

الشركة السعودية الاستثمارية لإعادة التدوير

Saudi Investment Recycling Company

سياسات التدريب والتطوير

Learning and Development Policies

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3 Introduction to Learning and Development (L&D)

This document provides the policies and procedures for the L&D function.

These policies are applicable to all SIRC employees.

These policies are developed in the basis of the Saudi Labor Law, in case of any contradiction between SIRC policies and the Saudi Labor Law, then the Saudi Labor Law shall be the main reference.

3.2 Objective

At SIRC we recognize that our people are our greatest asset and that by providing you with the opportunities and support to continue your development, we can ensure that you have the knowledge, skills and experience necessary to perform your roles to the highest standards.

The aims of this policy and procedure document is to:

- Provide an approach to Learning and Development (L&D) and clear guidance on how learning and development works in SIRC. This includes training needs analysis, design, development, implementation and evaluation. The policies are also covering all guidelines pertaining to internship and different types of learning and development.
- Provide employees with the skills required to carry out their tasks competently and compliantly and develop them in line with the business objectives.
- The procedure sets out the standard requirements that should be followed by all employees and managed by Line Managers.
- Ensure that all employees have equality of opportunity for learning and development.
- Develop a culture of coaching, self-development, participation and personal accountability.

3.3 Acronyms

Acronym	Description
SIRC	Saudi Investment Recycling Company
CEO	Chief Executive Officer
HR	Human Resources
CIFO	Chief Investment & Financial Officer
KSA	Kingdom of Saudi Arabia
HRIS	Human Resources Information System
L&D	Learning & Development
NA	Not Applicable

3.4 Glossary

Term	Description
Career Development	Career development is the process of managing learning, work, leisure, and transitions to move towards a personally determined future.
Career Planning	This is a structured exercise undertaken to identify one's objectives, marketable skills, strengths, and weaknesses. Career planning is a part of one's career management.
Employee Orientation	The process by which an employee acquires the necessary skills, knowledge, behaviours, and contacts to effectively transition into a new organization.
Grading	Job grade is defined as a collection of jobs that are considered as having the same value or worth for compensation purposes.
Internship Program	An opportunity offered by SIRC to students to work for a fixed, limited period of time.
Learning & Development Strategy	Learning and development strategy is SIRC's strategy that articulates the workforce capabilities, skills or competencies required to ensure a sustainable, successful organization and that sets out the means of developing these capabilities to underpin organizational effectiveness.
Performance Management	The performance management is a holistic process that ensures employees' performance contributes to business objectives. It is an ongoing process of communication between a supervisor and an employee that occurs throughout the year, in support of accomplishing the strategic objectives of the organization.
Promotion	The act of moving someone to a higher position or rank as a result of merit.
Psychometric Testing	Psychometric tests are often used as part of the recruitment process and are a way for employers to assess the intelligence, skills and personality of the candidate.
Secondment	Secondment is defined as a period of time when an employee is sent to work somewhere else temporarily, either to increase the number of employees there, to replace a worker, or to exchange experiences and skills.

Term	Description
	In this case the primary position holder is vacating his primary position and this position becomes eligible for staffing. Once the secondment is terminated, the employee will return to the organization, and staff a different position.
Succession Planning	Process of identifying and developing internal resources with the potential to fill key business leadership positions in SIRC.
Talent Management	<p>Talent Management is a set of integrated organizational HR processes designed to attract, develop, deploy, motivate, and retain employees with potential to realize their full potential and maximize their contribution to SIRC.</p> <p>The goal of talent management is to create a high-performance, sustainable organization that meets its strategic and operational goals and objectives.</p>
Training & Development	It includes a variety of educational techniques and programs that can be attended on a compulsory or voluntary basis by the employee.
Mandatory Training	Training which includes the application of the criteria contained in the provisions of article 44 of the Labour Law and article 16 (of the Labour Regulations).

4 Learning and Development

4.2 Policy

4.2.1 Overall Training Cycle

4.2.1.1 Training and development shall follow a five-stage process, these stages are:



4.2.1.2 SIRC realizes that enhancing the competence of its workforce is key for achieving its strategic objectives and goals. For that HR Learning and Development is responsible for assisting SIRC's employees in identifying current and potential learning and development needs, especially these related to:

- Work productivity and Profitability.
- Cost Effectiveness and Operational Efficiency.
- Excellency in Customer Service.
- Entrepreneurial Spirit.
- Adoption of processes and technologies.
- Employee's Career Development.
- Leadership Development.

4.2.1.3 Training needs will be assessed at the end of each fiscal year, i.e. once a year for all employees, following the performance appraisal process.

4.2.1.4 Training plans will be formulated and revised on an annual basis by HR Learning and Development in coordination with Concerned Departments considering the criteria of mandatory training.

4.2.1.5 Annual training calendar shall be prepared based on company-wide development priorities and the outcome of the periodic training needs assessment.

4.2.1.6 Evaluation of training effectiveness will be done at the end of the training program to collect and analyze data related to training design and delivery.

