



# Owning our future

Ensuring a  
sustainable  
tomorrow



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# About the Report

Our previous sustainability report, published in May 2021 was for the period of 1st January 2020 to 31st December 2020. The reporting cycle for this report has been aligned to the annual financial reports reporting cycle i.e. 1st of January to 31st of December every year.



This report is the second sustainability report being published for Walaa Cooperative Insurance Company (also referred to in the report as 'Walaa' or 'Walaa Cooperative Insurance'). It covers reporting of data and activities undertaken for two years; i.e. from 1st January 2021 to 31st December 2021 and 1st January 2022 to 31st December 2022. This report has been developed 'with reference' to the Global Reporting Initiative (GRI) standards 2021. Our previous sustainability report, published in May 2021 was for the period of 1st January 2020 to 31st December 2020. The reporting cycle for this report has been aligned to the annual financial reports reporting cycle; i.e. 1st of January to 31st of December every year.

### Our Reporting Approach

Walaa believes upholding rigorous ESG standards is crucial for sustained growth and serves as the foundation for fulfilling commitments to the shareholders. Our sustainability reports abide by fundamental reporting principles such as Accuracy, Balance, Clarity, Comparability, Completeness, Sustainability Context, Timeliness, and Verifiability. For reporting, we apply the principle of materiality as a guide to help us identify the risks, opportunities, and significant topics including sustainability topics relevant to our business model.

In 2007, Walaa was established as a Saudi Joint Stock company and was granted an operating license by SAMA as an 'Insurance and Reinsurance Company in July 2008. This report also aims to align with the Saudi Stock Exchange (Tadawul) priority topics where relevant. It also aligns with the UN Sustainable Development Goals, and Saudi Vision 2030.

### Report Boundary

We operate within the Kingdom of Saudi Arabia and do not have any overseas subsidiaries. The operations of SABB Takaful Company have been merged with Walaa in 2022; however, all operations are subsumed under Walaa and reported within Walaa's sustainability report.

### Assurance

As we initiate our journey on sustainability reports after 2020, we do not aim to seek assurance for this year's (2023) reporting cycle. However, we have taken significant internal due diligence before sharing the data in this report.

### Stakeholder Feedback

The primary audience for this report is our stakeholders, with whom we like to share information on how we manage material environmental, social, and governance matters, to enable them to understand our overall performance, progress, and position and our impact on these topics.

From our stakeholders, we seek feedback and suggestions, and we shall be pleased to support them with any clarifications about this sustainability report. We request stakeholders to write to us at [investors@walaa.com](mailto:investors@walaa.com)

### Restatements

This report represents our efforts in streamlining Walaa's existing systems and aligning our activities as per global ESG good practices. There are no material re-statements and corrections in this report as compared to our previous Sustainability Report, except for the addition of new material topics.

# Message from Chairman of the Board



Mr. Sulaiman Abdullah Al Kadi  
Chairman of the Board of Directors

“  
Our commitment to developing a talented Saudi workforce is evident through our “Best On the Job Training Program”. The award is a testament to our continuous investment in human capital.

Dear Shareholders,

I take the opportunity to present to you the second Sustainability report of Walaa, for the years 2021 and 2022. We, at Walaa, are optimistic about the forthcoming years with a prospect of sustained growth. During the year 2022, Walaa became the fifth largest insurer in the Kingdom in terms of Gross Written Premium (GWP)<sup>1</sup>. I am grateful to the stakeholders, business partners, and associates for the ongoing support and contribution extended to our Company.

Walaa is firmly committed to being a key 'partner in progress' in the ambitious 'Saudi Vision 2030' – a broad initiative and plan perceived by the Kingdom's wise leadership which is poised to take the Kingdom towards strong overall growth, sustenance, and development in all segments – and lead the Kingdom as an illustrious example of harmonious and holistic achievement.

As we tread towards our ESG journey, the Walaa Academy program has been instrumental in nurturing future-ready talent, ensuring our readiness for a dynamically evolving market landscape.

This initiative also reinforces our dedication to the community we serve.

Walaa was among the proud winners of the Ministry of Human Resources and Social Development's labor awards, an accomplishment that sets us apart in the industry. Our commitment to developing a talented Saudi workforce is evident through our "Best On the Job Training Program". The award is a testament to our continuous investment in human capital.

Looking ahead to 2023, Environmental, Social and Governance considerations will continue to be central to our business strategy. Transparency will remain the center of our organization's vision and client interactions. We are resolute in our dedication to leaving a positive impact on both current and future generations.

I take this opportunity to thank the Members of the Board and its Committees, our Executive Team, employees, our customers and our vendors for their diligent support. I also sincerely acknowledge and appreciate the support and guidance provided by the regulators and governmental entities in the Kingdom in achieving our objectives.

<sup>1</sup>GWP for an insurance company is an important measure based on which the rest of the growth parameters tend to develop.

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# Message from the Chief Executive Officer

A decorative graphic on the left side of the page, composed of various geometric shapes in shades of blue and green. It includes a semi-circle, a circle with a white dot, a circle with a white sunburst, a circle with a white sailboat, and a circle with a white figure. A vertical green bar is also present.

**Mr. Johnson Varughese**  
Chief Executive Officer

“  
The importance of such investment cannot be overstated as Walaa looks to enter a new and exciting phase of its growth and development.

## Dear Shareholders,

I am pleased to present the Sustainability report for the years 2021 and 2022. This is our second sustainability report published for Walaa, which highlights the key ESG strategy and plans for the organization. In alignment with Vision 2030, Saudi Exchange, and UN Sustainable Development Goals, our ESG-aligned commitments range across our activities covering risk management, human rights, compliance, and CSR.

As we initiate our journey and expand our operations, we continue to invest in data security and maintain customer privacy throughout the process. We are also bringing in digitization as a next step at various other levels in the company in the forthcoming years. Walaa has successfully implemented the eBao system, an excellent insurance Enterprise Resource Planning (ERP) software, as a core platform for general business operations, and Oracle EBS for the support services, including Finance, Procurement, and HR.

We have been actively taking part in CSR activities and promoting social welfare through educational, cultural, health, and other community-related initiatives. By actively engaging in initiatives that promote education, culture, health, and community welfare, we aim to create a meaningful impact.

Walaa has successfully faced and overcome several challenges and is determined to achieve positive growth in the coming years. Walaa has been a trailblazer in the Saudi Insurance space with the completion of two successful merger transactions. Walaa possesses stronger capital, which is instrumental in enhancing the margin of solvency, our ability to take risks, write more insurance business, and increase investment returns. The merger is also potent enough to enhance our competitive capabilities in the sector in terms of acquiring a larger market share in general insurance, and protection & saving

products, thereby improving the company's ability to provide products covering a wider spectrum of insurance solutions, especially the protection & savings insurance product for individuals. We also aspire to increase and diversify our customer base, and increase the geographical spread of our business, specifically in the central region as it is becoming the business hub for the kingdom, and this merger helps us bring closer to our goal.

Our Executive Management is deeply committed to investing in and developing Saudi talents, starting from the grassroots level. The importance of such investment cannot be overstated as Walaa looks to enter a new and exciting phase of its growth and development. The vision behind Walaa Academy is to equip a group of young, highly talented Saudi males and females who can drive the Company in this new age of technology and rapidly changing business environment. Walaa Academy is a revolutionary program aimed at imparting knowledge and expertise in a wide range of insurance's operational and technical areas to sharpen technical and actuarial skills.

In light of the local and international development and interest in environmental elements and their impacts on development plans, Walaa has been keen to achieve sustainable environmental development by concluding strategic partnerships aimed at reducing the impact of our operations on the environment by managing the waste of resources such as water and energy and implementing recycling initiatives.

Walaa participated in the Eastern Green initiative to plant around 1 million trees. The initiative comes to establish a culture of concern for the environment, spread environmental and health awareness in the community, and the importance of afforestation for the country. Walaa is closely linked to the community and we believe we have a social and humanitarian duty towards society and the people of this great country.



# Awards, Recognition, and Certifications

Walaa won the award as the most successful entity, among 10,000 establishments in the Kingdom, for training in the finance and insurance sectors.



**Award and Recognition:** We are delighted to announce that Walaa won the Labor Award, for the best on-the-job training program for employees, awarded by His Excellency the Minister of Human Resources and Social Development. Walaa won the award as the most successful entity, among 10,000 establishments in the Kingdom, for training in the finance and insurance sectors.

Walaa secured and maintained a Global Scale Financial Credit Rating of (A-), a GCC rating of (gcAAA), and a Saudi Arabia National Scale rating of (ksaAAA) with 'Stable' outlook from S&P.

Walaa also maintained its A3 Insurance Financial Strength Rating (IFSR) from Moody's.

## Certifications

We are proud to be following international standards and best practices, by holding certifications for



**ISO 9001:2015**  
Quality Management System



**ISO 14001:2015**  
Environmental Management System



**ISO 27001:2017**  
Information Security Management Certification



**ISO 31000:2018**  
Enterprise Risk Management System



**ISO 22301:2012**  
Business Continuity Management System



**ISO 26000:2010**  
Social Responsibility certifications



**ISO 45001:2018**  
Occupational Health & Safety

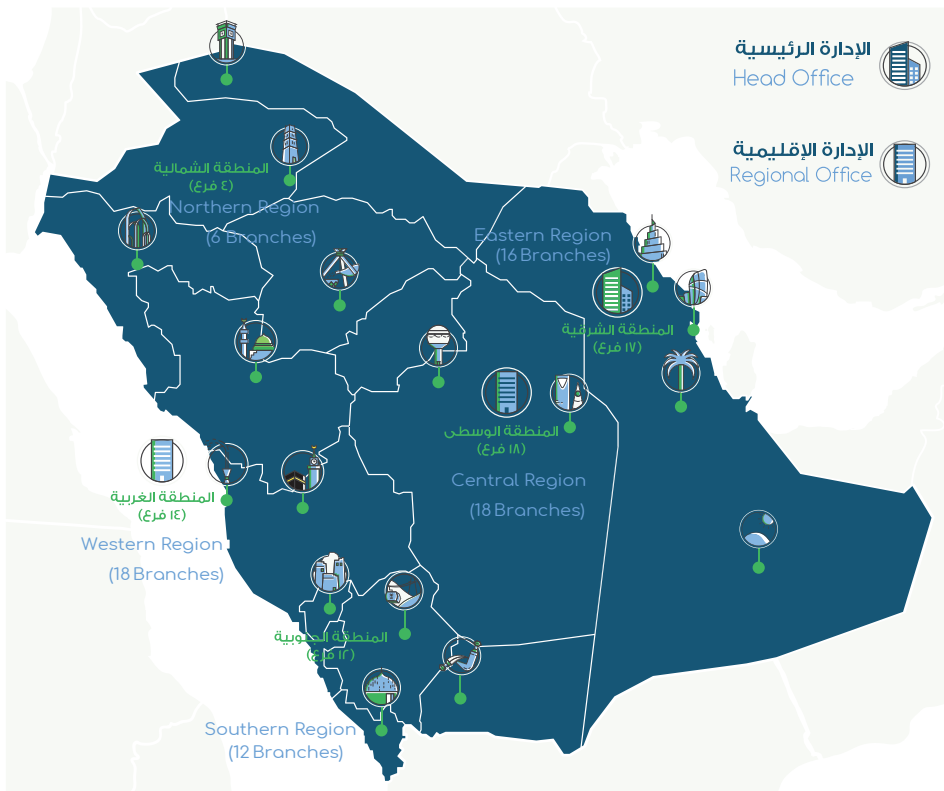
# Walaa's Business



# Our Presence

We take pride in introducing ourselves as one of the leading insurance and reinsurance companies in the Kingdom of Saudi Arabia, with a fully paid-up capital of SAR 850 million. Walaa Cooperative Insurance Company is a Saudi joint-stock company established on 5th July 2007 and is engaged in underwriting various types of insurance businesses, based on the principles of cooperative insurance under the supervision of the Saudi Central Bank (SAMA)<sup>2</sup>.

