Committee, & only receive meeting attendance fees).



IX-Sustainability Reporting in The Savola Group



From early on The Savola Group had identified the need to report on its sustainability practices and ethics. In 2007, The Savola Group produced a report to allow more insight into the social initiatives and the best practices that were implemented.

However, from now on the current report will be considered as the first report of the Group, as it follows a more advanced methodology, a strategic orientation and is based on the Global Reporting Initiative, the world's most prevalent standards for sustainability reporting.

The Savola Sustainability Report for 2011, reveals the Group's commitment towards its employees, society and the environment. It discloses the important information that describes the strategic view, the commitments and principles that guide the sustainability decisions made. The measurable outcomes prove our long term commitment but also

assist us in identifying our strengths and weaknesses, and the risks and opportunities that allow us to perform our duty towards our people, community and environment more effectively and efficiently.

This annual report is focused on the operations of the Group in Saudi Arabia and discloses information and performance data for the calendar year 2011, alongside the best CSR practices applied through the operational companies. The Sustainability and CSR issues are dealt centrally by the Group's Head Office located in Jeddah, Saudi Arabia, which is responsible for CSR in the Group.



As the role of the Group’s Head Office is key in managing the Sustainability Strategy and framework, this report focuses on data provided mainly by the Head Office, with any limitations this may acquire. We felt the need to cover best practices, activities and data from all the operations in order to present the effectiveness of the Sustainability Strategy across our business.

Our aim is to utilize the benefits provided by the International Global Reporting Initiative (GRI) and to allow better insight into specific areas of our operations, knowing that we are bound by the limitations of this first extended reporting process.

We are developing and implementing a solid internal process that includes in depth training and assessment in order to identify key and material issues of our operations, with the Sustainability Committee and the top management taking a strategic view that will allow us to determine the material issues of our

business & then prioritize & fix our focus.

Identification & communication with our stakeholders is key to our operations & we continuously identify challenges & opportunities related to our responsibilities.

Through established systems we ensure that key social, business and environmental issues are managed consistently.

Our Sustainability Strategy, Mission & Vision



Every aspect of a business has a social dimension. Corporate Social Responsibility (CSR) means open and transparent business practices that are based on ethical values and respect for employees, communities and the environment. It is designed to deliver sustainable value to society at large, as well as to shareholders.

Vision

Give consumers a fair price, while ensuring returns to our investors and all stakeholders. Create a satisfying work experience for all Savolans. Inspire personal responsibility and enthusiasm for opportunity.

Mission

In terms of our culture of “The Balanced Way” we at The Savola Group are committed to our Social Responsibility, and we will work relentlessly in achieving world class standards of openness, transparency and accountability towards all our stakeholders, and build bridges to

reach out and serve the communities in which we operate.

Principles and Values

The Savola Group upholds a series of guiding principles when embarking on any Savola Bridges programs.

These programs should be:

- Comprehensive and far reaching to a wide variety of beneficiaries
- Sustainable
- Innovative

Stakeholders Groups



How do we communicate with our stakeholders?
The Group has undergone an extensive stakeholder mapping exercise to determine its stakeholders and prioritizes its communications and engagement process accordingly. This has proved to be a valuable exercise for the Group.

The Savola Group's Communications is run by the Corporate Communication Team that reports directly to the Corporate Affairs Chief and operates according to a present annual plan that is updated weekly & reviewed every month and a full review is done every quarter.

The Savola Group identified 5 key platforms to structure its communications efforts: Global Leadership, History & Heritage, Employer of Choice, Corporate Governance, and CSR. These platforms are clearly outlined in the communications plan & stakeholder engagement plan. The concept & definition of Corporate Social Responsibility (CSR), has evolved over the past few years. It has

progressed from social & environmental concerns to much broader concerns that include responsibility towards our internal stakeholders (investors, customers, suppliers & employees) & external stakeholders (community & environment). All of our CSR programs are based on innovative, long-term self-help ideas that will provide a value-adding impact on our stakeholders.

We believe in sharing experiences with our stakeholder groups, which will help us to identify their priorities and accordingly design sustainable, effective programs that fulfill their social & economic needs and protects the environment.

Stakeholders Groups

Stakeholder Group	How to engage them	Stakeholders' priority issues	Our Response
Our Customers	<ul style="list-style-type: none"> • Providing responsive, suitable and efficient services. • Offering quality products with reasonable, fair prices. 	<ul style="list-style-type: none"> • Quality services and customer care. • Reasonable, fair prices. • Reliable online sources. 	<ul style="list-style-type: none"> • Business development process & regular market & satisfaction survey. • Ongoing improvement of customers service standards. • Accessible and ongoing enhancement of our online portals.
Our Employees	<ul style="list-style-type: none"> • Training and development. • Retaining and optimizing talent. • Ensure diversity, fair treatment & human rights. 	<ul style="list-style-type: none"> • Career plan and skills development • Healthy working environment. • Compensation and promotion systems. 	<ul style="list-style-type: none"> • Employees satisfaction survey. • Development of our esteemed Ethics & Values system, which includes Birr (Caring Justice). Birr is our responsibility toward the employees of the company & we believe that everyone is entitled to treatment with basic human dignity & decency in a way that is sensitive to the individual's material needs, family needs & the need for self-fulfillment. • Clear career path, training plan and fixed annual bonus. • Open-door policy. • Annual performance Review. • Annual social gatherings during religious & celebration occasions.
Our Environment	<ul style="list-style-type: none"> • Maximize our efforts to create programs that will enable us to be environmentally friendly 	<ul style="list-style-type: none"> • Continuous improvement and consideration for all environmental measurement and resource consumption. 	<ul style="list-style-type: none"> • The development of an initial environmental plan that aims at: <ul style="list-style-type: none"> - Reduction of electricity and power use. - Reduction of water use. - Recycling.

Stakeholders Groups

Stakeholder Group	How to engage them	Stakeholders' priority issues	Our Response
Our Shareholders	<ul style="list-style-type: none"> • Create economic value to our shareholders and ensure good governance. 	<ul style="list-style-type: none"> • Transparency. • Sound Corporate Governance. • Protection of investment. 	<ul style="list-style-type: none"> • Board of Directors Meetings. • Ordinary General Assembly. • Publishing financial results per quarter. • Announce dividends to the shareholders per quarter. <p>Savola pays special attention to the rights of shareholders and investors by including such rights in The Group's Articles of Association and its Manual, which was developed in 2004 and has since been continually refined. These documents outline shareholders' rights, as detailed in the applicable rules and regulations, which can be reviewed on Savola's website (www.savola.com).</p> <ul style="list-style-type: none"> • The company regularly publishes financial & non-financial reports & other data on the Tadawul website, in daily newspapers, and in Savola's Quarterly newsletter. • A dedicated department deals with shareholders' affairs.
Our Community	<ul style="list-style-type: none"> • Dedicated Corporate Social Responsibility Department that is responsible for designing programs that deals with essential community needs 	<ul style="list-style-type: none"> • Contribution to solve social problems such as unemployment and poverty and help disadvantaged people. • Offering training opportunities. • Provide an easy, accessible website. 	<ul style="list-style-type: none"> • The establishment of the Savola Center for Training & Employment of People with Disability. • Cooperation and supporting other society institutions to design educational, health and social programs . • Offering internship and training opportunities for undergraduates

Initiatives

The Savola Group Awards for CSR & Corporate Governance



Transparency Award from Saudi BMG
- July 2008



The Best Work Place Award:
Practices & Ethics from IIR
- July 2008



King Abdul Aziz Prize for Quality
Award, first round - July 2008



Corporate Governance
Recognition - September 2008



The Saudi Public Company
Award in CSR - 2007



The Best Investment Strategy
Award: organized by Arabian
Business - 2008

The Savola Group Bridges Initiatives form the guiding principles for any community services program that the Group will implement. These initiatives comprise various educational, social, and training fields which have been selected based on The Savola Group experience and expertise. In the following section, the Savola Bridges initiatives are explored in the format.

- The initiative
- Stakeholders
- Description
- Resources
- Objectives
- Success Criteria
- Methodology
- Timeframe
- Partnership

Our Social Commitments

Items	Amount SR
Injaz Saudi Arabia Board membership	1,000,000
Injaz Saudi Arabia (Young Saudi Entrepreneurs Program)	150,000
Kawader Sponsorship for 1000 students	940,000
Institute for Professionals Training & Development (Training fee for 20 Disabled Persons)	96,000
Autism Gulf Championship (Al Faisaliah Charitable Org.)	50,000
Al Arabia Innovative Center (Training fees for one special needs candidate)	20,000
Masar Al Ethra Institute (Training for Persons with Disabilities)	40,000
Total SR	2,296,000

The Savola Group support social organizations, which stems from the Group's strategy to take part in community initiatives. These social initiatives are carefully selected after thorough review and belief of their importance in the benefit and value they bring to the various stakeholders, thus achieving a balance between our objectives and serving all sectors of the society.