4.2.2 Types of Training Programs

SIRC provides learning and development opportunities according to its business requirements and development needs and plans through the following programs:

Internal Learning and Development programs	External Learning and Development programs	Internship	Professional Qualifications	other types
<ul style="list-style-type: none"> • In-house Training • In-house Workshops 	<ul style="list-style-type: none"> • Local Training 	<ul style="list-style-type: none"> • Internships Programs 	<ul style="list-style-type: none"> • Determined on an 	<ul style="list-style-type: none"> • Job Assignment

Internal Learning and Development programs	External Learning and Development programs	Internship	Professional Qualifications	other types
<ul style="list-style-type: none"> and Seminars • Orientation Programs • On the Job Training 	<ul style="list-style-type: none"> • Overseas Training • Leadership Training Programs • Competency Based Learning & Development Programs 		<ul style="list-style-type: none"> annual basis 	<ul style="list-style-type: none"> • Job Rotation • Temporary Internal Transfers • Secondment • Online Courses

4.2.3 Internal Learning & Development Programs

4.2.3.1 These programs cover the learning and development programs that are performed internally by SIRC's employees, these programs include the following:

- In-house Training: These include the training programs that are designed, developed and delivered internally by SIRC's employees.
- In-house Workshops and Seminars: These include internally organized sessions that are performed by SIRC's employees.
- Orientation Programs: These programs aim at acquainting the new employees with the rules and regulations applicable in SIRC in addition to the functions and activities of the different Units / Departments.
- On the Job Training: This type of training is led by Direct Managers to ensure that their employees are receiving hands-on experience on the delivery of the tasks related to their jobs.

4.2.3.2 HR Learning and Development should ensure enhancing SIRC's internal capabilities to deliver the required training programs in-house by its employees.

4.2.4 External Learning & Development Programs

4.2.4.1 Local Training:

- These programs are held locally inside the Kingdom of Saudi Arabia, within SIRC's offices or at a local venue, by Training Providers and aim at providing the participants with new knowledge, competencies or development of existing skills.

4.2.4.2 Overseas Training:

- SIRC may provide training outside the Kingdom of Saudi Arabia, as an alternative option, when the training requirement cannot be met locally.
- These programs are held abroad by Training Providers and aim at developing the skills, competencies and knowledge related to employee's nature of work.
- An employee must complete a minimum of 6 months with SIRC to be eligible for overseas training courses, conferences, etc.

4.2.4.3 Leadership Training Programs:

- The leadership training programs have been designed to provide the Directors and above levels with appropriate skills and competencies required at their levels.
- Such programs would enable SIRC to:
 - Develop and improve the skills and capabilities of its directors and above levels team.
 - Develop a continuous learning culture within the organization.
 - Achieve accredited qualifications in certain required disciplines.

4.2.4.4 Competency Based Learning and Development Programs:

- These programs are aimed at preparing employees for current and potential future positions and/or promotions, through enhancing their competence level at each of the required competencies (knowledge, skills and abilities) of the current/ future position. Such programs would assist the employees in their initiatives towards:
 - Improving competence level at each of the required competencies.
 - Achievement of Career Development.
 - Meeting the Succession Planning requirements.
 - Improving productivity and work performance.

4.2.4.5 Final approval for external training programs should be received from the HR Manager.

4.2.5 Internships

- 4.2.5.1 All internships shall have the primary goal of providing interns with guidance and a chance to learn while contributing to SIRC's needs. SIRC will provide interns with work experiences that are both challenging and educational.
- 4.2.5.2 HR Learning and Development collaborates with colleges and universities in KSA, through providing job opportunities to students to work as trainees in SIRC as part of their educational programs and curriculum requirements.
- 4.2.5.3 Internship programs will have a structured plan to set clear expectations for the intern and the assigned supervisor through the following:
- Assigning projects/ tasks that relate to the intern's area of study.
 - Providing sufficient and appropriate training.
 - Providing an orientation to SIRC and its culture.
 - Providing opportunities for interns to get involved with SIRC's activities.
- 4.2.5.4 The insurance and medical needs shall be the responsibility of the intern and his/ her university.
- 4.2.5.5 The duration for the cooperative training program is between two months at minimum and six months at maximum.
- 4.2.5.6 The trainees may be rewarded a monthly stipend based on budget availability and approval of the HR Manager.
- 4.2.5.7 Eligibility to the internship program & admission requirements:
- At the time of applying to the internship program, applicants must demonstrate/ provide the following:
 - Copy of the applicant's National ID – only Saudi nationals are covered in the internship program.
 - Achieved a minimum GPA of 3.5 of 5.0 or 2.0 of 4.0
 - Are 18 years of age and above.
 - Are studying at reputable universities and studying a major relevant to the operations of SIRC.
 - To demonstrate the above, applicants must submit the following documents:
 - A letter from the educational institution to be presented along with the internship request/ and a letter from any previous employer (if applicable).
 - Latest transcript copy (student's academic score records)
 - Curriculum Vitae (CV).
 - Prior to selection, interns may undergo a 2-stage interviewing and testing process:
 - Psychometric testing (optional), the results of which are analyzed by the HR Learning and Development team.
 - Short behavioral interview with a representative from the Talent acquisition team along with the manager where the intern will be appointed.
- 4.2.5.8 Allocation of intern supervisors:

- A supervisor shall be assigned to the intern on the day of their joining. The intern supervisor shall be responsible for:
 - Providing guidance and support to the intern.
 - Adhere to the internship program that is designed by HR Learning and Development team.
 - Ensuring the intern is kept occupied and given a high-quality experience.
 - Conducting a final business/ academic evaluation of the intern's work and performance.
- The intern shall be required to maintain a log of their activities and will be required to provide this log of completed activities with the relevant supervisor signatures to the HR Learning and Development team at the end of their internship.

4.2.5.9 Conflict of interest:

- Applicants who have relatives by blood up to fourth degree or by marriage working at SIRC shall declare them at the time of applying for the program.
- The placement of interns shall be perceived as a conflict of interest when one of the following is true:
 - One relative is allocated within the same sub-function as the intern.
 - One relative report directly to the other.
 - The relationship creates an actual or perceived conflict of interest.
- Placing internships of direct siblings or family member will be evaluated on a case by case basis and will be approved by the HR Manager.