Ever since Walaa commenced its operations in 2007, (Insurance operations began in 2009), with Head office at Al-Khobar in the Eastern province of KSA, the Company has been committed to a wide geographical presence in the Kingdom of Saudi Arabia. In addition to the Central regional office in Riyadh and the Western regional office in Jeddah, Walaa has a wide network of +70 branches in +30 cities throughout the kingdom.



## Mission

To position ourselves as one of the leading insurance and reinsurance companies in the Saudi market providing all classes of Shariyah-compliant products in all sectors and to all cross-sections of society.



## Vision

Deliver our loyalty to the Saudi community by setting standards for excellence in the insurance sector through innovation, financial strength, and exceeding customer expectations.

<sup>2</sup> SAMA is the principal agency responsible for the application and administration of the Insurance Act and its implementing regulations.

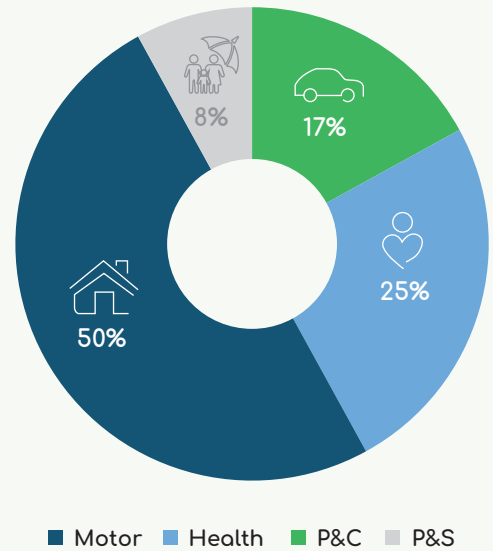
# Our Business

During the initial years of business, the Motor business has been the mainstay of Walaa's portfolio; however, since 2020, we started making a conscious effort towards balancing our portfolio mix by focusing on other lines of business as well. We recognized the risks posed by business concentration in one line, which may lead to specific business challenges subject to market dynamics. Thus, Walaa's Motor portfolio was reduced to 17% of total GWP in 2022 from 26% in 2021, on the other hand, the medical growth was sizable where its share of total Walaa GWP grew from 15% in 2021 to 25% in 2022, which was in line with the company's plan of growth in the medical line.

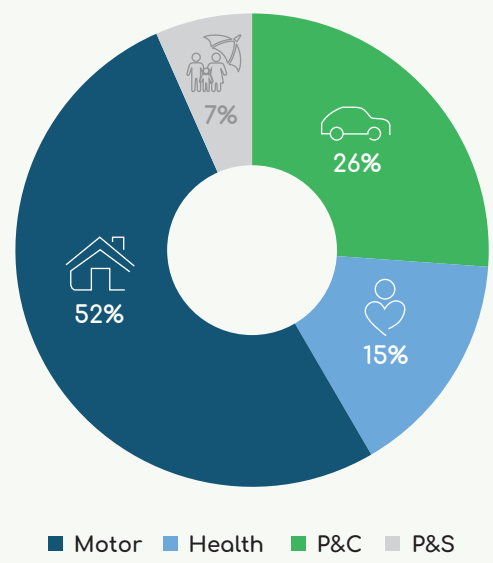
The General Insurance business has been Walaa's forte for many years, as it also commands the second highest market share of overall General insurance business in KSA. Moreover, after completing the merger with SABB Takaful in 2022, we are working on enhancing our Protection and Savings (P&S) portfolio, by focusing on the individual life business. Property and Casualty products currently form about 50% of our portfolio share. The share of medical insurance increased significantly last year whereas the motor insurance has reduced.

**Overall, we are involved primarily in cooperative insurance and reinsurance in the Motor, General, Health, and Protection and savings lines of business and related investment activities.**

Portfolio Share % 2022



Portfolio Share % 2021



Walaa’s product offerings comprise products for both individuals and corporations. Walaa’s products and operations are reviewed annually by the Shariyah Review Bureau, following the auditing standards for Islamic Institutions.

The extent covers the compatibility between the commercial operations carried out by clients, the policies they adopt, and the contracts concluded by Walaa. Thus, all of Walaa’s products and activities are Sharia-compliant.





# Strategic Outlook and Priorities

Walaa's management has prepared a detailed medium-term strategy that defines Walaa's business outlook for the next 5 years. The business strategy, including a simulation of the required capital, is based on multiple scenarios throughout the coming years. This strategy is centered on the following pillars or core functions of Walaa, which are set to witness major developments at the company:



Property & Casualty



Motor



Medical



Protection & Savings



Investments



Human Resource Development



IT and Digital Transformation

Under digitization, Walaa's efforts are focused on system enhancements. This activity shall continue to take place over a few years and provide the company with several gains in the medium to long term.

Walaa also believes that ESG is critical for long-term success and to enhance the returns of our shareholders and stakeholders. We are committed to integrating sustainability into all our business activities and operations. By integrating sustainability considerations into our core business operations, Walaa has effectively managed risks, reduced costs, and enhanced long-term value creation.





# Our Performance

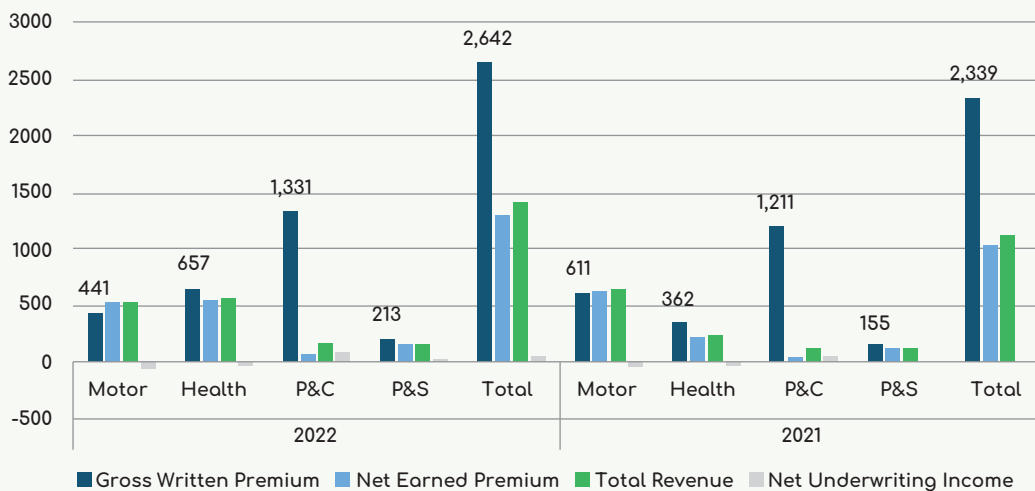
The total revenue has also significantly grown from 1121 (SAR million) in 2021 to 1424 (SAR million) in 2022.



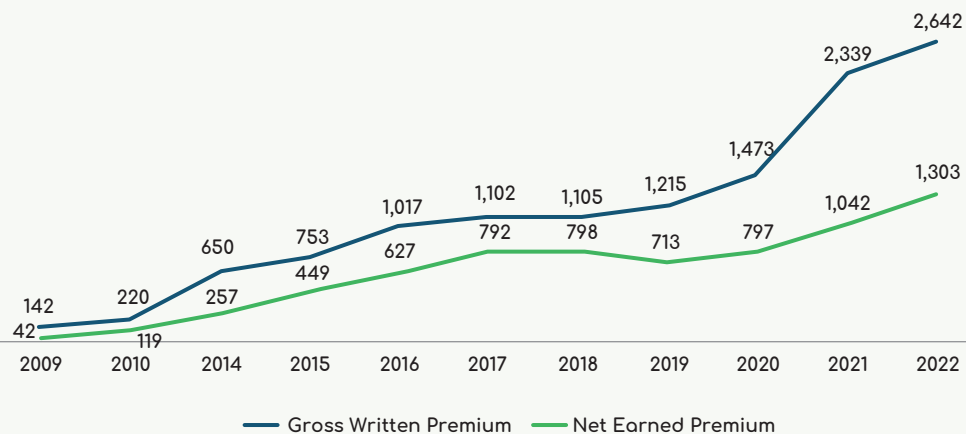
Gross Written Premium is an important assessment parameter for any insurance company. The GWP has increased from 2,339 (SAR million) in 2021 to 2,642 (SAR million) in 2022. Despite the pandemic, economic growth is evident from the analysis of the financial data. Further, the

total revenue has also significantly grown from 1,121 (SAR million) in 2021 to 1,424 (SAR million) in 2022. During 2022, Walaah reported an increase in revenues by 27%. Throughout the reporting period, the Walaah has consistently prioritized sustainable practices.

### Economic Performance



### Financial Performance



# Stakeholder Engagement & Materiality Assessment

We organize regular engagement activities with our key stakeholders, ranging from community events, engagement with educational institutions, employee engagement activities, sensitization of suppliers and vendors.



## Stakeholder Engagement

We, at Walaa, believe in nurturing an ongoing relationship with our stakeholders and understand that meaningful engagement and disclosure of relevant information in a timely and comprehensible manner is the cornerstone of lasting relationships. Thus, we organize regular engagement activities with our key stakeholders, ranging from community events, engagement with educational institutions, employee engagement activities, sensitization of suppliers and vendors on our expectations and evolving ESG requirements, reporting to regulatory authorities, etc.

Amongst all stakeholders, more frequent engagement is conducted with Walaa employees and the community, due to their high influence on Walaa's business and as part of our responsibility. The minimum frequency of engagement with stakeholders is annual. Normally, engagement frequency is as needed or identified as necessary. The details of the engagement activities conducted with each stakeholder group are elaborated in the subsequent table.

We attempt to address the expectations expressed by stakeholders through meaningful actions. Some of the actions taken are based on stakeholder feedback and involve strengthening our policies, processes, and systems. These have also been aligned with our strategic and business thought processes. The primary stakeholder categories whose engagement process and actions have been enumerated in this section include customers, employees, shareholders and investors, regulatory bodies, suppliers, brokers, reinsurers, and the community. We also undertake focused interaction with internal stakeholders to gather feedback on sustainability-related matters.

