

3-7 Human Capital and Employees

First Milling Company's strategy, related to developing human resources capabilities, supporting and empowering local talents and developing them, and in everything it provides to its employees, aligns with the Kingdom's Vision 2030 and the enforcement of Saudization decisions issued by the Ministry of Human Resources and Social Development (HRSD). The Company aims to ensure the empowerment and provision of Saudi citizens with the capabilities, skills and competencies required to enhance the current and future competitiveness of the Kingdom and its business organizations globally.

The main responsibilities of the Company's Human Capital Department include developing and implementing strategies that focus on talent acquisition, providing full orientation programs and support, performance management, training and development.

At First Milling Company, and during the following years, the Human Resources strategy revolves around how to enable the organization to achieve its goals through its employees and the continuous development of their capabilities. This will be done by linking the relationship between the organizational goals of their sectors and the goals of the Company. The Human Resources Department cultivates and instills a culture that motivates and rewards the individual achievements and believes in the development of the individual. This contributes to achieving the Company's goals and ensure the development of competencies in the appropriate positions, with appropriate recognition for all employees.

In 2023G, First Milling Company has developed many policies and procedures to the Human Capital Department. These policies cover the Company's organizational structure, HR policies and procedures, employee's compensation and benefits policy, employee handbook, job descriptions, code of conduct document, code of ethics document, gift acceptance policy, whistleblowing policy, conflict of interest policy, and disclosure form. These procedures and policies have been implemented and applied by First Milling Company, and their understanding and application have been approved by the Company's employees.



Number of employees in the company

Department	2022G			2023G		
	Saudi Employees	Non-Saudi Employees	Total	Saudi Employees	Non-Saudi Employees	Total
Executive Management	4	3	7	4	3	7
CEO Office	6	1	7	6	0	6
Finance	8	10	18	12	10	22
Quality and Safety	1	2	3	1	3	4
Human Capital	10	2	12	10	3	13
Strategy and Corporate Planning	1	1	2	1	0	1
Commercial	9	2	11	11	4	15
Operations	3	1	4	4	2	6
Governance, Risk and Compliance	0	0	0	1	0	1
Total in the Company's Head Office	42	22	64	50	25	75
Jeddah Facility	56	213	269	61	208	269
Al-Qassim Facility	53	105	158	46	101	147
Tabuk Facility	27	84	111	30	82	112
Al-Ahsa Facility	37	84	121	35	78	113
Total in the Company's Facilities	173	486	659	172	469	641
Overall Total	215	508	723	222	494	716

Saudization

The number of Saudi employees in the Company has reached 222, with an average Saudization rate of 39.3% on both the Company's head office & factories as of December 31, 2023G. By virtue of its position as a leading Saudi Company, First Milling Company plays a major role in supporting and empowering national cadres by developing a Saudization strategy based on supporting and empowering Saudi talents in the food and feed sectors. To achieve this strategy, the Company has developed numerous initiatives in order to meet and exceed the required Saudization rates.

The aim of national talent acquisition is to attract the elite of national cadres from various regions across the Kingdom in all professions and career levels. The Company also strives to meet and exceed the Saudization rates issued by HRSD related to manufacturing, engineering, accounting and other professions.

Additionally, the Company has set internal objectives for the Saudization of certain administrative positions to achieve a balance in the Saudization of different job levels. In order to achieve such initiatives, the Company has targeted many universities and technical colleges in the Kingdom's regions with which the Company aims to build strategic relationships and attract qualified graduates and technicians from local universities and technical colleges through various activities. Such activities include participation in job fairs and career days as well as providing training opportunities for students in the Company's departments and sectors in accordance with the agreements concluded with the several technical colleges across the Kingdom in order to foster their knowledge, skills and abilities and help them embark on their career journey.

The below table sets out the Saudization rate and the Company's Nitaqat category within HRSD, as of 31 December 2023G, and the target percentages in the coming period:

Location / Classification	Current		Target	
	Scope	percentage	Scope	percentage
Company Head Office	Platinum	44%	Platinum	45%
Company's Facilities	Low Green	35%	High Green	37%
Average Saudization Percentage in the Company	High Green	39%	Platinum	44%

The Company also emphasizes on employing, empowering and providing a suitable and safe work environment for female nationals in all its sectors. The female hiring rate increased from 3% of total hiring in 2021G to 10.5% of total hiring as end of 2023G.

Percentage of Male and Female Employees from Total Employees of the Company in the Last 4 Years

Year	Male Ratio	Female Ratio
2020G	100%	0%
2021G	99%	1%
2022G	98%	2%
2023G	97%	3%

Successes and Opportunities

During 2023G, the Company succeeded in attracting highly-qualified talents from the labor market as per the Company's needs. This is done in line with improving the work environment at the head office and the Company's factories, activating the Performance Management System (SAP Success Factories). In addition to activating programs to raise loyalty and belonging rates within the Company, and maintaining the voluntary turnover rate to be less than 3% during the year.