4.2.6 Professional Trainings & Certifications

4.2.6.1 The Concerned Departments encourage their employees to attain certain professional certification and accreditation programs related to their position / job technical competencies and business requirements.

4.2.6.2 Professional training and certifications must be identified and approved as part of the Learning and Development Plan.

4.2.6.3 HR Learning and Development must ensure that all employees joining an offered Professional Training Program or registering for a Professional Certificate have signed an agreement with SIRC covering the following:

- The employee is required to submit the original certificate of completion of the professional training upon the completion of (His/Her) training program.

4.2.6.4 The Concerned Departments should encourage employees to enhance their capabilities through self-development. However, the following conditions must be satisfied:

- The field / subject of study should be related to the nature of work of the employee.
- Prior approval is required from the Direct Manager and Concerned Director/ Chief.
- Employee must submit the details of the study program to the HR Department to assess, in consultation with Concerned Department, that the field of study pursued by the employee is indeed relevant to the nature of work of the employee.

4.2.6.5 Final approval for such programs should be received from the HR Manager.

4.2.7 Other Types of Learning & Development

4.2.7.1 Job Assignment:

- Employees may be assigned specific job assignments in order to provide them with the opportunity to develop professional knowledge, skills, and attitudes that would not otherwise be available through their normal work activities.

4.2.7.2 Job Rotation:

- This type of learning and development helps employees in gaining knowledge and skills by learning different jobs that require new skills and provide different responsibilities. The cross-functional exposure also provides the employee with a better understanding of how work is accomplished across the organization, thus increasing their ability to perform their activities more efficiently.

4.2.7.3 Temporary Internal Transfers:

- This type of learning and development helps employees develop their proficiency level in selected competencies and learn about the use of different tools and techniques through transfers to other departments/ projects within SIRC (Temporary Internal Transfers) for a limited period of time.
- Policies related to Temporary Internal Transfer are captured in the Recruitment & Selections Policy under Sourcing of Candidates/ Internal Sourcing and under Employee Transfers.

4.2.7.4 Secondments:

- SIRC may choose to place their Saudi employees at other companies for a limited period of time in training programs, to expose them to other domains or help them develop specific skillsets.

4.2.8 Training Needs Analysis

4.2.8.1 The Training Needs Analysis aims at identifying learning and development needs and helping individuals to improve their performance. The employee should take part in the identification of his training needs.

4.2.8.2 There are different inputs used in the determination of training needs, the primary inputs are:

- Business and departmental strategy, objectives and/or targets.
- Departmental Technical Requirements.
- Individual Training / Development Plans.
- Succession Planning Recommendations.
- Promotion Plans.
- Ad-hoc Business Requirements.
- New technology, process, material or equipment is introduced.

4.2.8.3 HR Learning and Development will train and orient managers on conducting Training Needs Analysis (*Appendix 1: Training Needs Analysis Form*), for their relevant departments in order to ensure relevant training needs are accurately identified.

4.2.8.4 The annual Training Needs Analysis determines current employee skill levels, gap between current employee skill, knowledge and attitude levels, the

skills/capabilities required for the future, type of required training within SIRC to support the achievement of business needs.

4.2.8.5 Prioritization of the training requirements is based on the following factors:

- Level of impact on business.
- Performance gaps identified in individual development plans.
- Employee's degree of proficiency for the pre-defined competency.
- Alignment with the Unit / Department objectives.
- Frequency of performing tasks that relate to missing competencies.
- Number of employees who need the same training.

4.2.9 Training Plan & Budget

4.2.9.1 Based on the annual Training Needs Analysis, the HR Learning and Development Team Leader in coordination with Concerned Director/ Chief Officer should develop the Annual Training Plan & Budget for each Unit, utilizing the Training Plans and Budget Form (*Appendix 2: Training Plans and Budget Form*), prior to the annual budgeting process. This should be reviewed and approved by the Group CEO as per the approved DOA.

4.2.9.2 The Training Plan contains the identified training needs, training objectives, expected accomplishment dates, party to deliver, means/methods of course delivery, the number of participants, etc.

4.2.9.3 Training budget shall be identified during SIRC's budget preparation period based on the learning and development plan.

4.2.9.4 The HR Manager will provide Concerned Directors/ Chief Officer with periodic reports on training budgets of their relevant functions.

4.2.10 Training Design & Development

4.2.10.1 Based on the maturity of HR Learning and Development, the training design process could be outsourced to a 3rd party training provider or can be developed in-house.

4.2.10.2 Every designed training program should have a clear and concise goal, defined targeted audience and detailed training curriculum.

4.2.10.3 The targeted audience of the training program has to be identified early in the design phase of the training program.

4.2.10.4 The target audiences' aptitude, previous knowledge, experiences & skills, attitudes & perceptions of the trainees should be taken into account in the design of training programs.

4.2.10.5 A balance of knowledge & skills should be achieved when designing a training program, as different people's knowledge and skills in the same target audience differ; therefore, it is important to accommodate a diverse set of knowledge and skill levels in the program.

4.2.10.6 A detailed curriculum must be developed to form the basis for the development of the training content by the internal and external training providers.

- 4.2.10.7 The developed training curriculum and content must be reviewed and approved by the Concerned Department Head.
- 4.2.10.8 HR Learning and Development must ensure the readiness of the delivery of the training program through filling the Training Event Preparation Checklist (*Appendix 3: Training Event Preparation Checklist*).