## Stakeholder Engagement

Stakeholder Group	Engagement Mode	Stakeholder requirements	Actions
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Walaa's website</li> <li>• Social media platforms</li> <li>• Customer service department (satisfaction surveys)</li> <li>• Branches, offices, and brokers (sales team)</li> <li>• Scheduled meetings with Walaa's management</li> </ul>	<ul style="list-style-type: none"> <li>• Product and service quality</li> <li>• Providing products and services that are in customers' best interest.</li> <li>• Helping customers make informed decisions.</li> <li>• Protecting customer data and privacy</li> <li>• Claim's settlement</li> <li>• Complaint resolution</li> </ul>	<ul style="list-style-type: none"> <li>• Clear business processes</li> <li>• Customer complaints and feedback mechanism</li> <li>• Information security systems and awareness</li> <li>• Business continuity plans</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Intranet</li> <li>• Complaints channel</li> <li>• Training</li> <li>• Appraisal systems</li> <li>• One-on-one conversations between managers and employees</li> <li>• Employee engagement surveys</li> </ul>	<ul style="list-style-type: none"> <li>• Clear roles and responsibilities</li> <li>• Appraisal process</li> <li>• Working conditions</li> <li>• Health and safety (protection during an emergency)</li> <li>• Job security and career growth and development</li> <li>• Ability to speak up and raise concerns</li> </ul>	<ul style="list-style-type: none"> <li>• Clear job descriptions</li> <li>• Emergency response, BCP &amp; business/disaster recovery</li> <li>• Development, implementation, &amp; training/testing</li> <li>• Health &amp; safety practices</li> <li>• Corporate culture</li> <li>• Listening to employees</li> </ul>
<b>Shareholders &amp; Investors</b>	<ul style="list-style-type: none"> <li>• Corporate website</li> <li>• Corporate governance report</li> <li>• General assembly meetings</li> <li>• Roadshows</li> <li>• One-on-one visits to discuss financial performance and ESG issues.</li> <li>• Communications through Investor relations and corporate governance teams as well as the company's board of directors</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable growth and market share</li> <li>• Strong corporate governance</li> <li>• Business resilience</li> <li>• Technology transformation</li> <li>• Transparency and disclosure</li> <li>• Financial strength rating</li> </ul>	<ul style="list-style-type: none"> <li>• Disciplined growth strategy</li> <li>• Strong board oversight</li> <li>• Strict compliance with corporate governance regulations</li> <li>• Sound capital management strategy and robust risk management practices</li> <li>• Emergency response, BCP &amp; business/disaster recovery development, implementation, and training</li> <li>• IMS development &amp; implementation</li> <li>• Transparent and timely disclosures</li> </ul>
<b>Government and Regulators</b>	<ul style="list-style-type: none"> <li>• Regular reporting</li> <li>• Correspondence and communications</li> <li>• Meetings and onsite visits</li> <li>• Participation in governmental initiatives and campaigns</li> </ul>	<ul style="list-style-type: none"> <li>• Sound and stable insurance market</li> <li>• Compliance with rules and regulations</li> <li>• Incident notification and updates during a crisis</li> <li>• Transparency and disclosure</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance department and processes</li> <li>• Code of Ethics</li> <li>• Business continuity plans</li> <li>• Communication &amp; support during a crisis</li> <li>• Transparent and timely disclosures</li> </ul>
<b>Suppliers, Brokers, and Reinsurers</b>	<ul style="list-style-type: none"> <li>• Internal portal</li> <li>• Procurement and compliance departments</li> <li>• Training workshops</li> <li>• Complaints channel</li> <li>• Vendor and partner code of conduct</li> </ul>	<ul style="list-style-type: none"> <li>• Mutual benefits and continuity</li> <li>• Timely payment</li> <li>• Fairness</li> <li>• Safety of employees and assets</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier evaluation and monitoring</li> <li>• Actions based on supplier ratings set by procurement, risk and compliance departments</li> <li>• Business continuity awareness</li> <li>• Financial resources to meet supplier commitments during emergencies</li> <li>• Vendor's and partner's code of conduct</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>• Charitable initiatives</li> <li>• Website</li> <li>• Social media</li> <li>• Events</li> </ul>	<ul style="list-style-type: none"> <li>• Developing local human resources and providing employment opportunities</li> <li>• Corporate responsibility</li> <li>• Gender equality</li> </ul>	<ul style="list-style-type: none"> <li>• Meet saudization targets.</li> <li>• Provide training &amp; internship programs for saudi students.</li> <li>• Conducts/ sponsors social responsibility.</li> <li>• Charity programs by contributing SAR 1/policy.</li> </ul>

# Material Focus Areas

Walaa relies on the principle of materiality for identifying and prioritizing topics that are critical to business and help shape ESG strategy for the upcoming years. Material topics are prioritized, in terms of the significance of the topic for stakeholders concerning economic, environmental, and social impact.

Building upon the materiality assessment conducted during our previous reporting cycle, this year we conducted the materiality assessment to prioritize topics that still hold relevance for our business, and to identify new topics that have become important with the changing socio-commercial landscape and regulatory landscape.

We started the Materiality Assessment process by identifying a list of potential material issues, based on internationally utilized standards and frameworks like

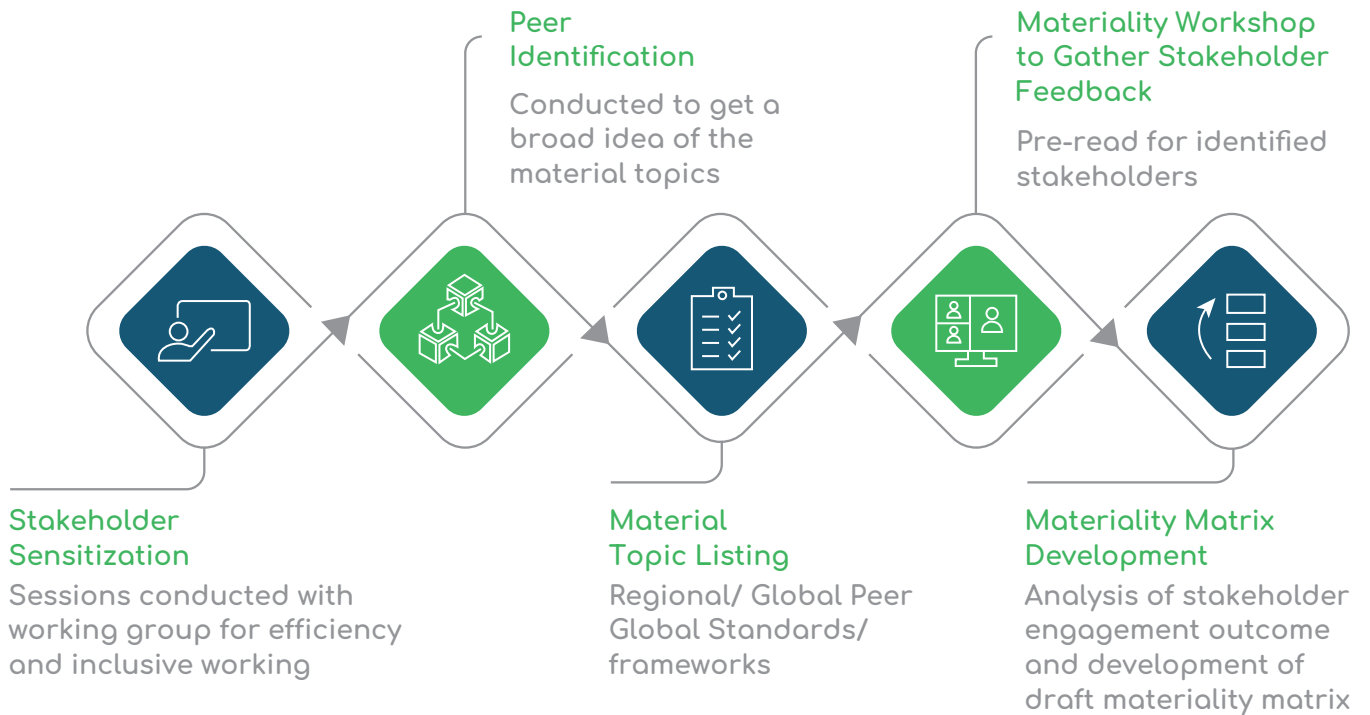
Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB). Additionally, prioritizing the trends based on peer benchmarking comprising of local, regional, and global peers, enriched the list of potential material topics.

For materiality assessment, stakeholder engagement was undertaken with the internal stakeholders from various functions of Walaa and senior management. A heterogeneous group of stakeholders was chosen to reflect all business aspects and its interface with the external stakeholders.

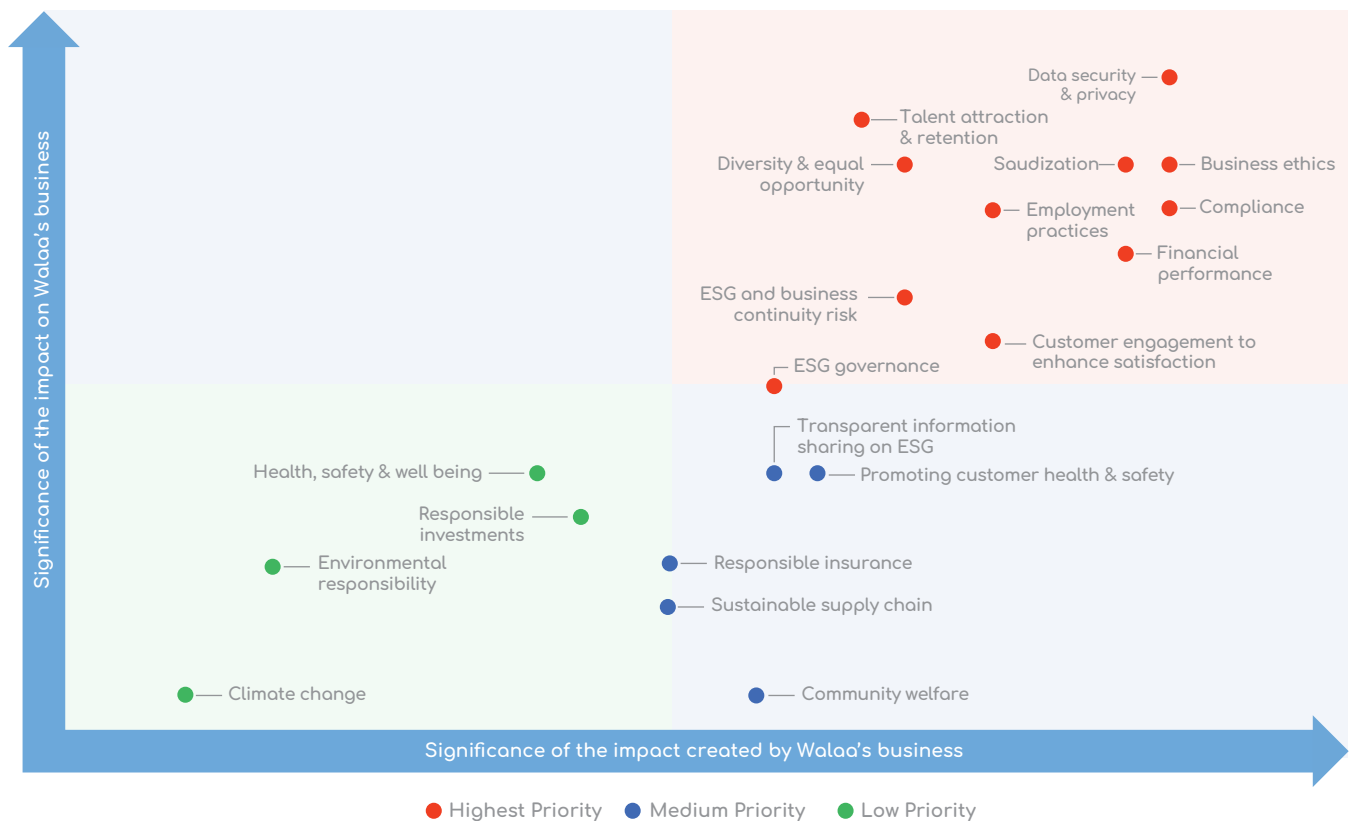
The feedback of internal stakeholders of Walaa on the potential topics was sought through a combination of qualitative and quantitative data analysis mechanisms. The significance of each topic was graded by the internal stakeholders in terms of the impact on the business and other stakeholders. Based on the findings from the stakeholder engagement feedback, a list of material topics was created from potential material topics. This data was consequently analyzed and presented in the form of our materiality matrix. To facilitate informed responses from stakeholders, a stakeholder awareness session and knowledge sharing through appropriate material was undertaken.