It has always been our strategy to serve various sectors of the community in order to achieve sustainable growth. The table gives a brief view of our social contributions to society during 2011:

Also, in line with its Corporate Social Responsibility (CSR) and corporate citizenship, Savola supported local charity associations by giving away consumer goods products including sugar and oil. In 2011, Ramadan charity contributions reached 7 tons of sugar and 7,938 liters of oil delivered

directly to various associations to be used in their charity programs during the Holy Month of Ramadan.

Reporting

X. First: Our Employees

Working within an Ethical Framework
Country Salary Scales
Establishing and Revision
Working Age
Probation Period
Training and Development
Ongoing staff training and development
Training Management, Budgets & Approvals Guidelines
Eligibility
Nominations & Registrations
Types Of Training
Management Trainee Program
Buddy & Mentor Training Program
Performance Appraisal System for Supervisor Level (SL) and General Workers (GW)
The Savola SMART Objectives System
Savola Executive Competency Framework
Further Guidelines

Workforce and Communication Program with Employees in The Savola Group
Special Programs developed for Employees
1) Employee Home Loan Scheme
2) Employee Cooperative/Takaful Program for Death and Permanent or Partial Disability
3) Employee Takaful Fund
Other related policies
Employees Benefits
Employment of People with Disability
Injuries Rate
Compliance with Applicable Laws & Regulations

XI. Second: Our Community

The Savola Group Social Responsibility Programs
“Leave the Change” for Them Initiative
Saudi Injaz Entrepreneurs Project
Our Social Bridges Performance
Product Responsibility Aspect
The Savola Group Marketing Direction

XII. Third: Our Environment

The Savola Group’s Environmental Strategy
Environmental Initiatives
Environmental Awareness Staff Training



X-First: Our Employees



We want to create a business environment that encourages all employees to behave in the most ethical manner possible. This unique ethical framework helps our employees to achieve their needs!

Working Within An Ethical Framework

The primary objective of our company is to earn the optimum corporate profit consistent with long-term corporate growth. The achievement of this objective necessarily recognizes the company's responsibilities to its customers, stockholders, employees, & the public at large.

The company's Human Resources are its central & most important asset. A competent workforce, thoroughly trained, properly motivated and bound together by mutual trust and common objectives is necessary to ensure the desired company success. Therefore, no discrimination can be tolerated in The Savola Group, & following the strong ethics of the Group, no discrimination incidents have been recorded.

Management, in its effort to utilize these human resources most

effectively, is guided by the following basic principles that reflect the company's attitude towards its human resources:

1. Company Ethics & Values framework is the foundation of our actions.
2. Each employee is an individual and wants to be treated with respect and dignity. He has needs for self-direction, growth, achievement and recognition.
3. Every employee has a responsibility to contribute to the effective operation & improvement of his job & the business.
4. An individual needs a work situation within which he has the opportunity to expand his knowledge and develop his skills to his maximum potential.
5. Open, two-way communication facilitates more effective resolution of common problems.
6. The qualifications of each employee or prospective employee are judged without regard to race, color or national origin.
7. Planned, constructive change is necessary for the continuing improvement of the business.
8. Competitive pay and benefits are necessary to attract and retain top performer employees.
9. Individuals desire a healthy and safe place in which to work in. The individual and the company share responsibility for creating and maintaining a healthy and safe work environment for all employees.
10. Individuals need economic security in case of disability, death, and retirement.

In addition to the above principles, the company pays special attention to compliance with all labor and other relevant laws of countries' in which it operates.



The Company's corporate policy in salary scales and other benefits is to maintain compensation and benefits at competitive levels through establishing salary scales that best meet the following factors:

- Existing economic conditions in relevant countries.
- Pay levels of same market sectors.
- Pay practices in countries' local markets.
- Company pay strategy.

Country Salary Scales

Each country, within guidelines and required approvals as per this policy, should have its own salary scales that cover all bands. These salary scales should be in line with its local relevant sectors in the market and based on Company approved pay strategy for that country. The Savola Group has a range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation, as per the directives of the Custodian of the Two Holy Mosques, King Abdullah bin Abdulaziz, the Group fully complies with the directive of standardizing the minimum wage to SR 3,000 per month. The rule is: Equal Pay for Equal Work! We pay all employees equally for equal work, regardless of their gender.

Establishing and Revision

Establishing and designing new salary scales or new benefits systems as well as revising or upgrading current ones should be initiated by Head of Sector and recommended by SFC HQ HR, approved by MD then submitted to the Board's Compensation & Nomination Committee for their final approval.

The relevant required studies and consequent proposals, however, should be conducted and executed by an approved external organization that runs professional market and salary studies. All studies and reports relevant to designing or revising salary scales should be documented by the Human Resources Department for possible future reference by the company.

Working Age

The Savola Group complies with the Labor Laws of the Kingdom of Saudi Arabia regarding the minimum age of employment.

The age of 18 years is defined as the minimum age for admission to employment in the public or private sectors. A child under 13 years of age is not allowed to work even with the consent of his legal guardian. In this regard, it should be noted that we very rarely find working children in the Kingdom under 13 years of age, except within the framework of their family and under the supervision of their legal guardian, usually in non-strenuous work such as helping fathers in their shops.

Our Employees



Moreover, the Labor Code prohibits the employment of children under 13 years of age and restricts the working hours of children to six hours per day, during which a rest period must be granted. Children are not allowed to work for more than five consecutive hours, at night or in heavy or hazardous work.

The Code further stipulates that work is optional and not compulsory for children. It recognizes the right of the child to be protected from performing any work that is likely to interfere with the child's education or to be harmful to the child's health or physical, mental, spiritual, moral or social development. It also prescribes a severe penalty for anyone who employs a child under the age of thirteen. The Civil Service Regulations likewise specify a minimum age of 18 years for admission to employment. The typical working age falls between 18-40 years old individuals.

Probation Period

Without compromising the country's labor and relevant laws, following are corporate guidelines on probation period policy.

a) A probation period should be of the maximum period

mentioned in the local Work & Labor Laws from the time employees start their work with the company.

b) Employees become permanent employees only if they successfully complete this period.

- In case the employee is found not fit for the job, the direct Line Manager/supervisor of the employee must prepare a report addressed to Head of HR a minimum three weeks before the probation period has elapsed as per the country's labor law. The report should cover the performance of the employee and why he was found not fit.

- If a satisfactory evaluation is not attained, the employee may be terminated and repatriated back to his point of origin (if expatriate) in line with the Country's Local Work and Labor Law. The Company will pay for the cost of repatriation of the employee.

Training and Development

The company considers that well-designed and executed training programs are an important part of employees' continuous performance improvement and the development of employees' capabilities to assume new/ increased responsibilities, and consequently, delivering business objectives. These training opportunities are available to all employees in different managerial levels. Training and Employee Development is a cornerstone of Savola's operations, however The Group does not offer education, training, counseling, and prevention and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases, since we offer other more valuable training that matches our employees' needs and expectations that would enrich their experience.



Ongoing Staff Training and Development: Savola encourages concerned managers to explore new methodologies of training away from the traditional “class room” training which has been proven to be less effective way for learning. The company encourages using the most effective methods of development that allow the employee to practice the acquired knowledge or skill almost immediately within the working environment.

Training Management, Budgets & Approvals Guidelines:

Guidelines on training management (including budgets/ financials & logistics) and approvals for each country are to be in line with the Performance Management System Manual as well as each country’s approved policy.

Eligibility

Permanent company employees are eligible to join different training programs that relate to their job responsibilities, functional/ managerial development need or planned career progression.

Nominations & Registrations

Guidelines on nominations and registrations for each country are to be in line with the Performance Management System Manual.

Types of Training

The company believes that one or more of the following types of training will enable employees achieve business strategy, objectives & plans:

1. Initial Training: Prepares the employees to carry out the responsibilities that are assigned to them as part of their jobs. This will be done primarily through one-to-one coaching by the direct supervisor/manager. This forms the most basic, most important and most valuable continuing coaching of employees.
2. Managerial Training: Development programs that focus on building competencies for employees who have been sought to have potential to grow and hold bigger role. Example: Savola Foods, Management Development programs, Coaching, Communication, etc.
3. Advanced Managerial Training: Development programs

that an employee should receive on assuming new responsibilities and programs that give the employee knowledge about the company’s business strategies and practices in relation to his current or future role. This training is mostly required when reaching certain levels of responsibility in the company.

4. Functional Training: Development programs that focus on building professional skills of an employee, which are deemed required for executing his job responsibilities. Example: Sales Operations, Category Management, Production Planning, etc. Functional Skills Training is mostly provided by the concerned function.

5. IT & English Language Training: These are training on specific IT programs or English language programs that are deemed required for an employee to execute his job responsibilities.

Our Employees



Management Trainee Program:
During the past years Savola adopted the Management Trainees (MT) Program which was a productive program that produced a number of business leaders. It is a development program that is mainly designed to prepare and qualify the new Saudi graduates to improve their managerial skills and become part of the Savola management team by rotation among different functions/departments.

