



الشركة الوطنية للتربية والتعليم  
NATIONAL COMPANY FOR LEARNING & EDUCATION



# **The Annual Report on the Implementation of Governance and Environmental Sustainability Standards at the National Company for Education**

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

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## Introduction

The National Company for Learning and Education began its ambitious pioneering journey in 1378 AH / 1958 AD, when Sheikh Mohammed bin Ibrahim Al-Khudair founded “Al-Tarbiyah Al-Namouthajiyah Schools”. These schools initially included kindergarten and primary school for boys and girls, and they were the first school for girls in Riyadh. They had about 50 male and female students and were housed in rented buildings in Malaz District on 60th Street, and then on Jarir Street. In 1400 AH / 1980 AD, a new school building was built in Rayyan District with comprehensive facilities to accommodate all levels of education. The school continued to grow and develop, and in 1423 AH / 2002 AD, it was transformed into the first closed joint stock company in the education sector under the name of “National Company for Learning and Education” to ensure the advancement of education in a more comprehensive and inclusive way. As a result of this transformation, it has become essential for educational companies to follow governance standards to ensure the provision of the best possible educational services to their beneficiaries. Governance brings about fundamental changes in the depth of the educational process, both in terms of achieving equality in learning opportunities and in terms of the quality of academic achievement. This can lead to a qualitative leap in the educational outcomes that are closely aligned with third millennium skills.

An individual who receives a good education guarantees better job opportunities. Good education leads societies to long-term economic growth. The National Company for Learning and Education was aware that, as one of the largest educational projects, the interest in corporate governance, through a focus on environmental, social, and sustainability practices, contributes to the provision of high-quality services. Therefore, this aspect was what the National Company for Learning and Education paid great attention to its educational facilities.



## Environmental Management

Our efforts aim to enhance environmental awareness, develop sustainable practices within the learning environment, and encourage students and faculty members to take action to protect the environment and reduce negative impacts (creating an approved environmental management system). This system can be represented in three main parts: environmental impact assessment, mitigation programs, and monitoring plan.



## Water Management

This process represents the planning of the development, distribution, and use of water resources in accordance with predetermined objectives and in proportion to the quantity and quality of water resources, and controlling human intervention that would affect surface and groundwater in the Kingdom of Saudi Arabia. Each activity in planning can be considered in terms of its contribution to water management.

The company has undertaken several activities to reduce water wastage, including the installation of water-saving devices. It has also enhanced awareness among students, with the aim of controlling the relationship between water and society in order to reduce the damage caused by water and to regulate the exploitation of water resources in the most economically and technically optimal manner. Based on all of the above, and with the expansion of the opening of branches, water consumption is considered to be below the rate with expansion.





## Energy Consumption

The National Company for Learning and Education has committed to reducing electricity consumption in all of its educational complexes and administrative offices by replacing all traditional lighting systems with energy-saving systems with a technology that saves energy by %80 compared to ordinary LED bulbs. In addition to its long virtual operating life for more than 15,000 hours. Which greatly reduces the costs of replacing these systems and their accessories.



## The Negative Impact of Transportation

Out of the National Company's concern for the environment, it has improved the movement of school buses and affiliated vehicles within specific ranges and set bus speeds not to exceed a maximum of 80 km on highways. This is to reduce the emissions level of harmful gases to the environment resulting from the movement of buses and cars belonging to the company. On the other hand, the company has adopted fuel monitoring cards in all vehicles of the company and its educational facilities. The company has also purchased a fleet of modern school buses, which are characterized by the efficiency of their engines to reduce harmful gas emissions, in addition to a significant reduction in the cost of fuel consumption.



## Waste Management

In order to ensure the correct management of waste in its various forms and types, to reduce the harmful environmental effects resulting from hazardous waste, the National Company is committed to devoting and activating more practical measures with the aim of reducing it. So it signed contracts and agreements with companies and institutions specialized in this field, to manage waste in all its forms, especially hazardous ones resulting from all administrative and educational operations and their facilities, such as laboratories with their biological and chemical experiments, by following the instructions of SDS safety bulletins when disposing of chemicals.