### Process of Materiality Assessment



### Materiality Matrix



Six new material topics were identified through the materiality assessment process namely, ESG and business continuity risk, business ethics, responsible insurance, sustainable supply chain, promoting customer health and safety, and Saudization. The priority list doesn't include certain topics, which means they are relatively less important. However, the company continues to take actions towards the same as well. The material topics identified, shape the

direction of the current sustainability strategy and guide the Sustainability reporting/ disclosure in this report. On the newly identified material topics, Walaa intends to continue growing its reporting. This report does not contain information on responsible investments. Transparency as a topic is reflected through the publication of this report and reflect in the practices of the company mentioned across the report.

### Material Topics for Walaa

Prior Focus Area	Identified Focus Areas	
	Highest	Medium
Customer trust and protection	Talent attraction & retention	Responsible insurance
Data security	Diversity & equal opportunity	Community
Compliance with regulations	Employment practices	Sustainable supply chain
Strong corporate governance and transparency	ESG and business continuity risk	Transparency
Creation of employment opportunities	Customer engagement to enhance satisfaction	Promoting customer health and safety
Employee well being	Financial performance	
Workforce training and career development	Compliance	
Environmental impact of operations	Saudization	
Community investment	Data security & privacy	
Financial performance	Business ethics	
	ESG governance	



## Aligning to National Goals and Vision








Walaa is committed to Saudi Arabia's development vision for 2030 and the global sustainability agenda defined by United Nations Sustainable Development Group (UNSDGs).






Therefore, we have linked our key material topics identified to the most relevant Sustainable Development Goals (SDGs), Saudi vision and thematic areas promoted by Tadawul<sup>3</sup>.


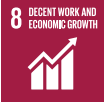




<sup>3</sup>Tadawul or Saudi Stock Exchange is a stock exchange in Saudi Arabia

## Alignment of Material Topics to various international frameworks and national initiatives

Topics	SDG Linkage	Tadawul ESG Key Points	Saudi Vision 2030	Description
Environmental Responsibility	 	Opportunities in clean tech	Reduce all types of pollution Ensure sustainable access to water resources	Responsible consumption of resources like water, energy, and generation of waste and its management
Talent Attraction & Retention		Human capital development	Source relevant global talent effectively	Walaa's status and efforts towards top talent attraction and longer employee retention reflect the effectiveness of its policies and systems
Diversity & Equal Opportunity	 	Human capital development	Increase females participation in the labor market	Practices to encourage females, physically challenged, and others to create an inclusive work culture with equal opportunities, and advance toward gender-neutral pay parity
Employment Practices		Human capital development	Improve working conditions for expatriates	Aspects of training and education and performance management that help in systematic knowledge gain, upskilling, and career progression without biases.
Business Ethics		Business ethics	Foster values of equity & transparency Strengthen the communication channels with citizens and business community	Ethically conducting business to avoid conflict of interest, upholding human rights, avoiding corruption and malpractices in the organization
Data Security & Privacy		Privacy & data security	Develop the digital economy	With increasing digitization, proactive management of risks linked to loss of customer data, breach of customer privacy, and related fraudulent activities is important

Topics	SDG Linkage	Tadawul ESG Key Points	Saudi Vision 2030	Description
Sustainable Supply Chain		Supply chain labor standard	Develop promising local companies into regional and global leaders. Develop economic ties with global partners.	Engaging with suppliers on good ESG practices reduces supply chain-related operational and reputational risks
Responsible Insurance		Responsible investment	Strengthen the communication channels with citizens and business community	Provide insurance to more customers with several differentiated offerings, to promote low-carbon and sustainable businesses/technology
ESG Governance		Board	Foster values of equity & transparency	Development of a mechanism to have a systematic ESG governance that has oversight of the board in a systematic manner
ESG and Business Continuity Risk			Strengthen the communication channels with citizens and business community	Presence of proactive risk management systems to identify and manage business and ESG risks and their mitigation actions to ensure business continuity
Compliance		Business ethics	Foster values of equity & transparency	Ensuring that the company has processes and procedures to ensure compliance with local regulations especially related to taxation, social and environmental aspects
Transparent Information Sharing on ESG		Business ethics	Foster values of equity & transparency	Transparency in ESG with internal & external stakeholders by providing timely, adequate, regular information in a fair and balanced manner on the positive and negative impacts on ESG by the company. Also providing stakeholders with proper and responsive channels to raise concerns and feedback

Topics	SDG Linkage	Tadawul ESG Key Points	Saudi Vision 2030	Description
Promoting Customer Health & Safety			Strengthen the communication channels with citizens and business community	Creating insurance products, and marketing (including fair advice) and labeling them in a manner that helps correct information increase customers' access to healthcare and promote safety
Customer Engagement to Enhance Satisfaction			Improve the quality of services provided to citizens	Engaging with customers through different modes to provide them an opportunity to increase their access to company products, raise concerns, gather additional information, and ease the process of claim, thereby leading to enhanced customer satisfaction
Financial Performance		Accounting	Develop the digital economy	Creating consistent financial value for Walaa and all relevant stakeholders
Saudization			Encourage volunteering	Represent the creation of local employment opportunities at various levels of Walaa.
Community Welfare	 		Enhance businesses' focus on their social responsibilities	Understanding the expectations of local communities and planning engagement activities accordingly. Also ensuring that Walaa's operations have minimal negative impacts on local communities and their livelihoods and engaging with them to address their concerns

# Corporate Governance

Our Company ensures compliance with the Insurance Companies Corporate Governance Regulations issued by Saudi Central Bank "SAMA", and Corporate Governance Regulations issued by Capital Market Authority "CMA".



We believe in ethics, equity, rectitude, and fairness in the workplace and business conduct, and have put in place a robust governance structure that works to build a strong organizational character. We strive to maintain a high degree of transparency and inclusiveness in governance and reporting to ensure smooth operations and sustainable growth of our Business.

Our Company ensures compliance with the Insurance Companies Corporate Governance Regulations issued by Saudi Central Bank "SAMA", and Corporate Governance Regulations issued by Capital Market Authority "CMA".

Walaa has well-defined policies and Governance structure in place, to drive the effective implementation of corporate systems, ESG initiatives, and risk management practices, which are particularized subsequently.

Walaa is led by an executive management team with a Chief Executive Officer (CEO) who is fully supported by a Board of Directors regulating Walaa's business. Our Corporate Governance responsibilities fall under the Board Secretary to enable the smooth implementation of the governance rules. It carries out all tasks related to Shareholders, the Board of Directors, and other stakeholders, as well as updating the internal corporate governance framework and the corporate policies.

The Board of Directors is elected by the general assembly for a term of three years and the Board meetings are mandated to be conducted quarterly each year; however, there is a provision for convening additional meetings on account of exceptional business requirements. The Board is committed to applying and implementing the highest standards of Governance at the company.

### Values and Ethical Behaviour



## Information about the Board of Directors

Name	Tenure (Years)	Member of how many Boards other than Walaa	Classification of Membership	Nationality
Mr. Sulaiman A. Al Kadi	10+	2	Non-Executive	Saudi
Mr. Khalifa A. Al Mulhem	1	9	Non-Executive	Saudi
Dr. Solaiman A. Al Twaijri	10+	13	Non-Executive	Saudi
Mr. Waleed M. Al Jafaari	10+	8	Non-Executive	Saudi
Mr. Wasef S. Al Jebshah	10+	14	Non-Executive	Jordan
Mr. Abdulatif K. Almulhim	10+	4	Non-Executive	Saudi
Mr. Osama M. Al-Khonaizi	1	1	Independent	Saudi
Mr. Hatem F. Balghoneim	10+	6	Independent	Saudi
Mr. Hesham A. Al Jabr	4	9	Non-Executive	Saudi
Mr. Jameel A. Al Molhem	10+	7	Independent	Saudi
Mr. Abdulaziz S. Al-Shabeebi	1	2	Independent	Saudi

The Corporate Governance Policy of Walaa provides clear guidelines on the criteria for the selection of Board Members, the Chairman of the Board, and their respective roles and responsibilities. The criterion for selection of Board members has been documented as part of the Procedures of the Board Membership Appointment. It enlists the traits of honesty, integrity, good reputation, ability to lead, adequate qualifications, ability to guide, take decisions, knowledge and physical fitness have to be possessed by the Board of Directors nominees.

Additionally, it also ensures that the Board members shall not be previously convicted of an offense against honor and honesty, declared bankrupt, planned or composition with his creditors, or disqualified from Board Membership according to any law or regulations applicable in the KSA.

**To ensure commitment and availability of time, the Board Members are limited to serving not more than five joint stock companies at the same time.**

This ensures that the Board comprises members with the required competence and ethical behavior.

**Walaa's criteria for selection of Board members ensures that the Board comprises members with the required competence and ethical behaviour.**

## Committees

Walaa has set up various management committees, to ensure smooth operations, comply with national regulations, oversee implementation of our systems, and ensure early identification and proactive management of risks and issues that may impact our business. The Board members are also the members of key functional committees at Walaa, comprising the Executive and Strategy Committee, Audit Committee, Investment Committee, Nomination and Remuneration Committee, and Risk Management Committee.