4.2.11 Delivery of Training Programs

- 4.2.11.1 HR Learning and Development must confirm training commencement date with the nominee's Direct Manager prior to implementing the Training Program.
- 4.2.11.2 HR Learning and Development must conduct a pre-course briefing with the trainer prior to the commencement of training delivery. The course briefing should include:
- Practical arrangements (venue, timings, duration, trainer details).
 - Training objectives.
 - Program content.
 - Evaluation criteria (Appendix 4: Training Evaluation Form, Appendix 5: Training Vendors Evaluation Form), and review methodology.
- 4.2.11.3 The Training Provider is responsible for delivering training activity in line with the contractual agreement to ensure meeting the set objectives of the training.
- 4.2.11.4 HR Learning and Development may post the training material on the intranet depending on its relevance and importance.
- 4.2.11.5 Employee nominations from their concerned Departments are expected to be finalized within 30 days from the time they receive the training announcement.
- 4.2.11.6 Directors must ensure the fair distribution of learning and development opportunities among their staff with due consideration to business needs, individual needs and budget.
- 4.2.11.7 All training nominations should abide by the following guidelines:
- The training must be within the area of specialty of the individual.
 - There must be sufficient funds in the individual's Department budget to cover the training fees and expenses.
 - Priority in nomination for trainings will be decided by Department Heads in discussion with the HR Learning and Development Team Leader.
 - The individual must possess the minimum requirements and pre-requisite knowledge required for the training program.
 - Priority in nomination shall be given to employees with no record of delay or absence of training sessions.
 - HR Learning and Development shall ensure the accurate attendance of the accepted employees to their designated training programs. Any case of delay or absence from an employee shall be noted and taken into account for future training offerings.

4.2.12 Notice of Cancellation & No-Show Cases

- 4.2.12.1 Direct Managers shall ensure that the employees nominated for a training event attend the training to ensure optimal utilization of the resources and avoid the situation of any empty seats.
- 4.2.12.2 Notice of cancellation/rescheduling of training should be received at least ten (10) business days for overseas training and five (5) business days for local training prior to the start of the training course.
- 4.2.12.3 In case a notice of cancellation is received within the permissible period, then the requesting Department has the right to replace the confirmed trainee with another nominee.
- 4.2.12.4 HR Learning and Development shall deal with cases of training absences immediately after receiving the attendance list, and the required action towards the employee will be as follows:
- An investigation should be applied; the decision will be taken based on the results of the investigation.
 - In the case of absence after the official confirmation of attendance to the training program, and no reasonable justification, HR Learning and Development may initiate disciplinary procedures on the employee which may lead to the recovery of cost for the training.

4.2.13 Assessment of Training Effectiveness

- 4.2.13.1 Training activities should be evaluated utilizing the Training Evaluation Form (*Appendix 4 - Training Evaluation Form*) to determine whether the training objectives have been entirely achieved, and if not, the degree to which they have been achieved.
- 4.2.13.2 The trainee must evaluate the attended training program at its last day. The purpose of this evaluation is to evaluate the trainee's response to the contents of the training course, the trainer's style, the comfort of the venue and the quality of course materials, handouts, exercises, etc.
- 4.2.13.3 HR Learning and Development must collect the Training Evaluation Forms (*Appendix 4 - Training Evaluation Form*) submitted by the trainee following the delivery of training.
- 4.2.13.4 The Direct Manager of the trainee is responsible for evaluating the effectiveness of training by recording knowledge, competency or behavior change to the workplace as a result of training activity.
- 4.2.13.5 Upon returning from the training, the trainee should share the knowledge gained from the training program with peers.
- 4.2.13.6 All training records/ certificates must be archived, and copies should be kept in respective employees' personnel records.

4.2.13.7 The evaluation forms should be thoroughly analyzed by HR Learning and Development to assess the overall effectiveness of the training provider for future considerations and provide recommendation to the HR Manager.

4.2.14 Training Agreements & Obligations

4.2.14.1 Every employee undertaking leadership/management responsibility is required to acquaint his immediate subordinate with the means of performing the work with a view to create qualified capabilities.

4.2.14.2 Each employee should train newly hired employees working with him and provide them with all possible assistance for performing their jobs more efficiently and with greater ability.

4.2.14.3 The Departments have to specify, in accordance with the directives of the Learning and Development policy, the short term and long-term requirements of their employees.

4.2.14.4 An employee who is sent for a training course should undertake the following:

- Report directly to work after the end of the training period. Any delay in reporting to work without permission or acceptable reasons shall be subject to a disciplinary action.
- Fulfil all the training requirements, including attendance and active participation in the training activities.

4.2.14.5 Employees who fail to attend a session at any given training course without any valid reason may be required to refund the full amount of the course in addition to other expenses associated with the training course; employees may also be subject to disciplinary action.

4.2.14.6 Employees who attend training, conferences, conventions, seminars are required to brief and share knowledge with colleagues or a group of selected employees.

4.2.14.7 Employees should respect the social traditions, culture and public ethics of the host country and observe and abide by its laws and regulations, be honest and exemplary in their behaviors.

4.2.14.8 The trainee should submit all the training materials (both soft and hard copy) to HR Learning and Development to centralize and archive all training courses on SIRC's intranet to be accessible to all employees.

4.2.15 Training Conditions

4.2.15.1 All employees on training within or outside the Kingdom will maintain their regular pay and benefits during the training period.

4.2.15.2 Duration of training periods is included in work experience and end of service calculations.

4.2.15.3 Employees on training assignments are required to take the designated examinations and acquire certifications for such exams when applicable.

