



بورصة الكويت  
BOURSA KUWAIT

# Making the most of your Annual Report and IR Website

Investor Relations Workshop





# Making the most of your Annual Report and IR Website



Time	Session	Presenter
1.00 – 1.05	Welcome note from Bursa Kuwait	Fahad Albeshar, Investor Relations Director, Bursa Kuwait
01.05 – 01.10	MEIRA update	John Gollifer, General Manager, MEIRA
01.10 – 01.20	Annual Report: why does it matter?	George Allen, Associate Partner, Instinctif Partners Natasha Nelson, Account Director, Emperor
01.20 – 01.45	Annual Report: best practice and case studies	George Allen, Associate Partner, Instinctif Partners Natasha Nelson, Account Director, Emperor
01.45 – 2.00	Digital reporting: definition and best practice	George Allen, Associate Partner, Instinctif Partners Natasha Nelson, Account Director, Emperor
2.00 – 2.15	IR Website: your first port of call with the investment community	John Gollifer, General Manager, MEIRA
2.15 – 2.45	Q&A	
2.45 – 2.50	Wrap-up and thank you address	Mohammad Abdal, Chief Communications Officer, Zain & MEIRA Kuwait Chapter Head





# Welcome note from Boursa Kuwait

Fahad Albeshar, Investor Relations Director, Boursa Kuwait

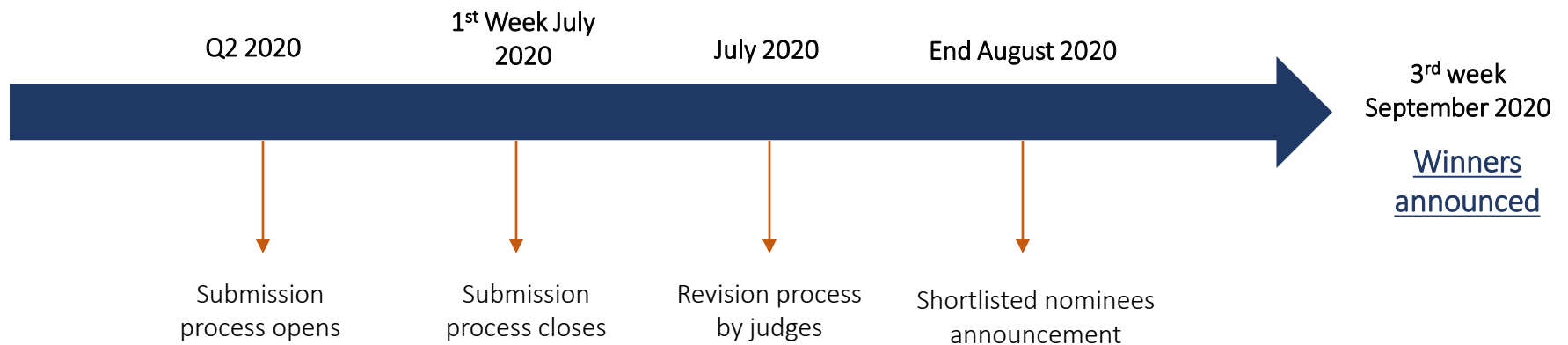


# MEIRA update

John Gollifer, General Manager, MEIRA



## 2020 MEIRA Best Annual Report and IR Website Awards





# Making the most of your Annual Report and IR Website



# Annual Report: why does it matter?

George Allen, Associate Partner, Instinctif Partners  
Natasha Nelson, Account Director, Emperor





## Communicating your investment story

The importance of communicating your investment story

- Gives each company the opportunity to set it apart from its peer group
- Define and articulate your investment case
- Present a concise overview of competitive advantages
- Determines why you are a good investment for the long-term
- Demonstrate and align \ delivery against strategy and the creation of value
- Proactively address analyst and investor concerns and interests





## Preparing your annual report

The importance of a well executed project

- What are the challenges people face? How can we overcome them?
- Good project management: having one of two gatekeepers to run the project within your company
- Get buy-in from CEO or CFO, and go as far as to get them to contact all internal stakeholders to ensure it remains near the top of people's day-to-day agendas
- Detailed scheduling of the project including pre-empting when the Board and Senior Management will need to review progress
- Communication is paramount