## Environmental Claims

Due to the National Company for Learning and Education's commitment to implementing strict and systematic procedures to preserve the environments in which it operates at all its locations, there are no environmental problems or issues with the communities surrounding it. Praise be to God.



## Quality of Service

In line with its strategy to provide the highest levels of quality, speed and efficiency in all its services provided to students, their parents and all customers and partners, the company has activated a package of distinctive quality services. One of them is developing a "Call Center" equipped with the latest technologies and modern equipment, and it uses all other advanced digital communication systems, where text messages have been activated to all parents, shareholders, and partners. It implements periodic surveys with customers to stand by their observations and views, and to take them in order to develop its services and improve its quality and efficiency in the optimal way.





## Responsible Customer Relations

- In order to fulfill its responsibility to its customers, the company has adopted a clear communication mechanism with customers, as well as the existence of a call center dedicated to receiving customer calls. There is a communication system for parents, My Tarbya application, which takes care of customers and their students, communicating with them, sending assignments, and receiving parents' inquiries.
- The company has also hired admissions and customer services representatives in every complex. In addition, Periodic surveys and polls are conducted through various means, such as sending them to customers to know their opinions on the services provided.



## Responsible Suppliers Relations

In its efforts to contribute to the national local content, the National Company for Learning and Education is committed to implementing an integrated policy for the mechanism of contracting with suppliers of all specializations and fields. It ensures the priority of choosing the national supplier and product, guaranteeing the highest levels of quality and efficiency, within a special mechanism for contracting with him in all its sectors and businesses, within the requirements of work and its needs for ongoing products and services such as furniture, equipment, supplies, and consumables for the educational and administrative process and the services affiliated to it, such as cleaning and maintenance works, and others. The Common Services Department of the National Company submits periodic reports related to this.



## Human Capital

In line with its ambitious strategy, the National Company for Learning and Education is making strenuous efforts to consolidate its leadership of the high-quality sector and efficient educational services, as it continues to develop competitive and stimulating work environments that attract the elite talent, experience, and outstanding qualifications. It preserves and provides them with all integrated work capabilities. It also implements an environmental health system to preserve the health of employees and students, by complying with safety standards in its buildings and educational facilities. In addition, it disseminates security and safety measures and policies in them. It cares about providing all the pillars, foundations, and requirements of civil defense, in an effort to guarantee a safe and healthy professional environment for all its employees. The company is committed to implementing an advanced school safety management system. It applies the highest safety performance standards and indicators, including the implementation of training on emergency evacuation plans, first aid, the availability of fire and alarm systems, and others. The company has also implemented a comprehensive employee insurance system and contracted with specialized medical companies to provide medical insurance for all employees of its educational complexes and facilities.

<https://shorturl.at/otuzA>







## Staff Development and Training

The National Company for Learning and Education is committed to implementing an integrated strategy to develop all employees in its educational complexes and facilities, as it has continued to implement many programs for developing, qualifying and training employees, in addition to holding various courses in the field of education, financial and service affairs. It also holds specific seminars in partnership with specialized training entities. The number of hours that employees received reached more than 30,000 training hours for the year 2023.



## Human Rights (Equal Opportunities)

In line with its progressive institutional approach, the National Company for Learning and Education continues to commit to implementing the principle of equal opportunity by giving the opportunity to both genders according to the required qualifications and specializations. The number of male employees reached 1,344 and the number of female employees reached 1,763. The number of female employees in administrative positions reached 111, including department directors, supervisors, and school Principals.