4.2.15.4 Trainee cannot change the place or date of training or the nature of training, without prior approval of the HR Manager.

4.2.16 Internal Trainers

4.2.16.1 Internal trainers may only be qualified to present training programs to SIRC employees (*Appendix 6: Internal Trainer Selection Form*), if they satisfy the following eligibility criteria:

- At least two years in the field of specialization (Technical Certification).
- Served for more than 1 year in SIRC.
- Received a minimum of 'Exceeds Expectations' average rating in their performance appraisal scores.

4.2.16.2 The number of days to be delivered by each internal trainer must be approved by the trainer's Direct Manager and Director.

4.2.17 Pursuit of Educational Degrees

4.2.17.1 Direct Managers should encourage their employees to achieve educational degrees that support their development.

4.2.17.2 The educational degrees are required to be taken from accredited and recognized educational institutions.

4.2.17.3 SIRC does not bear any costs or fees for the Employee's educational degree completion.

4.2.17.4 The education degree study is required to be outside the official working hours of the employee.

4.2.17.5 Obtaining a new qualification does not necessarily mean that the employee is eligible for a promotion, since granting promotions are subject to the approved mechanisms of promotions.

4.2.17.6 The employee must provide HR Learning and Development with any documents or reports supporting the request for completing the education, including a case study highlighting the need to pursue their educational degree and the registration acceptance letter from the educational degree provider.

4.2.17.7 A written approval from the HR Department is required prior to the employee's enrolment to an educational degree

4.2.17.8 Higher educational degrees that require full-time enrolment must be approved by the Director of Human Resources.

4.2.18 Selection Criteria of Training Providers

4.2.18.1 HR Learning and Development shall select training providers based on the training needs identified at the earlier stages and in order to select training providers efficiently and effectively the following parameters should be considered:

- Previous experience in delivering the training program.
- Technical depth and strength of the training program.
- Cost competitiveness for the delivery of training.
- Ability to deliver the training locally.
- Team / Trainer experience and credentials.
- Success stories for delivering the required training programs.

4.2.19 Learning & Development Database

4.2.19.1 Training records, material, documents and other relevant files, should be stored by HR Learning and Development.

4.2.19.2 Employees learning and development records, plans and requests should be stored and classified in his learning records.

4.2.19.3 Internal and External training providers information, data, costs, training plans and evaluation should be stored within the learning & development database.

5 Performance Management

5.2 Policy

- 5.2.1.1 SIRC uses performance management as a tool to translate its strategy and business plans into actions and to develop the organizational culture necessary for the realization of the business' objectives.
- 5.2.1.2 Performance management is intended to be an ongoing process of communication between the employee (appraisee) and the immediate supervisor (appraiser), focused on helping the employee achieve his/ her best workplace results. It should be fair, frank, constructive and objective. An effective performance management process accomplishes the following goals:
- To provide a fair, consistent and objective performance management and individual development experience for employees across the group.
 - To communicate expectations, ensuring that employees understand what they are expected to deliver in their roles.
 - To continuously track performance and provide support to each individual towards the achievement of their objectives, which are aligned with subsidiary and SIRC' strategy.
 - To coordinate and deliver learning and development activities needed by the group to increase individual, department, and subsidiary capability and effectiveness.
 - To identify and reward those who contribute to subsidiary and group success and to effectively provide support to those who underperform.
 - To link rewards, either existing or subsequent, with the performance levels of employees.
- 5.2.1.3 The Performance Management Cycle consists of 5 major activities; following activities will happen during the entire performance management cycle:



- 5.2.1.4 Although only 3 formal manager-employee meetings are mandatory, managers are encouraged to conduct additional meetings with their employees.
- 5.2.1.5 The meetings are considered as the employee's opportunity to discuss past achievements, future objectives and development needs. The success of these meetings depends on the ability to have an open and transparent discussion.
- 5.2.1.6 It is the responsibility of the CEO to communicate the final performance rating.

5.2.1.7 To ensure the effective delivery of the outcomes of these three major activities, secondary activities shall be performed during the cycle. These secondary activities include an Objective Review Session and a Manager Alignment Session:

A. Objectives Review Session

- The objectives of these meetings are to:
 - Ensure continuous alignment between Individual, Department and SIRC objectives.
 - Identify synergies and reinforce collaboration between Department Managers.
 - Inform Department Managers of key priorities to enhance the respective department performance.
- During the performance management cycle, 3 Company-wide objective review sessions take place by the end of each quarter, in which SIRC's Departmental objectives are formally and collectively reviewed by the CEO.

B. Managers Alignment Session

- In this session, the HR Department shall provide a training session for all Managers to cover the following:
 - Overview of the Performance Management Cycle.
 - Methodology utilized in setting objectives.
 - Mechanism of assessing employee performance.
- This session will ensure that managers have a clear view of the overall performance management cycle and will ensure that performance goal setting and assessment is performed in a standardized way.

5.2.2 Phase 1: Performance goals setting

- 5.2.2.1 Before the performance planning meetings session, Managers conduct a session with direct reports to communicate objectives, set standards for setting objectives, and discuss how Departments and Individuals can contribute to the achievement of the Company objectives.
- 5.2.2.2 During this stage, the Managers and their employees shall set the individual performance criteria for the year, these criteria will include setting performance objectives and required competencies.