## Sample timetable

# Preparing your annual report

Task	Start day	Start date	Completion day	Completion date	Who
Client AR copywriting interviews	Wednesday 7 November	07/11/18	Thursday 8 November	08/11/18	Agency
Client AR strategic report - Draft 1 development	Sunday 11 November	11/11/18	Wednesday 2 January	02/01/19	Agency
Call with Client to discuss creative brief following interviews	Monday 12 November	12/11/18	Monday 12 November	12/11/18	Agency/Client
Agency to present initial concepts for Client AR	Sunday 25 November	25/11/18	Sunday 25 November	25/11/18	Agency/Client
Client to provide design feedback	Thursday 29 November	29/11/18	Thursday 29 November	29/11/18	Client
Agency to provide revised designs for Client AR	Monday 17 December	17/12/18	Monday 17 December	17/12/18	Agency
Client to feedback on design development	Wednesday 19 December	19/12/18	Wednesday 19 December	19/12/18	Client
Revised design to Client	Monday 24 December	24/12/18	Monday 24 December	24/12/18	Agency
Client to sign off design	Sunday 30 December	30/12/18	Sunday 30 December	30/12/18	Client
Agency to Artwork files for Client AR	Thursday 3 January	03/01/19	Friday 11 January	11/01/19	Agency
Client AR strategic report - Draft 1 reviewed and all comments collated	Tuesday 8 January	08/01/19	Monday 14 January	14/01/19	Client
Client AR strategic report - Final Draft developed	Sunday 13 January	13/01/19	Sunday 20 January	20/01/19	Agency
Client AR strategic report - Final draft reviewed and approved by Client	Wednesday 16 January	16/01/19	Sunday 27 January	27/01/19	Client
Proof 1 to Client (Strategic Report) - ENGLISH	Thursday 21 February	21/02/19	Thursday 21 February	21/02/19	Agency
Client - Q4 Financial Disclosures	Thursday 7 February	07/02/19	Thursday 7 February	07/02/19	Client
Client Proof 1 amends to Agency (Strategic Report) - ENGLISH	Tuesday 26 February	26/02/19	Tuesday 26 February	26/02/19	Client
Client - Audited Financial Statements and Governance to be sent to Agency (ENGLISH and ARABIC)	Thursday 14 February	14/02/19	Thursday 14 February	14/02/19	Client
Client AR strategic report - Arabisation draft stage (staggered)	Thursday 17 January	17/01/19	Thursday 14 February	14/02/19	Agency
Proof 2 to Client (Strategic Report) - ENGLISH	Friday 1 March	01/03/19	Friday 1 March	01/03/19	Agency
Client AR strategic report - Arabisation V1 feedback	Thursday 24 January	24/01/19	Monday 18 February	18/01/19	Agency
Agency to convert artwork to Arabic	Monday 4 March	04/03/19	Tuesday 5 March	05/03/19	Agency
Client proof 2 amends to Agency (Strategic Report) - ENGLISH	Tuesday 5 March	05/03/19	Tuesday 5 March	05/03/19	Client
Client AR strategic report - Arabisation V2 circulated (staggered)	Thursday 24 January	24/01/19	Thursday 21 February	21/02/19	Agency
Proof 3 to Client - Full Report (ENGLISH)	Friday 8 March	08/03/19	Friday 8 March	08/03/19	Agency
Final draft circulated to Audit Committee	Sunday 10 March	10/03/19	Sunday 10 March	10/03/19	Client
Client Audit Committee meeting - approval of report	Sunday 17 March	17/03/19	Sunday 17 March	17/03/19	Client
Proof 1 to Client (ARABIC)	Sunday 17 March	17/03/19	Sunday 17 March	17/03/19	Agency
Final draft circulated to Board of Directors	Monday 18 March	18/03/19	Monday 18 March	18/03/19	Client
Client AR strategic report - Arabisation V2 finessed and approved	Thursday 31 January	31/01/19	Monday 25 February	25/02/19	Agency
Client to supply Arabic content (Strategic Report)	Sunday 3 February	03/02/19	Monday 25 February	25/02/19	Agency
Client proof 3 amends to Agency	Sunday 17 March	17/03/19	Sunday 17 March	17/03/19	Client
Proof 4 to Client (ENGLISH)	Tuesday 19 March	19/03/19	Tuesday 19 March	19/03/19	Agency
Proof 1 amends to Agency (ARABIC)	Tuesday 19 March	19/03/19	Tuesday 19 March	19/03/19	Client
Proof 2 to Client (ARABIC)	Friday 22 March	22/03/19	Friday 22 March	22/03/19	Agency
Client Board meeting - approval of report	Monday 25 March	25/03/19	Monday 25 March	25/03/19	Client
Agency to carry out final quality checks	Tuesday 26 March	26/03/19	Tuesday 26 March	26/03/19	Agency
Client to sign off reports	Wednesday 27 March	27/03/19	Wednesday 27 March	27/03/19	Client
Client AR files to print	Thursday 28 March	28/03/19	Thursday 28 March	28/03/19	Agency
Agency to supply web PDFs of Client AR	Thursday 28 March	28/03/19	Thursday 28 March	28/03/19	Agency
Submission of full document to Stock exchange (English and Arabic)	Thursday 28 March	28/03/19	Thursday 28 March	28/03/19	Client
Submission deadline to stock exchange	Sunday 31 March	31/03/19	Sunday 31 March	31/03/19	Client
Agency to approve printer's proofs of Client AR	Monday 1 April	01/04/19	Monday 1 April	01/04/19	Agency
Client reports dispatched for delivery	Monday 15 April	15/04/19	Monday 15 April	15/04/19	Agency
Reports delivered to Client	Monday 22 April	22/04/19	Monday 22 April	22/04/19	Agency
Client AGM	Wednesday 8 May	08/05/19	Wednesday 8 May	08/05/19	Client