## Walaa's Committee's

### Executive and Strategy Committee (Ex Com)

- Gives recommendations to the board on important topics such as strategic plans, business plans, etc.
- The board delegates to the executive committee to carry out its functions
- Meetings are mandated to be conducted 7 times annually

### Audit Committee

- Ensures that the regulatory requirements are fully adhered to in addition to overseeing the company's financial reports and assess the adequacy of internal and external audits and evaluation and monitoring of the internal audit and compliance
- Meetings conducted 3 times annually

### Investment Committee

- Monitors and reviews the investment policy tasks and oversee the implementation and approval of investment activities and monitor the performance of investment portfolios
- Meetings conducted 2 times annually

### Risk Management Committee

- Ensures the implementation of the board recommendations regarding the evaluation and control of risk management and its mitigations and the efficiency of internal control
- Meetings conducted 3 times annually

### Recommendations Committee

- Responsible for recommendations to the board of directors
- Responsible for annual audit of appropriate skill requirements for membership of the board,
- Reviews the company structure and supervises the recruitment process
- Reviews the structure of the board of directors and makes recommendations on changes that can be made
- Meetings conducted 2 times annually

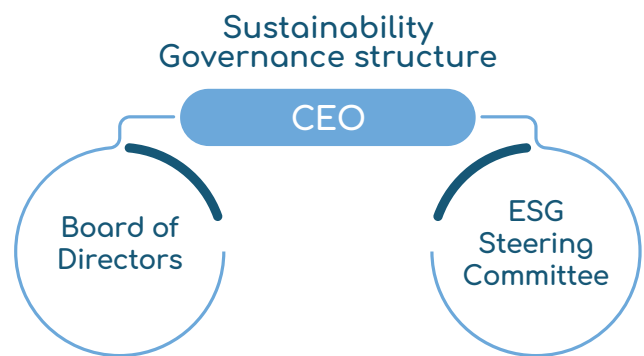
## ESG Committee Facilitating ESG Governance

There is an ESG Steering committee set up at Walaa to ensure that our sustainability activities are embedded in our operations and aligned with our corporate strategy and risk profile. This committee is led by representatives from various departments and is headed by the Chief Executive Officer and reports to the Board of Directors.

The purpose of the committee is to identify sustainability initiatives and goals that are in alignment with our ESG vision, which is also aligned with Saudi's Vision 2030. The committee communicates updates and takes strategic direction from the Board of Directors, as needed. Similarly, the committee also maintains communication across the organization on ESG matters.

The ESG Steering Committee comprises executives from different functions and is chaired by our Chief Executive Officer.

To support our increasing efforts towards streamlining ESG practices, we have also obtained ISO 45001:2018 Occupational Health & Safety Management System, ISO 14001:2015 Environmental Management System, and ISO 26000:2010 Social Responsibility certifications.



## Composition of Steering Committee

### Designation in the ESG Committee

▶ **Chairman**

Chief Executive Officer (CEO)

▶ **Secretary**

Board Secretary & Investor Relations Officer

▶ **Member**

Chief Financial Officer (CFO)

Appointed Actuary

Chief Technical Officer (Life & Medical)

Chief Technical Officer (General & Motor)

Finance Executive Consultant

Financial Reporting Analyst

Marketing Manager

Head of Corporate Sales

Quality, Health, Safety & Environment (QHSE) Manager

VP of Human Resources & Government Relations

Admin Executive

Compliance Manager

Risk Manager

Customer Care Manager

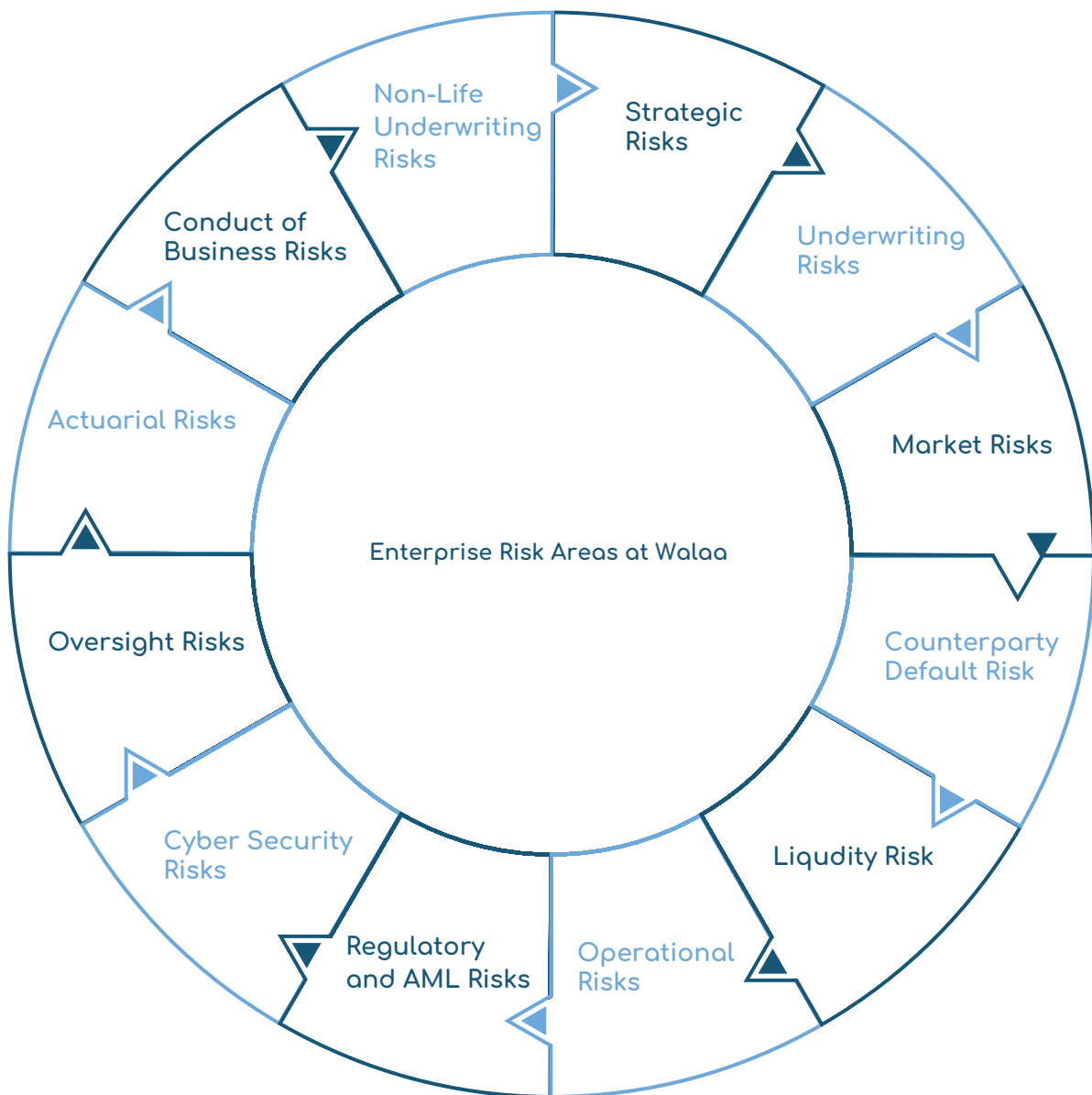
# Risk Management

There are 12 potential risks enlisted by the Risk Management Policy of Walaa, that have been depicted in the figure on right side.



Walaa has a Risk Policy supported by a well-established Risk Management Framework to protect itself from unforeseen negative events that may hinder the achievement of its performance objectives and growth. The Risk Policy defines the principles of Risk Management that are applied across the company and provides an overview of the methods used to identify, analyze, evaluate, treat, monitor, and report on significant risks

that the company may be exposed to. We have also obtained the ISO 22301:2019 Business Continuity and Management System certificate. There are 12 potential risks enlisted by the Risk Management Policy of Walaa, that have been depicted in the figure below. ESG risk is currently considered a cross-cutting risk and the material topics of ESG like cyber security risk, find a place in the twelve risks identified by Walaa.



There is a precise risk framework defined as part of the policy to manage these risks. Though the nuances of management of each risk may differ from another, the overall risk management process and responsibilities of specific entities are well defined for our business.

The roles and responsibilities of the Risk function are overseen by the Risk Committee as well as the Board of Directors, through well-defined mechanisms, as elaborated in the Risk Management Policy. Additionally, risk management-related roles of the Line Managers or owners of Risks identified, and the relevant staff are also elaborated in the policy.

The risk management framework is divided into three lines of defense. Walaa's three-line defense is a part of the risk assessment framework. The first involves primary risk owners and managers, the second is handled by the Compliance and Risk Departments, and the third is the responsibility of the Audit committee. Each line has distinct roles and responsibilities in ensuring effective risk management.

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**The roles and responsibilities of the Risk function are overseen by the Risk Committee as well as the Board of Directors, through well-defined mechanisms, as elaborated in the Risk Management Policy.**

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## Our Policies Supporting ESG

We have developed detailed policies and implementation procedures, to better respond to our potential business and ESG risks. These policies can be bifurcated based on the operational aspects, as well as the employee policies and procedures. The operational policies are specific to the business operations of Walaa. Some of the key operational policies of Walaa comprise the following.

### Our Policies

[Corporate Governance Policy](#)

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[Code of Conduct](#)

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[Policies and Procedures of the Board Membership Appointment](#)

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[Remuneration Policy for Board of Directors and Executive Management](#)

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[Life Underwriting Risk Policy](#)

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[Non-Life Underwriting Risk Policy](#)

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[Risk Management Policy](#)

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[Oversight Risk Policy](#)

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[Actuarial Risk Policy](#)

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[Cyber Security Risk Policy](#)

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[Liquidity Risk Policy](#)

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[Counterparty Default Risk Policy](#)

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[Regulatory and AML Risk Policy](#)

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[Strategic Risk Policy](#)

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[Conduct of Business Risk Policy](#)

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[Operational Risk Policy](#)

## Corporate Governance Policy

We, at Walaa and General assembly have approved an internal Corporate Governance policy to ensure adherence to Corporate Governance. This policy has laid out clear guidelines for identifying responsibilities and powers, promoting principles of disclosure and transparency, and following best governance practices. It details guidelines specific to the Company's standard of Governance, Board of Directors Charter, Charter for various Committees at Walaa, Conflict of Interest, and Code of Conduct. This policy has been developed following the rules and regulations issued by the Saudi Central Bank (SAMA), the Capital Market Authority (CMA), the Ministry of Commerce and Investment (MOCI), and other competent authorities.

## Remuneration Policy

Our Remuneration policy and practices are designed to reward competitively the achievement of long-term sustainable performance and attract and motivate the very best people. The policy has been developed under the regulations and instructions issued by SAMA, CMA, and MOCI.

The activities linked to Remuneration are supervised by the Remuneration and Nomination Committee. The remuneration of the Board of Directors, members of various Committees of the Board, and the Executive Management are governed by this policy.



# Business Ethics and Compliance

We, at Walaa, believe in ethically conducting business, to avoid Conflict of Interest and respect Human Rights.