A. Setting Performance Objectives:

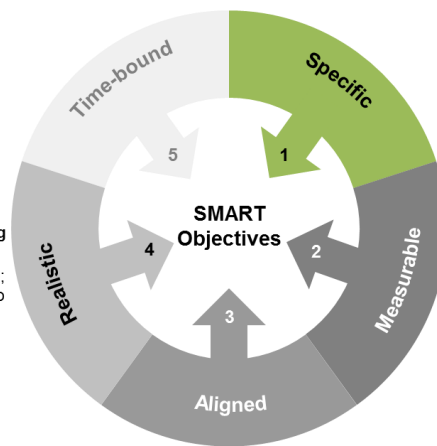
- The setting and drafting of performance objectives should be performed in a consistent and standardized manner across SIRC.
- The SMART Methodology is a helpful tool when setting performance objectives; the methodology ensures that the drafted objectives are:

“Set deadlines”

Regular review is necessary to check how you are performing against pre-determined objective and to take a corrective action.

“Set reasonably challenging objectives”

Objective should be challengeable; it should not be too difficult or too easy.



“Set tangible targets”

The objective should state exactly what the job holder is responsible for. State very briefly the key task & target, but not how it should be done.

“Set measurable objectives”

Need to know not only what you are accountable for, but also how performance is going to be measured and what standard is required. What would be an outstanding, acceptable or minimal standard? Think in terms of the degree of timeliness, quality, quantity and costs.

“Connect between SIRC strategy & individual objective”

It is important to define the department objective which is based on SIRC objective. Individual objective should be aligned with all these factors (cascading).

- Typically, 5-7 objectives shall be identified for each employee, depending on his/ her role and job responsibilities. Employee shall not have more than 7 objectives in a year.
- Objectives are subject to alterations during the year, based on significant change in business or operational needs.
- The objectives must be stated on the performance management form during or immediately after the planning meeting.
- All new employees, who join SIRC before 31st July shall complete the performance plan within 3 months of joining the Company (agreed with their immediate superiors).

B. Setting Required Competencies:

- Competencies are a mixture of knowledge, skills and attitudes, which provide a clear description in simple, everyday language of what a person needs to be able to do to carry out the role effectively.
- Every employee shall have a competency profile which is predetermined according to his/ her role in SIRC.
- At the performance planning meeting, managers and employees shall discuss the behaviors that contribute to “how” results are delivered, and will clarify the competencies the employee needs to demonstrate and the required proficiency level for the level.
- Every employee must demonstrate SIRC’s core competencies. The core competencies are vital to support and build the Company, and they are important in establishing how everyone works together and how they treat each other.
- If the employee holds a management position and is responsible for managing people, then (HE/SHE) must demonstrate leadership competencies, in addition to the core competencies.

5.2.2.3 Along with Performance Goal Settings, Individual Development Plan (IDP) is also created to help individuals in their learning needs during the year:

- At the performance planning meeting, manager and employee will discuss any training or development activities that are needed to help achieve objectives, display the required competencies or be more effective in the role.
- The development needs and proposed solutions must be detailed in the individual development section on the Performance Appraisal Form (**Appendix 1 - Performance**

Appraisal Form) and be specific about the objective/competency they are intended to support the employee in.

- Different formal and informal development methods shall be discussed and agreed with the employee.
- IDP shall be updated with additional development needs at any time during the performance management year.

5.2.3 Phase 2: Formal mid-year review

- 5.2.3.1 The HR Department should ensure that the Formal mid-year progress review is conducted 6 months after the start of the year.
- 5.2.3.2 The objective of this meeting is to provide formal feedback on the employee's achievement toward objectives and competencies, and readjust objectives and individual development plans, as needed.
- 5.2.3.3 The HR Department encourages continuous feedback between managers and employees throughout the year.
- 5.2.3.4 Employees shall meet with their managers to discuss progress in each key section of the performance and development form: objectives, competencies, and individual development plan.
- 5.2.3.5 Mid-year assessment feedback may be gathered through a 360 Assessment (Self-Assessment, Peer Assessment, Manager Assessment, and Direct Report Assessment) for Managers.
- 5.2.3.6 During the mid-year review, managers and employees may mutually decide to make amendments to performance measures, objectives and/ or competencies to reflect on any changes (e.g. departmental priorities).
- 5.2.3.7 During this session, appraisers shall also provide and document constructive performance related feedback to encourage the appraisee to meet his/ her performance measures by the end of the year.
- 5.2.3.8 Upon completion of the mid-year review session, the HR Department will be required to review the documented progress and feedback as well as approve any changes on performance plan to ensure alignment to business requirements.
- 5.2.3.9 All three parties (i.e. the manager, employee and HR department) shall agree on the updated performance plan.

5.2.4 Phase 3: End-of-year Assessment

- 5.2.4.1 Before the end-of-year assessment session:
 - The HR Department will refresh managers on assessment methodology, rating standards, conducting successful performance review meetings with employees, providing constructive feedback, starting to plan for the next performance cycle, and expected outcomes from the Performance Management Processes.
 - This will ensure that performance criteria are understood and assessed in a common way between departments and communication is consistent during the appraisal process.
 - The HR Department will provide additional guidance and coaching to support managers overcome hurdles to the process and clarify methodologies.

5.2.4.2 Year-end assessment feedback may be gathered through a 360 Assessment (Self-Assessment, Peer Assessment, Manager Assessment, and Direct Report Assessment) for Managers.