Employees appointed as management trainees undergo a basic off/on- job training program that includes general management, specialized training and English if needed. The Management Trainee Program is from 18- 24 months, and during this period the performance of the management trainee is evaluated. The Savola Group manages this program in cooperation with the other operational companies. We target specialized males and females in Engineering, IT, Management, Marketing, Legal, Finance, Sales, etc. At the end of training period, trainees will be assigned in one of the OpCos or HQ.

Buddy & Mentor Training Program:

To enhance its strategy to support people with disabilities through training and employment in accordance to scientific criteria and clear methodologies in its various sectors, in November 2011 Savola, through its Makeen Center, which is Savola's CSR program to train and employ persons with disabilities, sent a selected group of human resources and production managers across its various sectors to Amsterdam to take part in a specialized training program titled "The Concept and Implementation of the Mentor and Buddy System in the Human Resources Department". The training program was facilitated by leading international trainers specialized in the field of training persons with disabilities and supervised

by Leo Kooyman, a leading international consultant in the same field. Upon completion of the training program the trainees acquired the basic knowledge to become Certified Trainers for the program.

These Certified Trainers are ready to volunteer to give the Buddy & Mentor Awareness Sessions entitled: "The Concept & Implementation of the Mentor & Buddy System to Merge People with Disability at Workplaces" within Savola operational companies; Azizia Panda United, Savola Foods and Savola Packaging System, as a crucial step to promote the culture of integration of staff with disabilities in the organizations.



Training & Development Activities

The below chart gives a general idea about training activities during 2011:

Number of Trained Employees	635 Employees
Total Training Days	1071 Days
Average training days per employee	2 Days
% of Saudi Employees Trained in Jan – Dec 2011 (317/635)	49%
Average training investment per trained employee	SR 1,750
Year to date Actual Training Investment	SR 1,109,424
Actual OD&T Budget	SR 1,200,000

Our Employees



Performance Appraisal System for Supervisor Level (SL) and General Workers (GW)

Bands have been designed to ensure fairness and natural differentiation among employees based on their performance throughout the process. Being one of the main elements for staff progression and development, the company has decided to implement a Forced Ranking system to produce final performance appraisal ratings for SL & GW Bands in any particular year.

Due to the fact that these two bands represent the majority of the company's population, Forced Ranking System is applied to ensure fair distribution of ratings among company's non-management employees across and in relation to all departments.

Hence, it is important to ensure that each employee in SL & GW bands should have only ONE rating at the end of the year, representing his Performance appraisal but based on the Forced Ranking system. This is important to understand as some employees, mistakenly, think that they are two different ratings. This system is applicable to all employees in different bands; however it is applied differently according to the level the employees fall under.

Performance Management System (PMS)

Company Performance Management System is an ongoing process (a cycle) of development between a line manager (LM) and an employee that occurs throughout the year, in support of accomplishing the strategic objectives of the organization and which applies to all employees. The role of Organizational Development & Training (OD &T) Unit in the Company is to ensure smooth implementation of the PMS.



General Guidelines on PMS

A. Performance Management System Manual should include various development areas such as:

- 1) Career Development Plans.
- 2) Career Paths.
- 3) Succession Planning.
- 4) Talent Management.

B. Communication process within the PMS is vital to its success.

The communication process includes:

- 1) Clarifying Company expectations.
- 2) Setting objectives.
- 3) Identifying goals.
- 4) Providing feedback.
- 5) Evaluating results.
- 6) Agreement on development.

C. Training and development programs have to be in full alignment with objectives set in the Employee Performance Management and Development Plan.

D. Both Line Manager and employee are responsible for the agreed development needs. OD & T Unit in the Company will facilitate the process and provide opportunities for their development needs and growth but it is the individual's responsibility to grasp these opportunities.

E. Employee's ownership of his development is very crucial. The Company's continuous support alone will not be adequate to development success.

Our Employees



The Savola SMART Objectives System:
The SMARTs include key performance indicators to measure the objective and set specific goal for each employee. Moreover, the goal of KPI lies in focusing the business scorecard activities of Revenue, Costs and Cash.

Selecting the right key performance indicators and using them effectively will help improve our business performance. Therefore the Savola management team has set up clear KPIs for their employees to follow and they are called SMART Objectives. Each employee is required to appoint several objectives at the beginning of each year and get them approved by his line manager. These objectives must be SMART, which means:

Specific: List Actions or Tasks to be carried out to accomplish the smart objective.

Measurable: Give a Success Criteria for each task or action and state how it will be measured.

Achievable: Indicate if required resources are available.

Relevant: Show relation to division strategy or corporate strategy.

Timely: Indicate by when it will be achieved and when it will be reviewed.

Competency Framework:

A competency framework defines the knowledge, skills and attributes needed for people within an organization. Each individual role will have its own set of competencies needed to perform the job effectively. Having a well designed competency framework will:

- Ensure that your people demonstrate sufficient expertise.
- Evaluate performance more effectively.

- Identify skill and competency gaps more efficiently.
- Plan sufficiently for succession.
- Make change management processes work more efficiently.



Savola Executive Competency Framework:

• Business Leadership

Leads the business on the basis of a deep understanding of the industry and of economic, technological and market trends. Provides clarity and long-term direction.

• Excellence Orientation

Exemplifies passion, proves commitment and demonstrates persistence to improve performance and overcome barriers.

• Talent Management

It's a magnet for talent. Attracts, develops, mobilizes and retains high-calibre employees.

• Driving Change

Initiates, sponsors and drives organisational change to improve performance and address changing business conditions. Motivates and supports others to successfully adapt to or manage these changes.

• Interpersonal Fluency

Ability to adapt personal behaviour to build effective relationships with people of all races, cultures & personalities.

• Influencing & Negotiating

Leverages high-impact influencing and negotiating skills to serve shared objectives and reach agreement on a course of action that will deliver win-win outcomes.

• Decision Making

Demonstrates the power to balance decisive action with analysis, research and thoughtful listening. Builds others' confidence and proactively drives execution and implementation.

• Entrepreneurial Leadership

Drives to grow and improve the business, create value and outperform competitors.

• Strategic Execution

Translates strategies, policies and plans into action. Demonstrates the power to carry out and accomplish. Ensures things get done.

Further Guidelines

- In alignment with the Line Manager, the OD & T Unit in the Company will be responsible for selecting the best possible and most appropriate development methods for an employee to gain the required competency and skills.
- Examples of development solutions that both the Line Manager and employee can utilize to fulfill the development need are: Projects, Self-study, Coaching by LM, Training Courses, Professional Qualifications, Workshops, Conferences/Seminar, Job Rotation, Assignments, Educational Programs, Exercises, Simulations, Role Play, etc.

Our Employees



Workforce and Communication Program with Employees: Employing and developing local talent remains a cornerstone of Savola's core strategy. The Group's total international and local workforce exceeded 17,000 employees out of which 3,000 are in international operations. It is worth mentioning that the number of Saudi employees has reached 5,000 out of the total workforce.

This has raised the overall Saudization percentage to approximately 35% of the Saudi Arabia-based workforce. Efforts are continuing to accommodate more young Saudi nationals in the coming years. Competent and qualified Saudis occupy the majority of the executive and leadership positions.

The Group's Annual Conference for the Executives and Managers

In 2011, The Group conducted its Annual Conference for its Executives and Managers in Saudi Arabia and overseas. During the conference the participants reviewed and discussed the Group and sector performance and key learnings from the previous year. The Group also revised the strategic objectives,

programs and plans of the Group and sectors in the Kingdom and international operations for the fiscal year 2011. In addition, they discussed the challenges and potential risks and mechanisms of implementation. At the event, outperforming teams from all sectors were honored for their outstanding performance during the year. Employees who had served the company for 25 and 30 years were also honored at the conference.

Special Programs Developed for Employees:

As one of the Group's core values towards its employees is "Birr" (caring justice), Savola has developed a number of programs for its employees designed to retain, motivate and improve performance:

1) Employee Home Loan Scheme

This program was first introduced in 1992, and is designed to retain and motivate employees of the Group and its subsidiaries to continuously improve their performance. An interest-free loan of 50 basic salaries, at a minimum of SR 500,000 and maximum of SR 2.5 million, is provided by the Group, to be paid back over 120 months. This program helps employees to buy their own homes after fulfilling certain requirements and criteria. 95 Savola employees participated & benefited from this scheme up to 31st December 2011.



2) Employee Cooperative/Takaful Program for Death & Permanent or Partial Disability

In cooperation with Bank Al Jazirah, in the case of employee death, permanent or partial disability, Savola compensates an equivalent of two years' salary; all cases submitted in 2011 have been settled accordingly.