## Society

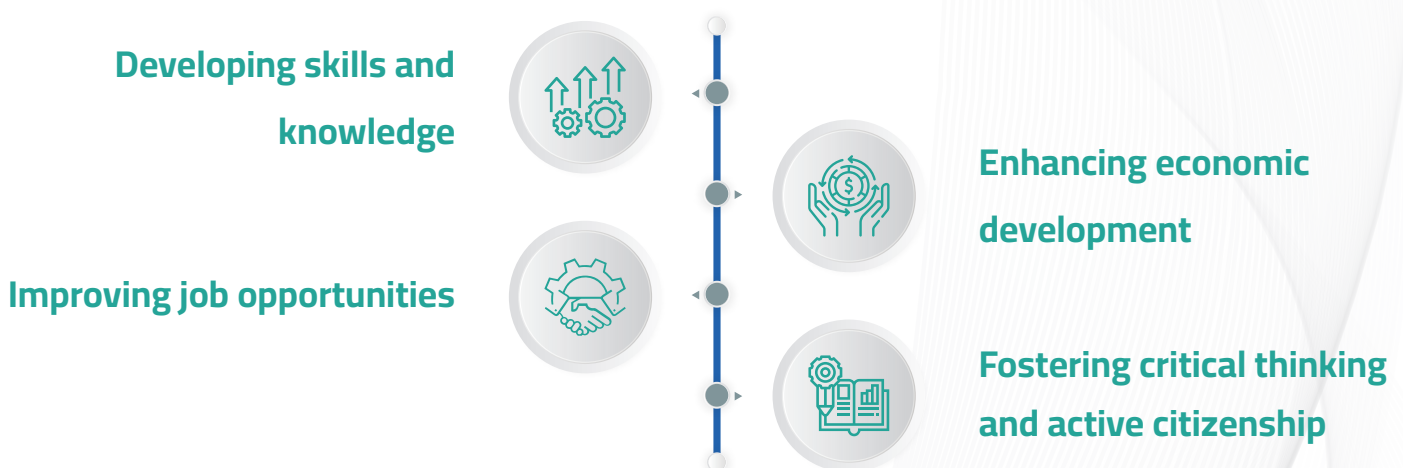
The National Company paid great attention to community partnerships, as it established several partnerships with several entities, and organized a group of community sports programs and competitions (organizing the chess championship qualifiers in cooperation with the Saudi Chess Federation, and a community participation with the Saudi Golf Federation to introduce and spread sports among school students). It is keen on having its students participate in voluntary programs (Green Riyadh, planting trees, blood donation campaigns, and winter clothing). It also organized many religious and social events (iftar for fasting people and umrah campaigns).



## Governance

The National Company has been interested in implementing good governance as a cornerstone for the development and improvement of the company's work, especially after its increased use in recent years. It has become widely used by experts and consultants in institutional work, and has attracted a great deal of attention and care from those who work in international, regional, and local organizations. In particular the supreme, supervisory, and regulatory authorities of institutions especially the challenges and crises that these institutions face. These afflict their work and prevent them from fulfilling their role and achieving their goals and tasks so there is a need to the existence of mechanisms and programs to regulate these processes and procedures. This has contributed to clarifying the logical foundations and procedures for making objective and sound decisions related to work in the National Company for Learning and Education to achieve the desired goals. This is done in accordance with the responsibilities and rights of employees, and the nature and form of their communication relationships, in a way that promotes justice, transparency, integrity, accountability, and credibility in the work environment, thus developing trust towards the institution and inside it.

This has been achieved by the processes through which the institution's leadership directs work towards the goal, vision, and mission, in a way that protects the interests of the members and assets of the institution, achieves alignment between strategic and operational responsibilities in an organized, thoughtful, effective and sound manner. By this way it helps to achieve goals and make decisions in the best available ways based on commitment to the institution's strategic plan, standards, laws and regulations, protecting the institution's property and capabilities and the interests of members and assets, in addition to distributing authority, responsibilities, in accordance with the desired roles and objectives, enhancing standards of transparency, trust and credibility in the work environment, and building bridges of healthy and effective relationships between all levels in the organization on the basis of integration and partnership, especially through the vision of the national company, providing good education in society is crucial to achieving comprehensive development and improving the quality of life for individuals, and it has great importance in several aspects:







## Developing Skills and Knowledge

A good education can help individuals gain the skills needed to succeed in life. By providing quality education, individuals can learn basic skills such as reading, writing and arithmetic, as well as mental and social skills such as critical thinking and effective communication.



## Enhancing Economic Development

Quality education is key to promoting economic development in a community. When individuals have the opportunity to obtain a good education which enables them to be more productive at work, thus increasing the productivity of society in general. Education can also help develop advanced and innovative economic skills that contribute to the development of new industries and sectors.