5.2.4.3 Year-end performance rating shall be finalized post the Performance Management Calibration meeting.

5.2.4.4 The employee's performance will be evaluated based on a five-point scale rating:

Rating	Rate	Evaluation of Objectives	Evaluation of Competencies
5	Significantly exceed expectations	The employee exceeded the expectations in achieving his / her objectives and the agreed performance criteria	Competency behaviour indicator demonstrated almost all the time - <i>more than 90% of the time</i>
4	Exceeds expectations	The employee has achieved more than his/ her agreed goals and within a higher standard than expected	Competency behaviour indicator demonstrated most of the time - <i>more than 70% of the time but less than 90%</i>
3	Meets expectations	The employee has achieved the minimum/ required performance of his / her level	Competency behaviour indicator demonstrated usually but not mostly - <i>more than 50% of the time but less than 70%</i>
2	Partially meets expectations	The employee has achieved some or most of his / her goals within the agreed goals criteria	Competency behaviour indicator demonstrated occasionally - <i>more than 30% of the time but less than 50%</i>
1	Unsatisfactory Performance	The employee didn't achieve most or all of his/ her objectives within the agreed performance criteria	Competency behaviour indicator demonstrated rarely - less than 30% of the time

- If an objective was not achieved due to factors beyond the individual's control, then this should be clearly explained on the performance appraisal form.
- During this phase, managers shall refer to SIRC's competency dictionary and read the expected indicators applicable for the role. The overall rating for competencies will be automatically calculated based on the rating for each competency.

5.2.4.5 The employee's performance rating will be automatically calculated based on the rating for each performance criteria - objectives and competencies - and its weighting. The weight split between objectives and competencies for employees depends on their level.

5.2.5 Phase 4: End-of-year calibration

5.2.5.1 During this phase, a committee shall be formed (composed of the CEO, his direct reports and HR Department) to review and discuss preliminary

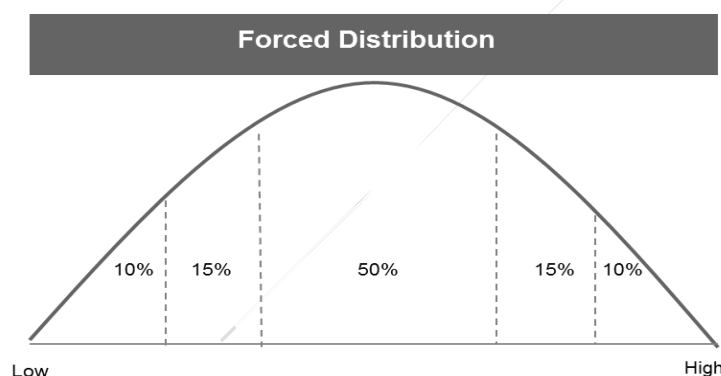
performance ratings of employees in each division/ department, and in specific cases may take the decision to adjust assessments, if required.

5.2.5.2 This meeting is to ensure that there are no significant anomalies in the assessment ratings across functions, and that all managers are appraising using the same assessment standards.

5.2.5.3 End-of-year calibration meetings ensure:

- Performance criteria are understood and assessed in a common way between departments, improving accuracy, differentiation and consistency in rating decisions.
- The notion of performance is consistent across SIRC and all top performers contribute at a high level.
- Employees receive recognition and rewards for strong performance.
- Managers are given greater clarity and better information for discussions with employees.
- High potential employees are made aware to other departments (knowing employees beyond one's own team).
- Cases of inflated/ deflated appraisals are spotted and managed.
- Employee perceptions of fairness and objectivity are increased.
- Unusual distribution of performance scores in departments are identified and managed.

5.2.5.4 The below forced distribution shall be applied on a division, company level and not to small departments / teams:



5.2.5.5 The distribution of performance ratings will normally be reviewed and validated annually by the committee.

5.2.6 Phase 5: Final Performance Rating

5.2.6.1 The final performance management rating must be reviewed and approved by the Concerned Department and Division Managers before being shared with the employee.

5.2.6.2 Before the disclosure of employee performance rating, Department Managers shall meet with their employees to discuss the Department's performance over the past year, including achievements and areas of improvement of the department overall.

5.2.6.3 The employee may appeal the final performance rating in accordance to the Performance Grievance policies outlined below in Grievance Handling section.

5.2.7 Special Cases in Performance Management

5.2.7.1 New Hire

- If the employee has been with the Company for less than 3 months until the new performance cycle, manager and employee are required to set objectives for the remainder of the current year but will not be evaluated until the following year (both on objectives and competencies). The employee joins the full performance management process at the beginning of the next cycle.
- If the employee has been with the Company between 3 and 6 months until the new performance cycle begins, manager and employee are required to set objectives for the remainder of the current year but will only go through a formal evaluation on competencies and an informal evaluation on objectives. The final performance rating will only be based on the rating of the competencies. The employee joins the full performance management process at the beginning of the next cycle.
- If the employee has been with the Company between 6 and 12 months until the new performance cycle begins, the employee will go through the full performance management process immediately. Deadlines for performance planning and mid-year review completion will be determined on a case by case basis.

5.2.7.2 Change of Role

- In case the employee changes the role during the performance cycle, the employee and new manager shall agree on new objectives and discuss the competency requirements for the new role. At the handover, the new manager shall discuss the employee's performance with the previous manager and note relevant activities required to follow through.
- The performance review and assessment shall be conducted in different ways depending on when the change of role has occurred.
- Discretionary rules may apply to specific cases depending on the nature of the change of role. Exceptional or ambiguous situations must be channeled through the HR Department.

5.2.7.3 Change of Manager

- At the handover, the new manager shall discuss all the reporting employees' performance with the previous manager and note how specific individuals' performance is against expected levels. The new manager shall meet and discuss objectives and competency requirements with each employee and make the necessary adjustments as needed.
- In case the previous manager is no longer available, the new manager shall gather relevant performance information from other managers and relevant stakeholders prior to discussing objectives and competency requirements with each employee.