3) Employee Takaful Fund

This fund helps junior staff (non-managers) to deal with financial emergencies they or their families might encounter that puts them in urgent need of financial assistance. The fund is financed through voluntary monthly contributions by different grades of staff. Savola also contributes by matching employees' monthly payments. The Fund supported all cases that fulfilled the

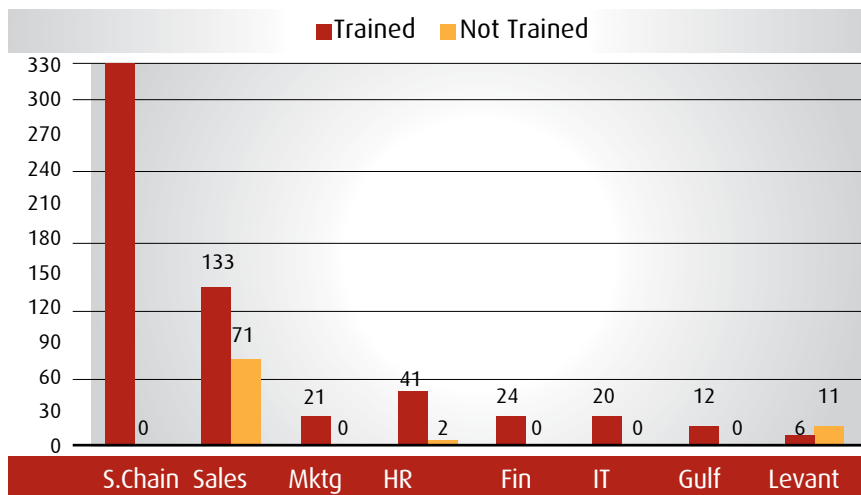
criteria during the year 2011. Accordingly, more than 185 cases were financially assisted by the fund during the year 2011 compared with 150 cases for last year.

Other Related Policies

It is corporate company policy that the responsibility rests with all employees to protect:

- Company confidential and sensitive information against unauthorized disclosure.
- Company assets against accidental or deliberate damage.
- Company employees against threats to their personal safety and against misuse of confidential personal information.

Our Employees



Employees Benefits:

Individuals desire a healthy and safe place in which to work in. The individual and the Company share the responsibility for creating and maintaining a healthy and safe work environment for all employees. Individuals need economic security in case of disability, death, and retirement standards of the Industry.

Our objectives are “A commitment to Prevention of Injuries, Health and strive for Continual Improvement”

We believe that all incidents and accidents are preventable. At every level, our management teams are held accountable for safety performance. Not only is safety excellence good for business, it’s the right thing to do. The responsibility for accident prevention is shared at every level in our organization. It is every employee’s duty and responsibility to correct unsafe procedures, practices and conditions wherever they exist. We conduct our business activities in a responsible manner that ensures occupational health and safety policies are adhered to.

These aims will be achieved through a formal

Occupational Health & Safety Management System-based on OHSAS 18001 requirements, that ensures:

- Responsibility for Health & Safety Management at all levels is clearly defined.
- Adequate resources are committed towards achieving the objectives.
- Occupational Health and Safety hazards are identified; risks are assessed and effectively managed.
- Objectives and targets with clear Occupational Health & Safety Management plans are set.

- Top management is committed to compliance with relevant legislation and regulations as well as for continual improvement.

While Savola top management accepts the main responsibility for implementation of this policy, individuals have an important role in co-operating with those responsible to ensure a healthy and safe working environment.

Bus	Saudis	Non-Saudis	Total
SFC	502	706	1208
HQ	34	43	77
Iran			1144
Egypt			1215
Turkey			127
Algeria			234
Sudan			144
Morocco			66
Total			4215

Saudization Rates:

The qualifications of each employee or prospective employee are judged without regard to gender, race, color or national origin.

Employment Data- Savola HQ

- Saudization = 42.57%
- Total number of employees = 77 (while the total workforce for the Group & its Subsidiaries in KSA & overseas is 17,000).
- Rate of turnover employees = 13.9%

Employment of People with Disability in The Savola Group

Up to 2011, the number of employees with disability was 144 staff members across the various sectors. All Total Accessibility considerations are taken into account while placing these employees, since their working places are totally accessible and fully equipped to receive them. The Savola Group in

cooperation with Almodon Urban Consultancy on Universal Design & Accessibility worked extensively on the Total Accessibility Project for Savola's OpCos. Now, the workplaces are safe and accessible for our employees, and in the first quarter of 2013, The Savola Group will be fully accessible for staff with disabilities!

Each employee with disability has a Buddy and a Mentor. The Mentoring program revolves around linking the employees with disability with the various departments functioning within the organizations such as HR and Finance etc., and through this role, the mentor provides moral support to new employees ensuring that they are fully integrated within the organization. The Buddy represents the key link

between the employee and the department where he works; he is tasked with providing support and advice when it comes to the actual work as well providing moral support and ensuring that the new employee is fully integrated in the work and culture of the organization.

Our Employees

• INJURIES RATE

The Savola Group believes each employee has the right to achieve personal satisfaction from his job and that it ensures the prevention of any occupational injury or illness. Human safety is a top priority. The table below shows the injury rate reported across our operations during 2011.

Business operations	Total workforce	Injuries reported	Injury rate
Head Office*	77	0	0%
Panda	12, 328	256	2.08%
Savola Foods	1, 187	9	0.76%
Savola Packaging	746	10	1.34%
Total	14,338	275	1.92%

*As per the injuries for the total workforce for all the operational companies. The Savola Group Headquarters, due to its size and nature, follows an informal reporting system for measuring injuries.

Compliance with Applicable Laws & Regulations`

- As a public company with high standards in disclosure and transparency, the Group does not tolerate any incompliance or corruption incidents. In such occasions, individuals are faced with immediate termination and legal proceedings, however due to strong policies, training, ethics and the guiding role of committees, there are no incidents reported related to corruption.
- Due to strong corporate governance, there are no reported cases of monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations and

therefore The Savola Group enjoys a clear record.

- With regard to environmental legislation, in Saudi Arabia companies are not fined or taxed for not complying with environmental rules and regulations. However, The Savola Group and its subsidiaries are fully aware and responsible for preserving the environment and adopting best practices in that field.



Based on a culture with strong ethics, the Group has no incidents to report related to legal actions for anti-competitive behavior, anti-trust, and monopoly practices or their outcomes.

- There are no complaints regarding breaches of customer privacy and losses of customer data.
- There are no incidents reported about non-compliance with regulations and voluntary codes concerning health & safety impacts of products & services.
- There are no incidents reported regarding non-compliance with regulations & voluntary codes concerning product & service information & labeling.
- There are no incidents reported regarding non-compliance with regulations & voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship.
- Throughout the years, the Group has developed practices related to customer satisfaction. Savola's B/C operations boast very transparent & robust relations with its customers. An example is Savola's retail company which is the largest retail hypermarket chain in Saudi Arabia and follows methodologies such as surveys and two way communication with customers including feedback lines/hot lines.

Savola Packaging Company – Best Practice:

Finance

- Company Regulations
- Zakat and Tax Regulations
- GOSI
- SOCPA Applicable Accounting Standards
- IFRS and IAS

Operations

- Health and Safety Laws
- Environmental Protection Laws
- Labor Laws
- Civil Defense
- Custom laws



XI-Second: Our Community



“None of you truly believes until he wishes for his brother what he wishes for himself.” Hadith by the Prophet Mohammed, Peace be upon him. Our sincere belief in this Hadith along with our good intentions will grant us Allah’s blessings, which will make the success of our Corporate Social Responsibility possible. The Savola Group honors its commitment to corporate citizenship by creating innovative, long-term “self-help” programs where the Group’s experience and expertise serve the needs of the community.

The Savola Group Social Responsibility Programs

As part of its commitment to serve the community, The Savola Group continued to implement a range of CSR programs during the year 2011. Key projects in the CSR initiative are: The Savola Center for Empowering People with Disabilities (Makeen); Leave the Change for Them program in association with The Disabled Children’s Association. There are other CSR initiatives administered in collaboration with various non-profit organizations, the government, and various medical and educational institutions.

Savola CSR Initiatives Include The Following

- The Savola Center for Empowering People with Disabilities (Makeen)

a) Training and Employing Disabled Persons

This initiative has been established to train and secure employment for disabled persons within The Savola Group, its subsidiaries and other private institutions. The Center launched its first pilot program during 2010 by training and employing 100 disabled candidates. It has now started preparations to begin the second batch which involves the training and employment for severely disabled candidates during the year 2011. Makeen has actively worked to achieve the target of 2011 by training and securing 144 job opportunities for people with disabilities, with an increase of 44 candidates compared to last year. Forty-seven candidates out of the total number were employed in external cooperated companies.

b) The Total Accessibility Project

To ensure that working environments are friendly to disabled people, the Group has decided to implement the Easy Access Project that meets international standards in all its buildings and premises. The project aims to create a convenient work environment to suit people with disabilities and facilitates their integration in the work environment. In this connection, the Group has signed an agreement with the Al-Modon Office for Architectural Consultancy and the work has begun in Savola operational companies in Saudi Arabia at a cost of more than SR 2.6 million. Final implementation of the project is expected to be completed in 2012.