## Improving Job Opportunities

Good education can open new doors of employment opportunities for individuals. People with higher educational qualifications can find better job opportunities and higher salaries. In addition, individuals who receive a good education are more prepared to continuously learning and develop their skills, which enhances their chances of obtaining better job opportunities in the future.



## Fostering Critical Thinking and Active Citizenship

Good education can help individuals develop critical thinking and the ability to analyze information logically. It can also contribute to enhancing civic awareness and community participation. When individuals have good knowledge of social, political and economic issues, they can effectively participate in shaping society and make good decisions.





## Governance Mechanisms: (Board of Directors):

The National Company has also adhered to the standards and conditions of the Board of Directors members. Half of the members are considered independent. The roles of the Chairman, the CEO and the members of Board have also been separated, and a special study is being conducted on members of the board of directors. The attendance rate at meetings of the Board of Directors reaches %97. The Board of Directors is also interested in discussing several topics of interest to the company, in particular issues related to sustainability. It is also noted that there is diversity among members of both genders.



**Khalid bin Muhammad Ibrahim  
Al-Khudair**  
Chairman of Board of Directors



**Ibrahim bin Abdul Rahman  
Al Daraa**  
Deputy Chairman of the Board



**Abdul Aziz bin Hamoud Al Dhiyab**  
Member of the Board of Directors



**Abdul Aziz bin Muhammad Al Suwailem**  
Member of the Board of Directors



**Nawal bint Muhammad Al Ghunaiman**  
Member of the Board of Directors



**Saad bin Abdulaziz Al Hokail**  
Member of the Board of Directors



## Auditing and Internal Control

All members of the Audit Committee are independent and have sufficient experience. The committee meets regularly at least four times during the company's fiscal year, and it may hold additional meetings as needed, upon request from the Board of Directors or the Internal Auditor. The committee's work is concerned with studying the initial and annual financial statements before they are presented to the Board of Directors and expressing an opinion and recommendation regarding them. The committee also studies any issues included in the financial statements, studies the accounting policies followed in the company and expresses an opinion and recommendation regarding them, in addition to reviewing the efficiency of the internal control, financial and risk management systems.

The company also has an approved internal control system and an auditor and reviewer, which is the office of Mohammed Al-Omari and Partners BDO



## Profit Distribution Process



An investor chooses a well-regarded company and buys its shares.



The company evaluates its performance and generates profits over a predetermined period of time as a result of its business operations.



The board of directors decides to pay some of the profits to shareholders and the decision is approved.



The company announces the distribution of profits, their value, and the due date.



Dividends are paid to shareholders on the specified date for each share.



## Shareholders' Equity

The National Company has committed to distributing profits to shareholders annually. The company also has a policy on reporting violations and managing shareholder relations. This policy is implemented through an official specialized in managing tasks related to shareholders in order to achieve effective communication between the company and shareholders in a sustainable manner.



## Executive compensation

The National Company for Learning and Education is committed to an executive compensation policy, which is disclosed in detail in the annual report.



## Transparency and business protection:

The national company is committed to transparency in all its business activities, and this is evident in the company's international reports on its official website. The company also works on sustainability, social responsibility, and promoting sustainability in all its business activities and projects.





## Regional Challenges (Nationalization):

The National Company for Learning and Education is keen to attract talents through offering scholarships to talented students in support of the development of the educational process in the Kingdom of Saudi Arabia. The company also strives to attract distinguished staff in all departments. As of 2023, the nationalization rate has reached %60.



## Enhancing Social and Economic Development

The National Company has also committed to participating in social and economic development by hiring approximately 115 individuals annually, creating more job opportunities, and providing free training for graduates of Saudi universities.



## Youth Employment

The National Company is committed to hiring young people of both genders. The company employs approximately 1,000 employees, with an average age of less than 30 years. This has helped to activate the company's role not only in education and training, but also in development and social responsibility programs.

| Year                           | 2019 | 2020 | 2021 | 2022 | 2023 |
|--------------------------------|------|------|------|------|------|
| Number of new Saudi employees  | 83   | 19   | 385  | 464  | 543  |
| Percentage of recent graduates | 25%  | 27%  | 22%  | 28%  | 40%  |



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**Thank you**