The Company's Human Resources Department has distinct opportunities and programs to work on in cooperation with HRSD in the Kingdom, namely:

Program Name	Description	Cooperation Result
Nationalization & Saudization Program	It is one of HRSD programs dedicated to employing job seekers who have never entered the labor market or have been laid off from the private sector. The Program aims to support private sector institutions by providing them with qualified national cadres. It also provides incentives for institutions and workers, and enables national cadres to enter the labor market, gain experience, career growth and develop necessary skills through training. The Program supports job stability and sustainability to achieve the goals of institutions and workers, according to the requirements, terms and policies of the Program. These requirements and policies can be updated based on changes in the labor market and HRSD's Saudization plans.	The Company received financial support from the Human Resources Development Fund in exchange for nationalization of the targeted jobs in the Company. This support will continue in 2024G to contribute to the employment of citizens within the targeted sectors in the private sector.
Tamheer Program	The company presents its job and training needs through the Human Resources Development Fund platform and HRSD nominates trainees for the Company for 6 months, where the Ministry grants a subsidy in order to support the payment of their salaries and any financial obligations towards them. The trainees work full-time with the Company, and after the end of the training period, the Company has the option to tenure them or redirect them to the Ministry.	It is the Company's internal Program for external scholarships. This Program enables the Company to refine the skills of its employees with the latest developments in various areas. This includes both administrative and financial skills, as well as skills related to modern technology and its applications in specific fields like milling, maintenance, and quality control. The goal of this Program is to develop highly experienced and skilled millers and technicians by providing them with the latest knowledge and practical experience.
External Development & Training program	Registration has been completed and the program will be activated during the second quarter of 2024G as planned.	Scholarships granted to 30 employees.

Rewards and Incentives

The Company is committed to retaining and celebrating its outstanding national talents. This is achieved through setting out tangible and intangible incentive programs and benefits, including total rewards.

In addition, First Milling Company adopts other reward and incentive programs for employees in the Company, which link financial rewards to individual/collective performance. The Human Capital Department has obtained the approval of the Company's Nomination and Remuneration Committee (NRC) for the proposal to provide (monthly/ quarterly and annual distinguished awards for employees) as a form of appreciation and recognition for distinguished employees. It will be applied during 2024G for the first time, and it is as follows:

Yearly Ceremony

1-Arrange yearly ceremony for the recognition in all the plants lead by the CEO and all Chiefs which includes various prizes to the targeted audience.

2- Preparing an activity program (Team Building) in the HQ and the company's plants with prizes for the participants.

Excellence Award (Employees of the Year)

It is given to employees who excel in their field and whose work is related to quantity or bearing pressures at work, whether (administrative - financial - technical - technical) or to employees whose services require mastery of the work they do, such as production maintenance/ quality/supply chains.

Innovation Award

Given to an individual or members of a team with the most important three initiatives that has been conducted with direct profits.

Pioneer Award

Employees in the four plants who are characterized by unlimited loyalty to the company and have spent long periods in the company.

Mastery Award

Given to the team for the three most important initiatives undertaken that achieved cost savings.

Quick Added Value to the Company Initiative

A financial incentive is given to a member or team members that have accomplished a quick added value to the company through cost savings or direct profits to the company.

Training and Development

First Milling Company is working on implementing a strategy for development and training programs that includes career succession plans, as the number of participants in training courses increased by about 335% to 1,053 male and female employees in 2023G.

The Company is committed to qualifying the current leadership team through cooperation with the best training institutions and specialized international institutes. So, part of these programs is organized and held inside the Kingdom, and another part is held abroad in classrooms customized for specialized training.

The Company's employees receive many types of training programs such as technical and vocational training, team leadership training, soft skills training, and on-the-job training. Training is carried out on-site or training centers or online. Trainees receive professional certificates in various fields.

In 2024G, First Milling Company aims to activate the "Waed" Program and "Maharat" Program for training and developing new employees, supported by HRSD. By activating these programs, the Company aims at reducing the costs of the training budget and making the most of the available programs supported by HRSD for the private sector.

Number of Participants in Training Courses

Employees	2022G	2023G
Males	233	993
Females	9	60
Total	242	1,053

List of Courses

Course Name	Provider	Number of Employees
FMC Project Management	First Milling Company	16
Finance for Non-Finance Professionals	First Milling Company	13
Dust Explosion	First Milling Company	181
Public Safety Awareness	First Milling Company	160
Personal Hygiene	First Milling Company	87
Personal Protective Equipment (PPE)	First Milling Company	157
Mentorship Skills	American Authority for Improving Training Quality (AAITQ)	13
Professional Coaching	American Authority for Improving Training Quality (AAITQ)	13
Financial Statements and Market Value	Expertise Forum for Training and Consulting	52
Legal Aspects of Human Resources	Expertise Forum for Training and Consulting	16
Effective Communication	HNI	32
Sales Academy Program	HNI	26
On-Site Maintenance Automation Training	Buhler	15
Governance, Risk and Compliance (GRC)	Financial Training Center	1
Reward and Benefits	CIPD	2
Organizational Development	CIPD	1
Data Analysis Skills (Excel)	Money Experts	45
Omni-Channel Category Management	Nielsen NIQ	3
Good Manufacturing Practices	OPI	45
Psychometric Course	The Arts of Success	8
First Milling Company' Competencies and Values workshop	The Arts of Success	12
(IMS) Integrated Management System Awareness Training	TUV Nord	45
ISO 22000 (Food Safety) Awareness Training	TUV Nord	43
ISO 22000 Internal Audit Training	TUV Nord	27
ISO-IMS Integrated Management System	TUV Nord	25
Certified KPI Professional	The KPI Institute	3
Wheat Milling for Head Millers	Buhler	6
Wheat Milling for Operators	Buhler	6