Leave the Change for Them Initiative: Extending CSR initiatives throughout its subsidiaries, Azizia Panda United Company (Panda Stores) executed its own CSR program under the slogan "Serving Our Community is Our Duty."

Panda believes that its social responsibility is an integral part of the company strategy as it continues to support its program of "Leave the Change for Them", which was launched in partnership with the Disabled Children's Association. During the course of the year 2011, APU collected donations of more than SR 6.3 million from its valued customers. The Disabled Children's Association has announced that it will initiate the construction of a special needs center in Makkah under the name of "Panda Customers Building" the financing of which will be done through these donations.

Panda is also actively involved in various other social responsibility projects such as donating SR 1 million for the relief efforts of Jeddah floods; donating

SR 500,000 as a relief fund for affected people in Somalia; donating SR 500,000 for the annual Panda Charity Caravan, which supports families during the holy month of Ramadan; and providing special services and accessibility for people with special needs in Panda's new stores in addition to refitting its existing stores, catering to people with special needs who are an integral part of the society.

Our Community



Saudi Injaz Entrepreneurs Project: INJAZ-Saudi Arabia is a member nation of Junior Achievements Worldwide; the world's largest non-profit organization dedicated to educate students and prepare them for the work space.

Since 1919 INJAZ has reached over 10 million students, 124 countries around the world annually via hands-on programs in the areas of: Entrepreneurship, Financial Literacy and Workforce Readiness, aiming to prepare elementary, middle school, high school and university students to deal with business demands through developing their personal and practical skills by training them in workshops led by private sectors' volunteers.

INJAZ-Saudi Arabia's mission is dedicated to inspire and prepare Saudi youth to succeed in a global, knowledge based economy with a vision of delivering pioneering, hands-on, programs to 250,000 male and female Saudi students Kingdom-wide by 2018, in partnership with the business community, Ministries, educators and volunteers.

The Savola Group is a Founding Board Company of INJAZ-Saudi Arabia board, with the previous Board Member H.E. the Minister of Labor, Eng. Adil Fakeih, and currently Dr. Abdulaouf Mannaa represents the Savola Group on the Board. In addition of being a Board Member, The Savola Group is the sole sponsor of "Success Skills", in which they took pioneering initiative to developing the "Success Skills" program also in Braille for the visually impaired. This program meets the needs of a diverse group of middle grade school students by providing engaging, academically enriching and experiential learning meetings in work-readiness education and career perspectives. Savola employees volunteer regularly to facilitate "Success Skills" sessions to students in schools.





Our Social Bridges Performance

The Savola Group's key bridge is training and employing persons with disabilities and is considered the main umbrella. The second key bridge is leadership institute. A recently conducted survey with key Saudi journalists and media specialists revealed that Savola ranks 3rd in terms of having the most developed CSR programs after Abdulatif Jameel and National Commercial Bank.

The survey revealed the following:

- Most developed CSR programs (Savola number 3)
 - Business Editors (Savola number 3)
 - Business Journalists (Savola number 2)
 - Program Directors & Producers (Savola number 2)
- In terms of media outreach and presence, Savola again ranked third after Aramco & Abdulatif Jameel
 - Business Editors (Savola number 3)
 - Business Journalists (Savola number 1)
 - Program Directors and Producers (Savola number 2)

Our Community



The Group started the Social Responsibility program aiming at serving society through building bridges, partnerships with external institutions such as:

#	Bridge	Programs
1	Training	Khadija Bint Khowailed Center (Fresh Graduates)
2	Training	Training & Employing Orphans
3	Training	Training Young Leaders
4	Training	Training Employees of the Public Sector
5	Training	Printing Press Training
6	People with Disability	The Savola-Ibsar Program for Developing Computer Skills
7	People with Disability	Special Needs Employment Office, in cooperation with Jeddah Chamber of Commerce & Industry
8	People with Disability	Jeddah Institute for Speech and Hearing
9	Practical Training for Students	Website design and translation
10	Practical Training for Students	Mobile Dental Clinic
11	Poor Family Support	Prince Majid Bin Abdulaziz Association
12	Social Awareness	The National Initiative for Social Responsibility



Product Responsibility Aspect:

Savola products adhere to the highest standards of customer service and satisfaction including labeling and customer toll free numbers. Each OpCo has a product/service responsibility strategy, in which all production is compliant with the health and safety impacts of the services/products.

Savola Packaging Company also has policies to measure customer satisfaction, as illustrated below:

Value Experience	How we provided	How we communicated
Delivery of required quantities	Ensure internal controls	Personal delivery
Convenient packing	Supply in steel or carton crates	Proper demonstration of revised packing
On time technical support	Appointing a dedicated Tech. Support team (Cross Functional Team)	Visit to customers on planned basis
Continuous interaction and follow up	Cross functional team will be given this responsibility to interact & follow up the customers	Proven track records
Guaranteed quality	Improve internal processes of Quality Assurance	Monthly quality review meetings
Continuous improvement of products	Conducting analysis/evaluation for developing new specifications	Fax, send evaluations along with products, & arrange meetings
Competitive price	Signing yearly contract and provide rebates/discount for high volume sales	Meetings and rebate agreements
Flexible delivery schedule	Provide schedule on monthly basis, Make weekly call confirmation	Written confirmation format, phone calls and frequent visits
Convenient product delivery	Dedicate on-line contact with store keeper	Continuous contact
Presentable and knowledgeable support	More training and grooming of the sales team	Visit to customers on planned basis
Productive and personalized customer services	Quick response to any query by dedicating sales team for each customer	Proven track records and regular visits
Productive development	Provide consultation/partnership by cross functional team	Bi-monthly review meetings



The Savola Foods Product/Service Responsibility policy including customer satisfaction:

Value Experience	How we provided	How we communicated
Quality and clean product features	Production standards and SASO compliance	On product labels
Product performance	Product excellence standards	Consumer and customer communication
Customer satisfaction	On time delivery, service, replenishment	Sales team
Consumer satisfaction	Product spec needs and performance	Consumer communication
Competitive price	Market price indexing	Sales team and on-shelf
Product improvement and innovation	R&D	Consumer advertising and customer communication

Our Community



Panda and Customer Satisfaction:
Received and managed 288 product complaints. Complaints are received either through Customer Call Centre or directly from stores. All issues raised by customers' complaints were resolved 100% as to their satisfaction.

We have started to print "Allergen Warnings" on our Panda PL Products- even though it has not been practiced by the Local brand leaders.

Customer protection

In order to preserve our customers' rights on top of what is being done on a daily basis, a few years ago Panda launched two initiatives:

Price Integrity: the customer is eligible to take the item FREE if there was price differential between the shelf and cashier and the shelf is cheaper. The policy is communicated through in-store materials and leaflets.

Call Center: where customers can call and register their complaints, observations, etc., which will be evaluated through a predefined process to ensure

speed of response. After the action is taken, a quality control agent will call the customer back to ensure he is satisfied. The phone number is communicated in-store and through leaflets.

QA & Food Safety Audits

- In-house QA & Food Safety team audits are being done monthly for every compliant single store & hypermarket, and twice a month for non-compliant stores.
- We are being audited by one of the best auditors in the world for food safety audits - AIB – in order to raise the food and safety standards in our stores.
- We have developed produce (fruit & vegetables) specifications that are being used for standardization on buying and receiving.

- Cold Chain audits are done twice a year for all refrigerated equipment used in our stores to maintain Cold Chain integrity.

Microbiological and Chemical Testing

- Random microbiological testing done for all sensitive food products. We have terminated contracts of 10 suppliers based on this.
- All Panda thirds produce PL suppliers have been audited by QA for compliance.
- All Green Leaves suppliers have been audited. We have terminated our contracts with four suppliers after evidence of malpractices.
- All packaging materials in our branches are certified and food grade.

Our Community



AFIA International Company (AIC) has established sound quality, environment and food safety policy to ensure continuous improvement and effectiveness of the quality management system, which in turn is committed to provide services and produce quality goods that satisfy the requirements of both internal and external customers and ensure that no environmental legal requirements are violated.

Our products will always comply with relevant requirements and the highest standards of food safety, manufactured under stringent conditions of hygiene and control through the implementation of ISO 9001:2008, ISO 22000:2005, ISO 14001:2004 and BRC systems. AIC selects suppliers on the basis of their ability to provide products and services that enable AIC to meet the quality requirements and scope for continuous improvement.

AIC sets strict specifications for its products, following the guidelines of SASO (Saudi Arabian Standards Organization) and other international standards as reference. AIC continuously reviews and establishes quality objectives as deemed fit to

the business, keeping the quality policy of customer satisfaction, continuous improvement, people and team development, strategic planning, new product introduction, and environmental safeguards with effective waste management to prevent pollution and control losses.

AIC takes care of unprecedented situations and seeks to avoid any impact to customers and the environment through strategic control alternatives embedded by enhanced storage capacities, safety systems, stand by generators and suitable suppliers, under the authority of the risk management task force led by the Senior Vice President and BLT Members.

AIC management provides the resources and training

necessary to enable employees at all levels to contribute to the fulfillment of AIC quality, food safety and environmental objectives.