We believe in ethically conducting business, to avoid Conflict of Interest and respect Human Rights. We have a well-defined policy on avoiding and managing Conflict of Interest. Significant resources are devoted to maintaining efficiency and effectiveness, throughout all operations, within the existing framework of corporate responsibility, policies, and business ethics code.

Our robust systems are set up in a manner that enables the business to avoid corporate malpractices and corruption. Anti-corruption policies and procedures have been communicated to 100 percent of the governance body members and employees of Walaa.

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**Training on the code of conduct, which covers awareness of anti-corruption is provided to all employees and governance body members.**

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## Code of Conduct

There is a well-defined Code of Conduct (CoC) approved by the board of director developed to underline our working principles and ethical means of managing our business. This code guides Ethical Behavior and Business Principles and Values, addresses conflict of Interest, conduct when obtaining business, general conduct of employees, supporting non-discrimination or harassment, fair dealings, Data Protection, Outside Employment, Protection of Companies' Assets, and Compliance with Walaa's

Business rules. The Code of Conduct applies to the Board of Directors, the Board's Committee Members; and all members of Executive Management, Senior Management, and our employees.

## Compliance

We ensure compliance with all relevant regulatory requirements including those laid down by Insurance Companies Corporate Governance Regulations issued by Saudi Central Bank "SAMA" and Corporate Governance Regulations issued by Capital Market Authority "CMA". Our Approach involves ongoing vigilance to monitor evolving developments and regulatory requirements, and we take proactive measures to prevent any instances of non-compliance. Our approach to maintaining compliance involves a structured evaluation of various departments and operations. This assessment is conducted following the approved Annual Compliance monitoring plan, which is authorized by the Audit Committee. During the year 2022 and 2021, Walaa has reported cases of direct non-compliance with SAMA and CHI regulations. These cases were duly escalated to the legal department, in which two employees were involved. Walaa based on its stringent compliance practice undertook the relevant steps towards resolution of these cases and reduction of the risk.

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**Zero cases of insider trading and competitive practices were reported during the reporting years.**

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# Data Privacy and Cyber Security

To maintain customer data security and Privacy, the information is being encoded for protection during transit and storage.



Walaa has zero tolerance for privacy breaches and gives data integrity a top priority. We have detailed a dedicated information security policy, which applies to all our operations. In recent years, the insurance sector has faced an increasing threat from cyber-attacks. Walaa is taking proactive strides to fortify data and we are proud to be following international standards and best practices, by holding ISO 27001:2017 Information Security Management Certification. Walaa also received the cybersecurity compliance certification (CCC), which was established to ensure all Saudi Aramco third parties comply with the cyber security requirements in the Third-Party Cybersecurity Standard (SACS-002). All these initiatives help us to progress with implementing the customer-first approach and always serve policyholders beyond their expectations.

To maintain customer data security and privacy, the information is being encoded for protection during transit and storage. While we safeguard our customers from identity theft, our customers need to be aware of security best practices. We have made a dedicated effort to educate our customers. Our customer awareness information is present on our website as well.

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**Our consistent efforts towards data security and privacy systems and stakeholder awareness raising have supported strengthening the trust of customers towards digital transactions as well.**

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**Zero cases of privacy breach which has caused any negative impact.**

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# Customer

One key metric we use to measure process efficiency is the Turn Around Time (TAT). We have set an internal benchmark for an excellently executed complaint resolution process, which requires a TAT of less than three days.



## Engagement to Enhance Satisfaction

We at Walaa work towards meaningfully engaging with our customers to ensure enhanced customer satisfaction, by providing customized products and excellent customer service. The modes of engagement with customers comprise of one-to-one interactions and feedback processes, and a well-structured mechanism for receiving, tracking, and resolving customer complaints. Our call centers for customer complaints assist in the effective resolution of customer complaints whereas the mechanism of customer surveys provide Walaa an understanding of customer expectations and direction towards aligning business in a way that enhances customer satisfaction.

We have established a centralized mechanism to log and track complaints, generating a unique ticket number or complaint ID for each case. This system enables us to efficiently report these complaints to the relevant departments for review and resolution, ensuring a swift response from customers once their issues are resolved.

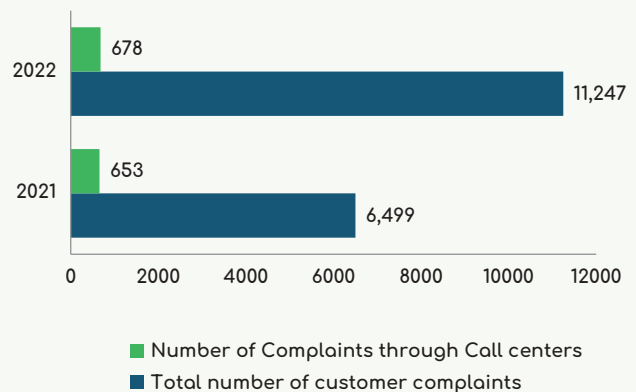
To gauge the effectiveness of our customer complaint-handling process at Walaa, we have defined clear Key Performance Indicators (KPIs). One key metric we use to measure process efficiency is the Turn Around Time (TAT). We have set an internal benchmark for an excellently executed complaint resolution process, which requires a TAT of less than three days.

We take pride in our commitment to address all customer complaints promptly

and diligently. Our track record demonstrates our dedication, as we achieved 100 percent resolution rates recorded for both 2021 and 2022.

## 100 percent resolution rates recorded for both 2021 and 2022

### Customer Engagement



## Customer Health and Safety

We work towards supporting the enhanced health and safety of our customers. This is done through various customer sensitization efforts on health and safety and offering insurance products based on customer needs. Our insurance products marketing efforts and labeling occur in a manner that provides a clear messaging and appropriate description of products to customers. This helps in increasing of customer's access to healthcare. We make consistent efforts for proper information dissemination to customers regarding all insurance products and services, including solving customer's queries and providing fair advice to customer.

# Environmental Responsibility

Walaa places a strong emphasis on the development of systematic processes and systems that promote environmental responsibility.



At Walaa, we are embarking on a journey towards embracing environmentally responsible practices as part of our contribution to a sustainable future. As we take our initial steps, we intend to expand our efforts and take further actions that positively impact the environment.

Currently, we have evaluated our environmental focus areas in direct operations. Our operations are primarily office-based and the direct environmental impacts of our operations are limited. Some of the key areas are energy utilization for building operations, and paper and electronic waste generated from our offices. We identify these as the major environmental responsibilities for us to address in our direct operations. We have also identified office renovation and office building to be areas that impact the environment. We have embraced practices to ensure positive contribution towards the same.

We believe that by implementing and continuously improving these systematic processes, we can better safeguard the environment for future generations. Our commitment to environmental responsibility extends beyond a mere certification; it is a reflection of our ongoing efforts to develop, refine, and enhance our processes to ensure that our business operations are both responsible and sustainable. As we move forward, we remain dedicated to the continual development and optimization of these systems, ensuring that they remain at the forefront of our environmental responsibility initiatives.

## Environmental Management Systems

Walaa places a strong emphasis on the development of systematic processes and systems that promote environmental responsibility. One of our significant achievements in this direction has been the certification of our environmental processes with the environmental management systems certification; i.e., ISO 14001:2015. This certification not only demonstrates our deep commitment to sustainability but also underscores our dedication to building and maintaining effective environmental management systems. At Walaa, we recognize that managing our environmental impact requires well-structured processes and a systematic approach.

## Energy

We consume energy for the operation of our offices. This is purchased from the state-operated electric supply services. We endeavor to reduce the energy consumption at our offices. To achieve this, we have taken proactive steps to upgrade our lighting systems. Over the past two years, Walaa has renovated the offices and shifted from fluorescent tube lights to energy-efficient LED lighting. This has substantially decreased our energy consumption in year 2022 towards lighting by 33 KWh i.e. 82% reduction of lighting related energy consumption in one of the office.

## Contributing to a Circular Economy

Electronic waste and paper waste are the most important wastes generated regularly at Walaa's operations. Given the nature of its operation, Walaa doesn't produce any other hazardous waste. The electronic waste generated is responsibly managed through collection and subsequent sale to authorized local dealers for recycling or sent to charitable societies for their use. Computers after the completion of their useful life at Walaa were donated to Ertiqa, a charitable organization specializing in rehabilitation. This practice has not only helped us reduce electronic waste but also supports the community.

Recognizing the importance of responsible document management, we have taken steps to streamline our practices. Documents that have surpassed their retention period have been sent to paper recyclers, ensuring their eco-friendly transformation. Our dedication to digitization has led to a significant reduction in paper usage.

As part of our commitment to minimizing waste and promoting reuse, we have adopted an approach of recycling during office renovations and upgrades. Instead of discarding old furniture, we have sold it to third parties for reuse, reducing the demand for new furniture and extending the lifecycle of existing pieces.



> 4-fold increase in recycled paper usage



The amount of recycled paper utilized increased from 550kg in 2021 to 2880 kg in the year 2022.



# Sustainable Supply Chain

Our supply chain is all based in Saudi Arabia and it has been growing over the years.



Walaa prioritizes the reduction of adverse ESG impacts throughout its entire supply chain, which is achieved through the implementation of responsible procurement practices. Our supply chain is all based in Saudi Arabia and it has been growing over the years. Between 2021 and 2022 the number of suppliers grew from 75 to 101.

#### Number of Local Suppliers

<b>75</b> 2021		<b>101</b> 2022
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**100 % of the company procurement budget spent is towards local suppliers.**

The supplier code of conduct supports Walaa in achieving the objective of fostering collaborative efforts with its supply chain partners and vendors. The code of conduct aligns with the company's ESG initiatives and sets a framework for responsible business behavior. The key expectations set out by the code of conduct are:

- Suppliers must comply with all applicable laws of Saudi Arabia.
- Establish procedures to prevent fraud, money laundering, and corruption, while refraining from offering gifts to the employees.
- Report and record cases of conflicts of interest.
- Promote equal opportunities and prevent discrimination in the workplace.
- Create a safe working environment.

# Employee Diversity

Our efforts towards ensuring gender parity in our workforce are also reflected in the overall increase of female employees in our workforce to 26.2% in 2022 with several of them occupying senior executive and managerial roles.