5.2.7.4 Sick Leave

- Employee's performance shall only be reviewed for the time s/he is at work. High levels of absence will be reviewed and decided upon accordingly.

5.2.7.5 Planned Long Absences

- A formal performance review and assessment meeting should be completed before the absence begins. Discretionary rules may apply to specific cases depending on when the

absence will be taken and before the absence begins. Particular or ambiguous situations must be channeled through the HR department.

5.2.8 Managing Poor Performance

5.2.8.1 Counselling:

- The Direct Manager shall identify the gaps in employee's performance and update the employees' individual development plans accordingly.

5.2.8.2 Monitoring:

- The Direct Manager shall continuously monitor the employee's performance and provide guidance and mentoring to assist staff improve performance.
- The time provided will be dependent on each individual situation usually between 3 -6 months but shall not be less than 3 months in any case.

5.2.8.3 Performance Review and Action:

- If the employee has reached an acceptable level of performance, there is no need for any action except to keep providing constructive feedback.
- If the employee's performance is still unacceptable then the Direct Manager will discuss the case with his Line Manager and agree on the appropriate course of action.

5.2.9 Grievances Handling

5.2.9.1 Performance Grievances

- Post the issuance of the performance appraisal results; employees may initiate a formal grievance related to their appraisal result, provided that the Performance Grievance is raised within 5 working days from the date of the issuance of the performance ratings.
- In response to employee's grievance to the performance rating, a performance review meeting will be held by the Line Manager of the appraiser and the relevant stakeholders (appraiser, employee peers, and relevant managers) to revisit the performance rating of the employee.
- The outcomes of the performance review meeting shall be shared with the employee and the HR within 10 working days of receiving the Performance Grievance.

5.2.9.2 Appealing the Outcome

- If the employee is not satisfied with the resolution of the initial grievance raised, (HE/SHE) may submit an appeal through an email to the HR Services function within 3 working days of the decision from the initial resolution in order to appeal the outcome.
- The HR Manager shall formulate a Grievance Committee within 5 working days, to hear and discuss the facts and circumstances pertaining to the initial grievance; this Grievance Committee shall consist of representatives from the Concerned Function, the Legal Department and HR Department.
- Following the appeal, the Grievance Committee shall seek to reach a fair resolution to the appeal within 3 working days of the hearing. The decision shared by the Grievance Committee will be considered final and the grievance process shall end here.
- During the grievance hearing, the following guidelines must be followed:
 - The meeting should be held in private and should not be interrupted.
 - Detailed meeting notes will be taken.

- Full confidentiality must be maintained during the hearing.
- The employee must be given a chance to explain the case before any evidence is brought forward and conflicting points of view must also be heard.
- Statements from other employees will be collected before the hearing.
- Should it not be possible for the Grievance Committee to respond within 3 working days, the employee shall be given an explanation for the delay and informed of when a response can be expected.
- The full documentation relating to the employee appeal and the letter communicating the Grievance Committee's decision will be placed in the employee's records.

6 Career Management

6.2 Policy

6.2.1 Career Planning

- 6.2.1.1 SIRC is keen to set out a robust structured platform to manage careers and grow talent.
- 6.2.1.2 The HR Learning and Development function will develop SIRC's career framework to ensure a solid foundation of which to build and communicate sustainable career paths.
- 6.2.1.3 A career ladder will be developed for each position within SIRC using the following guidelines on a case by case basis i.e. by assessing if they are for general or specialist positions:
 - Job level title.
 - Job family.
 - Primary business focus.
 - Impact of role.
 - Scope of work.
 - Required skills and knowledge.
 - Standard job grading competencies and behaviors.
- 6.2.1.4 The career progression / movement criteria shall be developed by the HR Learning and Development function in an objective manner.
- 6.2.1.5 The career ladder shall be communicated to all employees in order to create a better view of potential progression opportunities across SIRC and, additionally, to see the requirements for other roles and proactively build relevant capabilities.
- 6.2.1.6 Horizontal movements across the career ladder shall take place through employee transfers from one division to another.
- 6.2.1.7 Employees progressing vertically / diagonally upwards through SIRC must satisfy criteria for job change and progression.
- 6.2.1.8 Prior to the movement of an employee, the concerned stakeholders including the Direct Manager and HR Learning and Development Team Leader shall provide their approval.

6.2.2 Career Development

- 6.2.2.1 The employee's Direct Manager will use the career development framework to have more effective conversations on potential career opportunities and development needs.
- 6.2.2.2 The Direct Manager and the employee will jointly prepare a Career Development Plan upon the completion of the probation period. This development plan will form part of the employee's performance management process.

6.2.2.3 The Career Development Plan shall be prepared using the following guidelines:

- Job duties and responsibilities should be properly analyzed and reviewed and agreed between the Direct Manager and the employee.
- Acceptable standards of performance must be established and communicated clearly to the employee by the Direct Manager.
- Where available, an employee's past performance will be considered in devising key areas for future development.
- Key areas for development and training (e.g. on the job training, blended learning, technical breadth) will be documented based on an employee's potential for growth and advancement towards a specific goal or position.
- Activities shall be stated in terms of outcomes, measures and timeframes.

6.2.3 Career Monitoring

- 6.2.3.1 The Career Development Plan will be monitored periodically by the employee's Direct Manager and discussed with the employee as required.
- 6.2.3.2 The Career Development Plan may be revised during the year in order to support the employee in achieving his / her career objectives.
- 6.2.3.3 All reasonable endeavors will be exercised by SIRC to address the actions identified in the Career Development Plan.



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