The Savola Group Marketing Direction: Each Operational Company has set different marketing strategies that are distinctive and innovative. We would like to introduce you to some marketing strategies we use across our operations.

Operational Company	Marketing Rationale
Savola Foods Company	<p>Mission: Enrich the consumer cooking and baking experience by developing ingredient solutions tailored to local tastes Promise to the market: Help consumers cook great tasting foods. Take the mystery out of cooking so everyone can cook a perfect meal. Customer protection. Best value with a low price.</p> <p>Our Strategic Direction: Achieve business sustainability through portfolio diversification instead of upstream integration. Restrict geographies to manage complexity of broader and distinctive portfolio features, such as :</p> <ul style="list-style-type: none"> • Constantly innovate by listening to our consumers and customers. • Bring to market products that match ever-evolving local tastes. • Create brands that foster enjoyment during the home cooking experience. • Maintain and enhance high quality & safety standards for the benefit of all stakeholders.
Savola Packaging Company	<p>SPC has a distinctive marketing strategy that includes:</p> <ul style="list-style-type: none"> • Innovation and development of new products. • Best use of information and resource. • Name recognition / reputation. • Human Capital development and training.



Spending on local/non-local suppliers (Code of Conduct):
 As a locally listed company, The Savola Group attaches great importance to selecting suppliers. The Savola Group works with local suppliers to ensure that economic activity is generated. There is a clear preference for local rather than non-local suppliers and where local suppliers meet The Savola Group standards and adhere to the Code of Conduct they are preferred.

This is the same principle on which the Group was founded, which is to support local industries and help them grow.

Savola Packaging Company:

It is the policy of the company to procure raw materials locally. As per this policy most of the packing materials are procured locally. Out of the total spending of the company 80% is procured locally, mainly from SABIC.

Savola Foods Company:

- Savola Foods practice is to source locally when it is competitive. Savola Foods also works with suppliers to help them develop and achieve competitiveness.
- Most of our materials are agricultural products that are not available in this region, so most of our locally sourced items are packaging, chemicals, services, parts, etc.

- Local suppliers represent 77% of the total number of suppliers.
- Excluding agricultural materials (oil, sugar) local suppliers represent 70% of spending.

The launch of the Yudum Olive Oil brand in Turkey is example of the best practice.

The olive oil market in Turkey is relatively big and quite challenging as it includes three main competitor brands with strong positions in the market.

The launch was a great success and our brand has managed to become a strong second player with more than 15% market share in about a year after launch. Behind this success is great work done by the team in understanding consumer needs, including a detailed perception of the competing brands and, more importantly, a thorough understanding of our brand Yudum and the ability to extend

its equity into a totally new territory such as olive oil.

This was supported by strong R&D work to develop a great product formula that met target consumer expectations and won over competition in consumer research. Finally a strong launch campaign was designed covering 360 communication plans with great execution in distribution and penetrating consumer households.

Azizia Panda United:

- Total trade payments for 2011 = SR 6,360,914,373
 - Total importation payments for 2011 = SR 367,941,838
 - Total non-trade payments for 2011 = SR 2,780,544,807
- This means that we paid 96.1% of our total payments to local suppliers and only 3.9% went on to importation.

XII-Third: Our Environment



The Savola Group's Environmental Strategy

The Savola Group has identified its obligations toward protecting the environment and minimizing any harmful effect originating from the Group's operations.

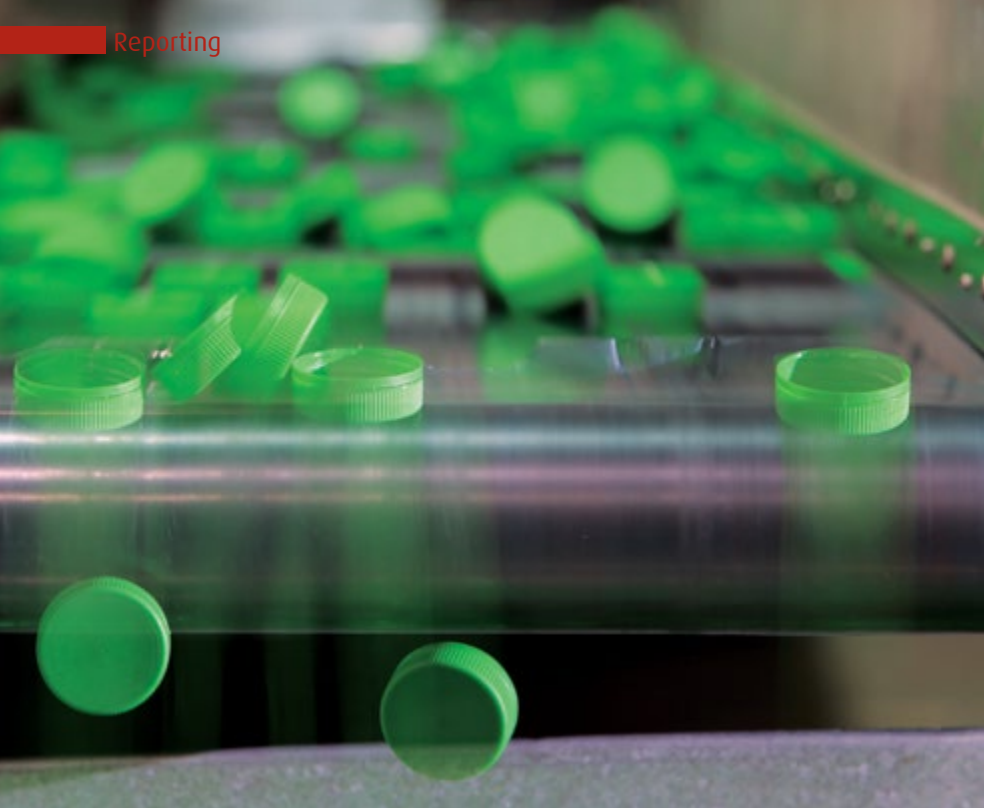
The Savola Group is committed to doing the right thing and therefore sustainability efforts ensure that the business practices contribute in reducing the environmental footprint of the Group. The Environmental Strategy of The Savola Group is based on the shared duty of every business to conduct its operations in a socially and environmentally conscious manner.

The Savola Group is currently placing a huge focus to rebuild and update its Environmental Strategy. The Environmental Strategy is part of the Sustainability priorities of The Savola Group. The focus of this strategy is to identify and implement effective ways to measure and reduce the impact of The Savola Group on the environment, and this is applicable for all Operational Companies of the Group. It is based on the following key areas regarding the environmental footprint in order to safeguard the environment:

- Materials
- Energy
- Water
- Biodiversity
- Emissions

- Products & services (referring to their environmental impact)
- Compliance with the local environmental laws and regulations
- Transport
- Environmental investments

We have a responsibility to reduce our environmental impact and take care of our planet for future generations. Climate change poses a number of risks for the Group, as for the whole business community, however, there are also opportunities that can be identified after a careful examination of stakeholder expectations.



Environmental Initiatives:
Best Practices from Our Operating Companies:
 Savola Packaging Company (SPC) makes every effort to protect the environment. Achievements include:
 Awareness campaigns to deliver the message that hygiene, a clean environment and safety are everybody's responsibility.

- Creation of awareness campaigns about making the company "Clean, Green and Safe"
- Creating and applying performance measures to monitor our hygiene, our clean environment and safety requirements to assure compliance and improvement.
- Assuring that the hygiene, clean environment and safety standards comply with Savola Ethics & Values as well as national and international standards where possible.
- SPC's hygiene, clean environment and safety standards is applied for all processes including the administration processes. It will be applied for any new projects or construction works.
- Conveying and spreading awareness about hygiene,

clean environment and safety to all suppliers and also to customers.

- SPC uses biodegradable elements that help the environment in reducing the life of plastic.
- SPC is working on light weighting our products to reduce consumption of plastics.

Savola Foods Company:

Savola Foods has established a sound quality, environmental and food safety policy to ensure continuous improvement and effectiveness of its quality management system, which in turn is committed to provide services and produce quality goods that satisfy the requirements of both internal and external customers and ensure that no environmental or legal requirements are violated.