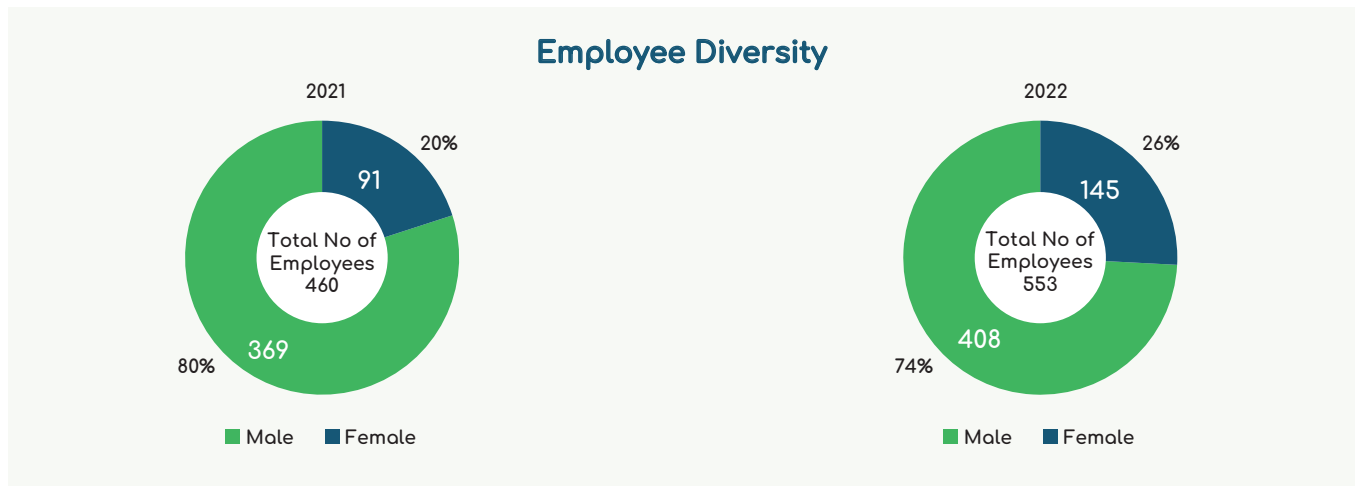


At Walaa, we are committed to fostering an environment of fairness and inclusivity within our workplace. Walaa has developed over the years a competent workforce, which forms the cornerstone of continued growth and success. Investing in and nurturing employees is a key part of our medium-term strategy. Females are an integral part of this strategy. We ensure that performance evaluations and compensation structures are based on skills and capabilities, regardless of gender.

We had a workforce of 460 employees in 2021, which further increased by 20% in 2022, making the total workforce count

553. Our efforts towards ensuring gender parity in our workforce are also reflected in the overall increase of female employees in our workforce to 26.2% in 2022 with several of them occupying senior managerial roles.

A testimony to our efforts has been to increase employee new hires and lower females attrition in 2022 as compared to overall attrition rates. Between 2021 to 2022 we witnessed a 71% increase in female hires. Our commitment to this trajectory remains steadfast, as we aspire to continue recruiting talented females in years ahead.



### New Hires and Attrition

Year	Turnover	New Hires		Attrition	
		Male	Female	Male	Female
2021	23%	54	20	86	23
2022	27%	408	69	106	32

# Promoting Saudization

To fulfill this ambition, we have rolled out the “Walaah Academy” program, which is conceptualized with the intent to invest in the development of Saudi talent in various disciplines of insurance operations.



Walaa has an unwavering belief in Saudi individual's capability. As Walaa's medium-term strategy, it has planned to develop Saudi national resources with the primary goal of investing in Human Resources. To fulfill this ambition, we have rolled out the "Walaa Academy" program, which is conceptualized with the intent to invest in the development of Saudi talent in various disciplines of insurance operations. The program started in 2021 is conceptualized not only for the new hires but also for the executive management level. The program focuses on and goes beyond hiring national resources and provides training to people on technical areas of insurance operations. Our approach includes six months to one year of skills-based training for students and Walaa's trainees to support inclusion in the workforce.

Since 2014, Walaa has consistently achieved platinum-level Saudization status, a demonstration of the focus and outcome of our efforts, despite the challenging circumstances, including COVID-19.



99% Compliance certified for 2022



98% Compliance certified for 2021

In 2021, Walaa achieved a Saudization level of 77%, and this number rapidly increased to 81% in 2022. 43% of the senior management are locally hired, inducting a highly talented Saudi workforce.

Number of Saudi Employees



Saudization level of 81%

# Employee Health and Safety

Health checkups are organized for employees. For example, on World Diabetes Day 2022, we organized diabetes check-ups and awareness programs for our employees.



Our efforts toward employee health and safety support the Company's goal of protecting its workforce and avoiding business interruptions. The protection of the physical and mental integrity and well-being of employees is one of the core responsibilities of Walaa. Accidents and work-related illnesses can be of a long-term nature and entail costs to society and the company.

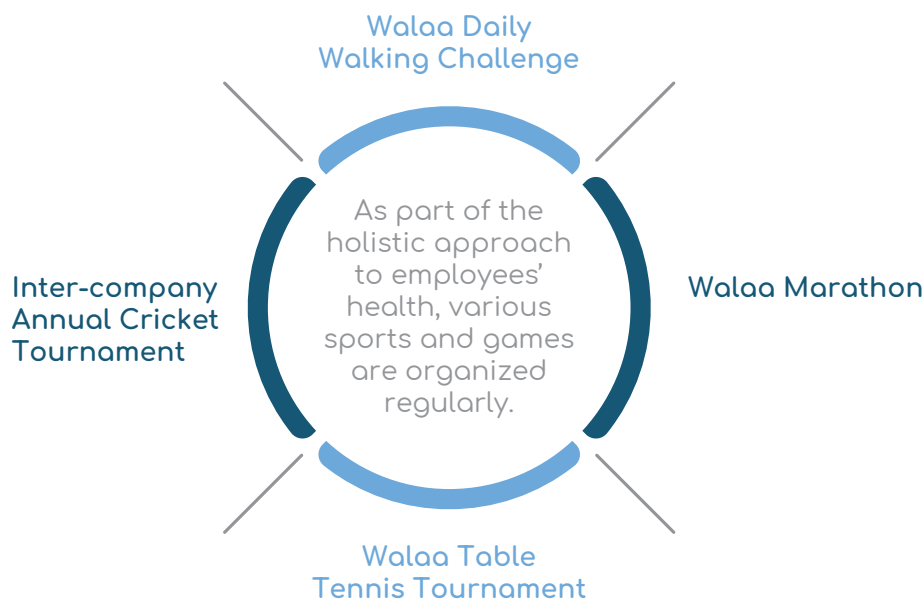
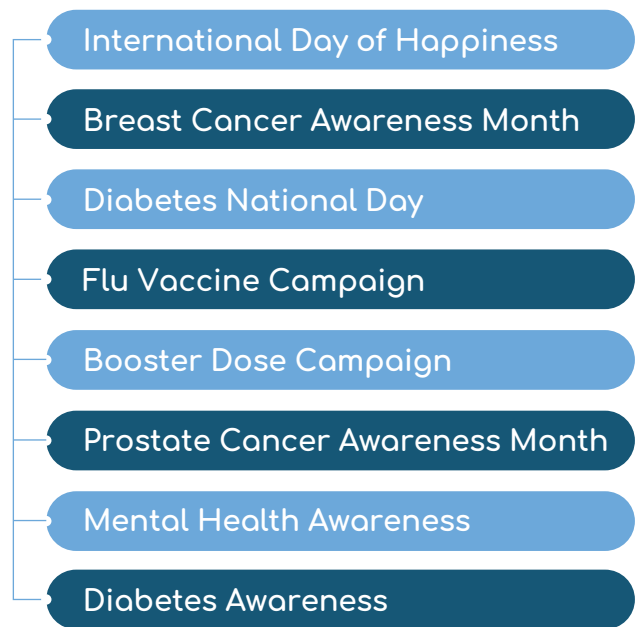
Generally, our business operation is office-based and less prone to safety challenges. However, to stay prepared, we have designated safety personnel and a well-trained Emergency Response Team (ERT) to support any safety issues like fire or natural disaster that may occur.

We realize that good ergonomic working conditions and appropriate lighting are important for the well-being and good health of employees. Our offices have been appropriately facilitated with the same.

We base our health and safety systems and practices on the principles of ISO 45001: 2018. It facilitates systematic health and

safety systems in the workplace including employee safety, reduction of workplace risks, and creation of better working conditions.

**Health Programs:** Health checkups are organized for employees. For example, on World Diabetes Day 2022, we organized diabetes check-ups and awareness programs for our employees. Over 100 employees participated in the session and underwent diabetes diagnostic tests.





# Talent Attraction and Retention

During the reporting period, we are pleased to report that 100 percent of employees resumed work following the conclusion of parental leave.



Employee engagement is an important part of our talent retention strategy. We undertake continuous employee engagement through trainings, events, and activities which provide for multiple formal and informal channels of engagement and communication amongst the employees and with management. Religious and cultural gatherings, health programs, training, and upskilling of employees are some of the activities conducted regularly.

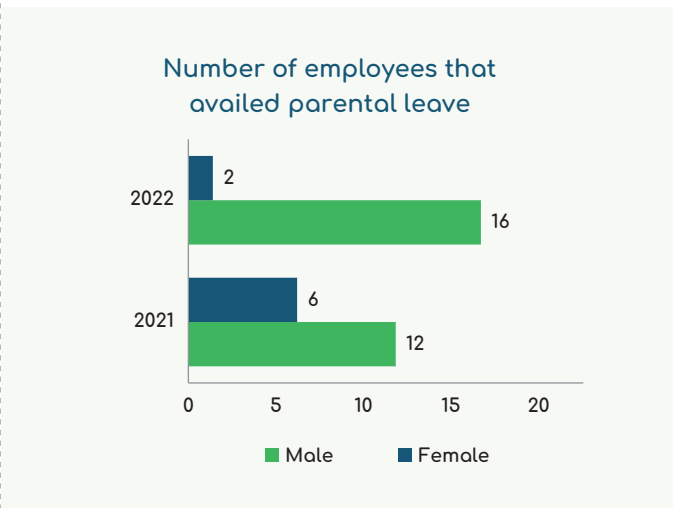
The company always provides training courses to its employees in all departments to increase awareness and improve the quality of service. Several trainings have been organized in 2021 and 2022 to enable employees to increase their knowledge and acquire skills related to underwriting, operations management, and claims management.

For Ramadan 2022, the Walaa Insurance family gathered to attend the annual Ramadan Iftar celebration. During this annual event, the employees completing service of 5 and 10 years were presented with commemorative shields. The CEO addressed the event and presented awards to employees.

Beyond engagement and training, Walaa extends many other employee benefits and practices which lead to better attraction and retention of employees. Walaa adheres to the regulations outlined in the Saudi labor law for all employment practices, including retirement,

termination, and leave practices. In compliance with this, we provide parental leave to all our male employees of 5 days and 70 days for female employees.

Walaa extends its commitment to employee well-being and health through the provision of personal accident coverage and group life insurance. This insurance coverage safeguards our employees against accidental death or disability, emphasizing our dedication to their safety. Pension benefits, and General Organization for Social Insurance (GOSI) are provided for Saudi nationals, and all employees qualify for End of Service Benefits (EOSB) as per the Saudi Law.



We regularly monitor the performance of our workforce. We recognize that some employees might need or aspire to work in different functions, we therefore extend the opportunity for such transfers within the organization.

Since COVID-19, Walaa adapted its infrastructure to allow the employees to be able to work remotely, when required and provided the flexibility to the employees who wish to work remotely.

Among the advantages extended to Walaa's workforce is the provision of bonuses. These are allocated after

considering the competencies, project contributions, alignment with loyalty values, performance evaluations, and the company's overall profitability.