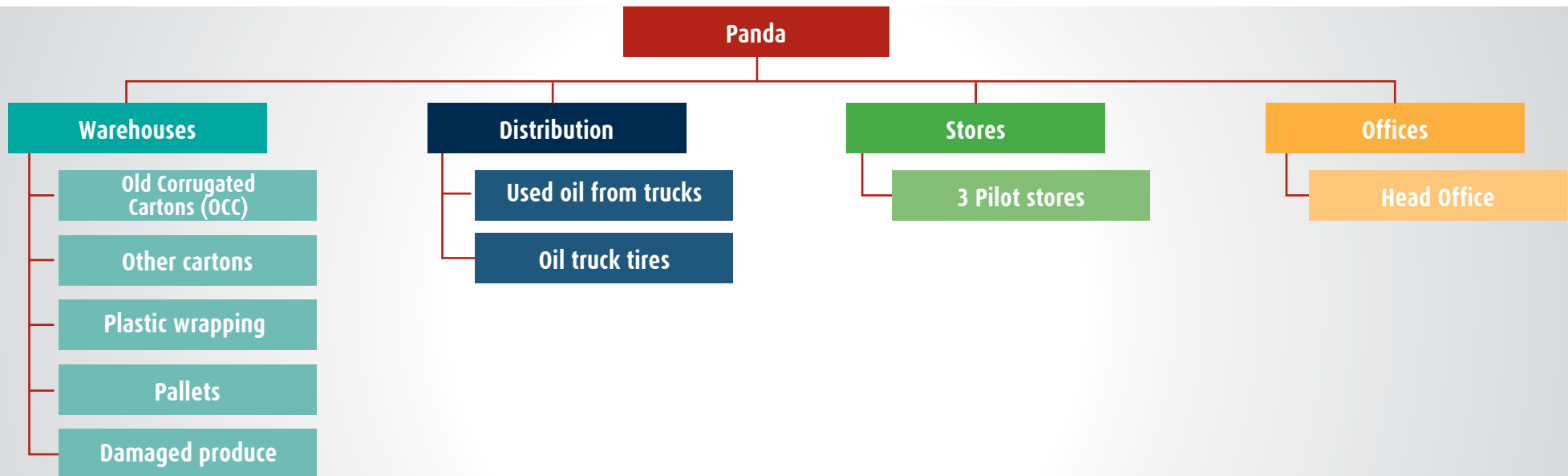
The food products always comply with relevant requirements and the highest standards of food safety, manufactured under stringent conditions of hygiene and control through the implementation of ISO 9001:2008, ISO 22000:2005, ISO 14001:2004 and BRC systems.

- Certified ISO 14001 Environmental Management Systems.
- Qualified from Presidency of Meteorology & Environment.
- Certified ISO 22000
- OHSAS 18001-2007 certified.
- SASO (Saudi Standards, Metrology & Quality Organization) certified.
- BRC (British Retailers Consortium)

Our Environment



Azizia Panda United:
 Panda is making significant efforts to be an environmentally friendly organization. Environmental accomplishments cover:
 Recycling activities
 • In order to help the environment Panda ensures that most of its wastage is sold to other parties for recycling purposes. This is implemented in different departments of the company as shown in the chart below:



Our Environment



- Panda has business agreements with suppliers who buy our used oil that is recycled and consumed into the soap industry.
- Panda sells the expired/ damaged produce and bakery items to suppliers who use them as fodder for animals.
- A plan is in process to use kerosene instead of diesel in the Turkish oven in the bakery.
- Panda sells the used pallets, cartons, papers & packaging materials that are recycled further into other industries.
- Panda has acquired the services of one of the biggest pest control companies (TN) to protect our business from insects and rodents.

The Savola Group does not own, lease, manage or operate on land or adjacent sites that are protected areas and areas of high biodiversity value outside protected areas.

Environmental Awareness Staff Training

- Conducted food safety training for all staff in the fresh foods department.
- Developed and conducted training for butchers and deli staff who deal in high risk products and could pose a food safety risk.
- QA and meat specialists developed and conducted a countrywide skill test for butchery staff in order to ensure that all our butchers have the minimum required knowledge and skills for the job as it involves highest hygienic risk.

- In cooperation with Reza Hygiene Chemicals, conducted training about the appropriate use and application of all chemicals used for cleaning in our stores.



Our Environment



Electricity Consumption:

The Savola Group encourages employees to reduce their electricity consumption and minimize the environmental footprint of the Group. Through a strategic framework that is in place regarding conserving electricity and saving the energy, we applaud and support our employees to switch off the lights and computers in the company's various facilities.

The chart below states the electricity consumption in the Savola Head Office

Date of Bill	Electricity Consumption kWh*
Apr-May 2012	75500
Mar-Apr 2012	76480
Feb-Mar 2012	73809
Jan-Feb 2012	63467
Dec 2011- Jan 2012	66334
Nov-Dec 2011	68958
Oct-Nov 2011	70508
Sep-Oct 2011	65106
Aug-Sep 2011	88861
Aug-2011	72273
Jul-2011	84198
June-Jul 2011	80146
Total	885640

For any enquiries or suggestions regarding this report, please contact:
email: aghaffar@savola.com



Appendix

GRI Table
Quality Assurance Statement
Certification

05



GRI Table



The GRI Table

GRI Application Level Check Statement

The Savola Sustainability Report for 2011 presents an overview of The Savola Group performance, with focus on the Head office, in relation to its economic, environmental and social activity aligned to its business strategy.

This report captures the impacts of The Savola Group activities which are governed by the policy, strategy and procedures as dictated by the Savola Group operational and governance structure.

The Savola Group has self-declared the 2011 Sustainability Report to be an Application Level B+. CSE has checked and confirms that The Savola Group has satisfactorily applied the GRI Reporting Framework as specified by G3 Guidelines. The 2011 Responsible Business Report meets the requirements of the GRI G3 Version 3 Application Level B+.

FR: Fully Reported

PR: Partially Reported

NA: Non Applicable

NOS.	DISCLOSURES	EVIDENCE	LEVEL OF DISCLOSURE
1.	Strategy and Analysis		FR
1.1	Statement from the most senior decision maker of the organization about the relevance of sustainability to the organization and its strategy.	Introduction Speech	FR
1.2	Description of key impacts, risks, and opportunities.	Introduction Speech, Major risks facing The Group Business The Group Strategic Direction: The Project Focus Strategy The Savola Group Strategic Direction	FR
2.	Organizational Profile		
2.1	Name of the organization.	The Savola Group in Lines-Introduction	FR
2.2	Primary brands, products, and/or services.	The Savola Group in Lines-Introduction	FR
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures.	The Savola Group in Lines-Introduction Our Operational Companies and International Presence The Savola Group Strategic Direction	FR
2.4	Location of organization's headquarters.	Our Operational Companies and International Presence	FR
2.5	Number of countries where the organization operates and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Our Operational Companies and International Presence	FR
2.6	Nature of ownership and legal form.	The Savola Group in Lines-Introduction	FR
2.7	Markets served.	The Savola Group in Lines-Introduction Our Operational Companies and International Presence	FR
2.8	Scale of the reporting organization.	The Savola Group in Lines-Introduction Our Operational Companies and International Presence	FR
2.9	Significant changes during the reporting period regarding size, structure or ownership.	2011 Major Highlights	FR
2.10	Awards received in the reporting period.	The Savola Group Awards for CSR & Corporate Governance	FR
3.	Report Parameters		
3.1	Reporting period for information provided.	Sustainability Reporting in The Savola Group	FR
3.2	Date of most recent previous report.	Sustainability Reporting in The Savola Group	FR
3.3	Reporting cycle.	Sustainability Reporting in The Savola Group	FR
3.4	Contact point for questions regarding the report or its contents.	Contact Point	FR
3.5	Process for defining report content.	Sustainability Reporting in The Savola Group	FR
3.6	Boundary of the report.	Sustainability Reporting in The Savola Group	FR
3.7	State any specific limitations on the scope or boundary of the report.	Sustainability Reporting in The Savola Group	FR

NOS.	DISCLOSURES	EVIDENCE	LEVEL OF DISCLOSURE
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can significantly affect comparability from period to period and/or between organizations.	Sustainability Reporting in The Savola Group	FR
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	Sustainability Reporting in The Savola Group	FR
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statements.	Sustainability Reporting in The Savola Group	FR
3.11	Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report.	Sustainability Reporting in The Savola Group	FR
3.12	Table identifying the location of the Standard Disclosures in the report.	The GRI Table	FR
3.13	Policy and current practice with regard to seeking external assurance for the report.	Quality Assurance Statement	FR
4.	Governance, Commitments and Engagement		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Organizational Structure of The Savola Group The Savola Group Committees	FR
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Organizational Structure of The Savola Group	FR
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Organizational Structure of The Savola Group	FR
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	The Group Strategic Direction: The Project Focus strategy The Savola Group Strategic Direction, Stakeholder Groups	FR
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives and the organizations performance.	The Savola Group Anticorruption Policy The Savola Group Committees	FR

NOS.	DISCLOSURES	EVIDENCE	LEVEL OF DISCLOSURE
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	The Savola Group Committees	FR
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental and social topics.	Organizational Structure of The Savola Group Board of Directors The Savola Group Committees	FR
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Our Vision & Mission Our Sustainability Strategy, Mission & Vision	FR
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	The Group Strategic Direction: The Project Focus strategy The Savola Group Committees	FR
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance.	Processes to evaluate the highest governance body	FR
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Risk Management Committee	FR
4.12	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or endorses.	The Group's Significant Cooperation in CSR	FR
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization is engaged.	The Group's Significant Cooperation in CSR	FR
4.14	List of stakeholder groups engaged by the organization.	Stakeholder Groups	FR
4.15	Basis for identification and selection of stakeholders with whom to engage.	Stakeholder Groups Initiatives	FR
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Stakeholder Groups Initiatives	FR
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns included through its reporting.	Stakeholder Groups Initiatives First: Our Employees	FR

NOS.	DISCLOSURES	EVIDENCE	LEVEL OF DISCLOSURE
ECONOMIC PERFORMANCE INDICATORS			
EC1	Direct, economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings and payments to capital.	The Savola Group in Lines-Introduction Performance, 2011 - Major Financial Indicators, 2011 2011 Major Highlights -Corporate Social Responsibility Programs Funding Our Social Commitments	FR
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	The Savola Group's Environmental Strategy	PR
EC3	Coverage of the organization's defined benefit plan obligations.	Special Programs developed for Employees Employees Benefits	FR
EC4	Significant financial assistance received from government.	The Savola Group in Lines-Introduction	FR
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Country Salary Scales	FR
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Spending on Local/Non-local Suppliers	FR
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	Workforce and Communication Program with Employees Saudization Rates	FR
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind or pro bono engagement.	Our Social Commitments The Savola Group Social Responsibility Programs	FR

NOS.	DISCLOSURES	EVIDENCE	LEVEL OF DISCLOSURE
ENVIRONMENTAL PERFORMANCE INDICATORS			
EN4	Indirect energy consumption by primary source.	Electricity Consumption	PR
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Environmental Initiatives: Best Practices from Our Operating Companies	FR
EN12	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	The Savola Group's Environmental Strategy	PR
EN14	Strategies, current actions and future plans for managing impacts on biodiversity.	The Savola Group's Environmental Strategy	PR
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	The Savola Group's Environmental Strategy	PR
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Environmental Initiatives: Best Practices from Our Operating Companies	FR
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Compliance with Applicable Laws & Regulations	FR
LABOR PRACTICES INDICATORS			
LA1	Total workforce by employment type, employment contract and region.	The Savola Group in Lines-Introduction	PR
LA2	Total number and rate of employee turnover by age group, gender, and region.	Employment Data- Savola HQ	PR
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Special Programs developed for employees	FR
LA4	Percentage of employees covered by collective bargaining agreements.	NA	
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	NA	

NOS.	DISCLOSURES	EVIDENCE	LEVEL OF DISCLOSURE
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	NA	
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities by region.	Injuries rate	PR
LA9	Health and safety topics covered in formal agreements with trade unions.	NA	
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Training and Development	FR
LA12	Percentage of employees receiving regular performance and career development reviews.	Performance Appraisal System for Supervisor Level (SL) and General Workers (GW)	FR
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity.	- Performance Management System Board Directors Employment of People with Disability in The Savola Group	PR
	HUMAN RIGHTS INDICATORS		
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Working within an Ethical Framework Training and Development	PR
HR4	Total number of incidents of discrimination and actions taken.	Country Salary Scales Working within an Ethical Framework	FR
HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.	Working Age	FR
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures taken to contribute to the elimination of forced or compulsory labour.	NA	

NOS.	DISCLOSURES	EVIDENCE	LEVEL OF DISCLOSURE
CORE	SOCIAL PERFORMANCE INDICATORS		
S01	What is the nature, scope and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting?	2011 Major Highlights Stakeholder Groups Spending on local-nonlocal suppliers	PR
S02	What is the percentage and total number of business units analysed for risks related to corruption?	The Savola Group Anti-Corruption Policy Disclosure and Transparency Policy, The Savola Group Committees	FR
S03	What is the percentage of employees trained on anti-corruption policies and procedures?	Vision and Strategy The Savola Group Anti-Corruption Policy	PR
S04	Actions taken in response to incidents of corruption	The Savola Group Committees The Savola Group Anti-corruption Policy Disclosure and Transparency Policy Compliance with Applicable Laws & Regulations	FR
S05	Public policy positions and participation in public policy development and lobbying	The Group's Significant Cooperation in CSR	FR
S07	Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices and their outcomes.	Compliance with Applicable Laws & Regulations	FR
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Compliance with Applicable Laws & Regulations	FR

NOS.	DISCLOSURES	EVIDENCE	LEVEL OF DISCLOSURE
	PRODUCT RESPONSIBILITY INDICATORS		
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes.	Compliance with Applicable Laws & Regulations	FR
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	Compliance with Applicable Laws & Regulations	FR
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Stakeholder Groups Compliance with Applicable Laws & Regulations Panda and Customer Satisfaction	FR
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	The Savola Group Marketing Direction	PR
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship, by type of outcomes.	Compliance with Applicable Laws & Regulations	FR
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Compliance with Applicable Laws & Regulations	FR
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Compliance with Applicable Laws & Regulations	FR

Assurance Statement Introduction

Report Application Level	C	C+	B	B+	A	A+
Standard Disclosures	G3 Profile Disclosures OUTPUT	Report on: 1.1 2.1-2.10 3.1-3.8, 3.10-3.12 4.1-4.4, 4.14-4.15	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5-4.13, 4.16-4.17	Same as requirement for Level B		
	G3 Management Approach Disclosures OUTPUT	Not Required	Management Approach Disclosures for each Indicator Category	Management Approach Disclosures for each Indicator Category		
	G3 Performance Indicators & Sector Supplement Performance Indicators OUTPUT	Required on a minimum of 20 performance indicators, including at least one from each of: Economic, Social and Environmental.	Required on a minimum of 20 performance indicators, at least one from each of: Economic, Environmental, Human rights, labor, society Product Responsibility.	Required on each core G3 and Sector Supplement ^{**} Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason of its omission.		
		Report Externally Assured		Report Externally Assured		Report Externally Assured

Quality Assurance Statement:

The Centre for Sustainability and Excellence (CSE) was commissioned by The Savola Group to provide external assurance and commentary and to undertake a third-party Application Level Assessment against the requirements of the Global Reporting Initiative (GRI) G3 Guidelines on the 2011 Sustainability Report.

The overall aim of this process is to provide reassurance to The Savola Group's stakeholders that the information is accurate, reliable and objective and cover material areas. CSE used the Global Reporting Initiative (GRI) G3 guidelines in order to assess Sustainability Report key elements. The process also involved a GRI G3 application level check.

This work included an independent assessment through discussions, meetings with the CSR team and the collection and validation of sample quantitative data for 2011, reflected in the Report.

Our conclusions and overall opinion have been made on the basis of supporting objective evidence and review of The Savola Group documentation. We believe that our work provides an appropriate basis for our general conclusions mentioned.

Assurance Statement



Assurance Statement

Based on the above methodology, CSE performed an independent assessment on The Savola Group and the underlying structures, procedures and results. We took into consideration the fact that The Savola Group offers a diverse set of products and services, through a wide number of subsidiaries and associates which cover a wide geographical region. We believe that our work provides an appropriate basis for our general conclusions mentioned below:

- The Savola Group is a people driven organization focused on addressing its key material issues in a Sustainable manner and ensuring that all stakeholders –internal and external- are treated in a matter of outstanding quality.
- The Savola Group is focused on the development of vision, strategy and associated policies and

governance processes that apart from integrity and high levels of performance, demonstrate its commitment to sustainability.

- Good practice has been demonstrated in a number of specific internal and external initiatives.
- The Savola Group has identified requirements of stakeholders' related to environmental issues and has committed in developing and implementing its Environmental Strategy and undertaking initiatives to minimize its environmental footprint.
- The Savola Group has demonstrated high responsibility in social performance
- The Savola Group has demonstrated high levels of labor and human rights practices and dedication.
- We encourage The Savola Group to continue to focus on putting processes in place and measure overall performance of its Sustainability practices and strategies.
- We encourage The Savola Group to focus more

on Environmental issues, in putting processes in place and setting goals for the implementation of its Environmental practices including Carbon Footprint.

The scope of the assurance was limited to the above & the opinion above has been formed on the basis of, and is subject to, the inherent limitations outlined in this independent assurance statement.

Jeddah, September 2012

NIKOS AVLONAS

FOUNDER AND PRESIDENT



CENTRE for SUSTAINABILITY
and EXCELLENCE

www.cse-net.org



CENTRE for SUSTAINABILITY
and EXCELLENCE

GRI Application Level Check Statement

Centre for Sustainability and Excellence (CSE), an independent third party, has reviewed The Savola Group Sustainability Report for 2011. CSE has checked and confirms that The Savola Group applied the GRI Reporting Framework as specified by the G3 Guidelines on a satisfactory level. The 2011 Responsible Business Report meets the requirements of the GRI G3 Version 3.0, Application Level B+. This signifies that The Savola Group has reported on at least 20 performance indicators and provided the required management approach and organizational profile disclosures.

Additionally, The Savola Group Sustainability Report content was assured by CSE according to international Standards and methodologies including AA1000.

Nikos Avlonas

President CSE

www.cse-net.org

*CSE is a GRI Organizational Stakeholder and an official GRI Training Partner in Arab Speaking Middle East Countries



The Savola Group

www.savola.com