**We provide awards for:**

- The Ambitious Employee
- Employee of the Month
- Influential Employee

## Case Study

### Walaa Academy for learning and career development

Walaa Academy was formed to facilitate learning and career development. The overall vision of the academy is to cultivate Saudi talent within the industry. Walaa Academy collaborates with top local and international institutions to provide robust career development programs. It utilizes a digital platform for the delivery of the project. In 2022, the Academy provided over 7,000 and 5000 hours of physical and virtual

training respectively. More than 150 students and fresh graduates were engaged in various training programs organized by the Academy.



To further elevate the celebratory spirit, Walaa's new logo, One Team One Dream, was launched during the program.

### Types of training under the Walaa Academy program

#### Hands-On Learning

This covers all on-job trainings. Including all trainees and employees.



Targeted at trainees and fresh graduates.

#### Direct Training

This includes all class-room trainings. Internal or external, online or face-to-face.



Targeted at employees and trainees.

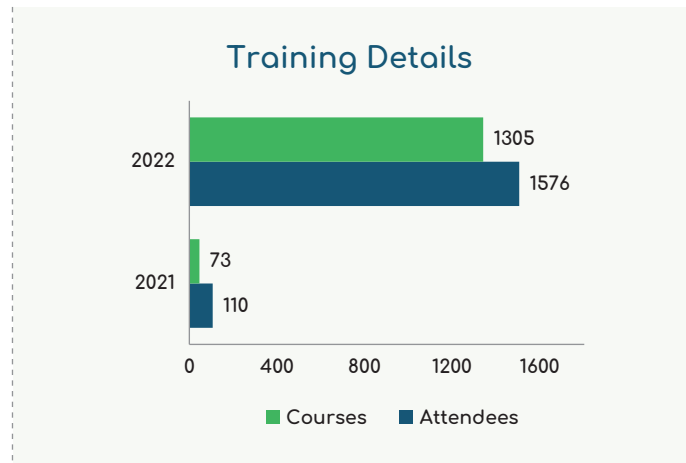
#### Education Support

This is the support provided by Walaa academy to those employees who are investing in themselves.



Targeted at employees.

**QuickBite Mondays:** Walaa Academy launched the “QuickBite Mondays” program focused on uplifting the general competencies and soft skills of employees across all levels in the company through face-to-face training sessions every first and third Monday of the month. Additionally, Walaa Academy has provided and continues to provide English language and Proficiency training across regions to boost the fundamental pillars of efficiency and skill within the company.



## Highlights of Walaa Academy Program

### Trainees



**+500**  
trainees  
over 10 years

### Learning Hours



More than  
**20,000**  
annual learning  
hours since 2021

### Employment Rate



Approximately  
**15%**  
post-training  
employment rate

### Internal Training



Around  
**55**  
courses provided  
internally since 2021

### Basic Knowledge



More than  
**75%**  
employee coverage in  
IFCE / AML / Anti-fraud

### Doroob Certificates



More than  
**8,000**  
Doroob certificates  
earned by employees

# Community

Our community focus in the reporting period has been on education and training and promoting KSA's culture.



The people and the community that we operate in, play an important role in shaping our community initiatives. We believe in Saudi Arabia's Vision 2030 philosophy of "A Vibrant Society, A Thriving Economy, and an Ambitious Nation" and contribute both our time and resources towards community development. Our community focus in the reporting period has been on education and training and promoting KSA's culture. Our community-centric activities are divided into participation or organization of various events and conducting training sessions for children.

**One Riyal Initiative:** Our Social Initiative targets the most vulnerable members of society. Since 2017, Walaa launched the One Riyal Initiative, where Walaa allocates SAR 1 per insurance policy issued to be donated; half to Bena Association for Orphan Care, and the other half to be donated to Prince Sultan Rehabilitation for Disabled People "Efa'a". In 2022, Walaa contributed to the Bena Association for Orphan Care along with Misbar, in its sixth session in organizing the scientific camp focused on artificial intelligence, innovation, creativity, and design. Additionally, in 2022, Walaa donated computers to support the Ertiqa association's programs, which aim to develop society and protect the environment, which had a clear and tangible impact on achieving success.

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**In 2021, Walaa donated a total charity amount of SAR 946,803 equally between Bena and Efa'a, and in 2022, the total donation amount for the two charities was SAR 850,761.**

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**Painting of a Nation:** In October 2021, Walaa participated in a unique national initiative to support and sponsor the national day campaign coordinated by the Ministry of Human Resources and Social Development in cooperation with 18 different Government entities, under the slogan "Painting of a Nation" in celebration of the 91st Saudi National Day, in the waterfront of Al-Khobar "Corniche".

**Participating in Cultural Protection:** To nurture and promote the Arabic language, Walaa cooperated with Al-Asala University in preparing a corner for Arabic calligraphy at the university's headquarters. On the International Day of the Arabic Language, a discussion was held on the beauty and splendor of the language.

**Contributing to Significant International Days:** Walaa contributed to World Health Day by spreading awareness and sharing concerns about health issues in general and COVID-19- with employees and customers.



Children's Day 2022

On World Children's Day, in November 2022, Walaa held an event for the employees' children under the title "You Create". The event synchronised with "Sharqiya Gets Creative" and was organised under the auspices of His Highness, Governor of the Eastern Province, Prince Saud bin Nayef, and organized by the King Abdulaziz Center for World Culture – Ithra. The event included several creative and craft workshops in varied fields, including calligraphy, engineering, photography, and production.



Science Camp

**Training and Skilling:** Walaa had set up Walaa Academy, to boost the learning and development initiatives. This Academy organizes training for Walaa employees and offers training programs for the larger community, e.g., on-the-job training for students and graduates.

The Academy organizes programs for Summer training, Cooperative Program (COOP) training, and Graduate training. These programs are done as a social service to enrich the national youth, help them learn more about the insurance industry and enable them to finish their academic studies. These training programs are open to employees' relatives as well.

We also have an agreement with the Comprehensive Rehabilitation Center for disabled males. Walaa supports them by providing suitable training, workplace, and work opportunities. Walaa offers instalment facilities for Motor recovery cases and a discount for exceptional Motor recovery cases, based on individual financial conditions upon delivering proof of their difficult conditions from an official governmental organization. Walaa also seeks to prepare young Saudi males and females to take up challenging careers in the current and future labour market.

# Arabic Language Day

Because our language is our originality, Waloo cooperated with Al-Asala University in preparing a corner for Arabic calligraphy at the university's headquarters in order to revive the beauty of the Arabic language. A discussion session on the beauty and splendor of the language was also presented, as part of the activities of the International Day of the Arabic Language.



Walaoo offers instalment facilities for recovery cases and a discount for exceptional recovery cases, based on individual financial conditions upon delivering proof of their difficult conditions from an official governmental organization.



# GRI Index

**Statement of use** Walaa has reported the information cited in this GRI Content Index for the period 1st January 2021 to 31st December 2021 and 1st January 2022 to 31st December 2022 'with reference to the GRI standards

**GRI 1 used** GRI 1: Foundation 2021

GRI Standard	Disclosure	Page no.	Comments
GRI 1: The organization and its reporting practices	2-1 Organizational details	1	
	2-2 Entities included in the organization's sustainability reporting	1	
	2-3 Reporting period, frequency, and contact point	1	
	2-4 Restatements of information	2	
	2-5 External assurance	1	
GRI 2: Activities and Workers	2-6 Activities, value chain and other business relationships	7-9	
	2-7 Employees	33	
	2-8 Workers who are not employees		We engage third-party workers for activities like security, and cleaning. We currently do not capture this information as required by GRI
GRI 3: Governance	2-9 Governance structure & composition	20	
	2-11 Chair of the highest governance body	20	

GRI Standard	Disclosure	Page no.	Comments
	2-14 Role of the highest governance body in sustainability reporting	20-21	The highest governance body is the Board of Directors. It reviews the content of the report and provides suggestion for reporting on the same
	2-15 Conflicts of interest	25	
	2-16 Communication of critical concerns		Refer Annual Report 2022
	2-17 Collective knowledge of the highest governance body	27	Refer Annual Report 2022 for detailed information
	2-18 Evaluation of the performance of the highest governance body	21	Refer Annual Report 2022
	2-19 Remuneration policies	25	
	2-20 Process to determine remuneration	30	
	2-21 Annual total compensation ratio		Refer Annual Report 2022
GRI 4: Strategy, policies and practices	2-22 Statement on sustainable development strategy communicating critical concerns	3	
	2-23 Policy commitments	29-30	
	2-27 Compliance with laws and regulations	26	
GRI 5: Stakeholder Engagement	2-29 Approach to stakeholder engagement	11	
2-Disclosures on material topics	3-1 Process to determine material topics	14-24	Materiality Assessment has been conducted for the current reporting period, which will inform our ESG strategy for the upcoming years.

GRI Standard	Disclosure	Page no.	Comments
	3-2 List of material topics	15-19	The list of Material topics has expanded as compared to our previous Materiality assessment conducted in 2020
GRI 3: Material Topics 2021	3-3 Management of material topics	17-19	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	10	Refer Annual Report 2022
GRI 3: Material Topics 2021	3-3 Management of material topics	34	Linked to Saudization
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	34	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	32	
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	26	
GRI 3: Material Topics 2021	3-3 Management of material topics	30	
GRI 302: Energy 2016	302-4 Reduction of energy consumption	30	
GRI 3: Material Topics 2021	3-3 Management of material topics	30-31	
GRI 306: Waste 2020	306-2 Management of significant waste related impacts	30-31	
GRI 3: Material Topics 2021	3-3 Management of material topics	33-35	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	33	

GRI Standard	Disclosure	Page no.	Comments
	401-2 Benefits provided to full-time employees that are not provided to temporary or part time employees	36	
	401-3 Parental leave	33	
GRI 3: Material Topics 2021	3-3 Management of material topics	36-38	
GRI 404: Training & Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	36-38	
	404-3 Percentage of employees receiving regular performance and career development reviews	37-38	
GRI 3: Material Topics 2021	3-3 Management of material topics	33	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	33	
GRI 3: Material Topics 2021	3-3 Management of material topics	39-40	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	39-40	
GRI 3: Material Topics 2021	3-3 Management of material topics	28	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	28	
GRI 3: Material Topics 2021	3-3 Management of material topics	28	
GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	28	

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# Appendix

## Abbreviations

CEO	Chief Executive Officer
CMA	Capital Market Authority
ERT	Emergency Response Team
GWP	Gross Written Premium
GRI	Global Reporting Initiative
KSA	Kingdom of Saudi Arabia
MOCI	Ministry of Commerce and Investment
QHSE	Quality, Health, Safety & Environment
SAR	Saudi Riyal
SAMA	Saudi Central Bank
CHI	Council of Health Insurance
SDG	Sustainable Development Goals
TAT	Turn Around Time
SASB	The Sustainability Accounting Standards Board



Walaa ولاء

Listed Joint Stock Company  
SR 850 Million Paid Up Capital  
CR No. 2051034982  
UNN. 7001526578  
License # TMN/16/20087  
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