Key:
Copywriting
Design
Translation
Typesetting and proofing
Sign-off, print and delivery





## Other considerations

**Market your report** – reach a wider audience

- EDM campaign
- Social media
- IR app
- High-quality printing and distribution

Do you have a **digital report**? – less print, more digital

- Environmentally friendly
- Engages with all stakeholders
- Smart reporting
- Meets international best practice

## **Film**

- A recap of key highlights of the year in a multimedia format
- Conducive to web and social media
- A vehicle for C-suite to engage with shareholders



# Annual Report: Best practice and case studies



## Best practice standards

### MEIRA awards criteria

#### PRINT

##### Overall

- Is there a consistent concept/message/theme in the Annual Report content?
- Is there a consistent concept/message/theme in the Annual Report design?
- Is there clear linkage and flow throughout the report?
- Clarity and transparency of language?
- Dual language?

##### Design

- Is the report on brand – logo, colours, typography?
- Is the design modern, contemporary, engaging and vibrant?
- Are there graphical devices used to summarise data?
- Is the photography of good quality?

##### Structure

- Is the report well laid out (pagination/spreads)?
- Is it easy to navigate (sign posting)?
- Is the financial section somewhat differentiated?

##### Content

- Does the report have a clear business model?
- Business strategy?
- Description of the business?
- Year in Review?
- Key financial highlights / at a glance?
- Chairman statement?
- CEO statement?
- CFO Statement?
- Market review and geography?
- Business operations?
- KPIs?
- Remuneration?
- Risk?
- Environmental, Social and Governance?

#### TOTAL PRINT SCORE

### Scoring

- 0: These criteria do not appear to have featured
- 1: Some evidence – basic reporting
- 2: Average – acceptable reporting
- 3: Good – quality reporting
- 4: Excellent – insightful reporting
- 5: Exceptional – best practice reporting





## Storytelling

Key to building differentiation. Companies are encouraged to create a clear, concise and coherent narrative about their strategic vision, business model and what the business needs to do to remain viable.

Companies need to:

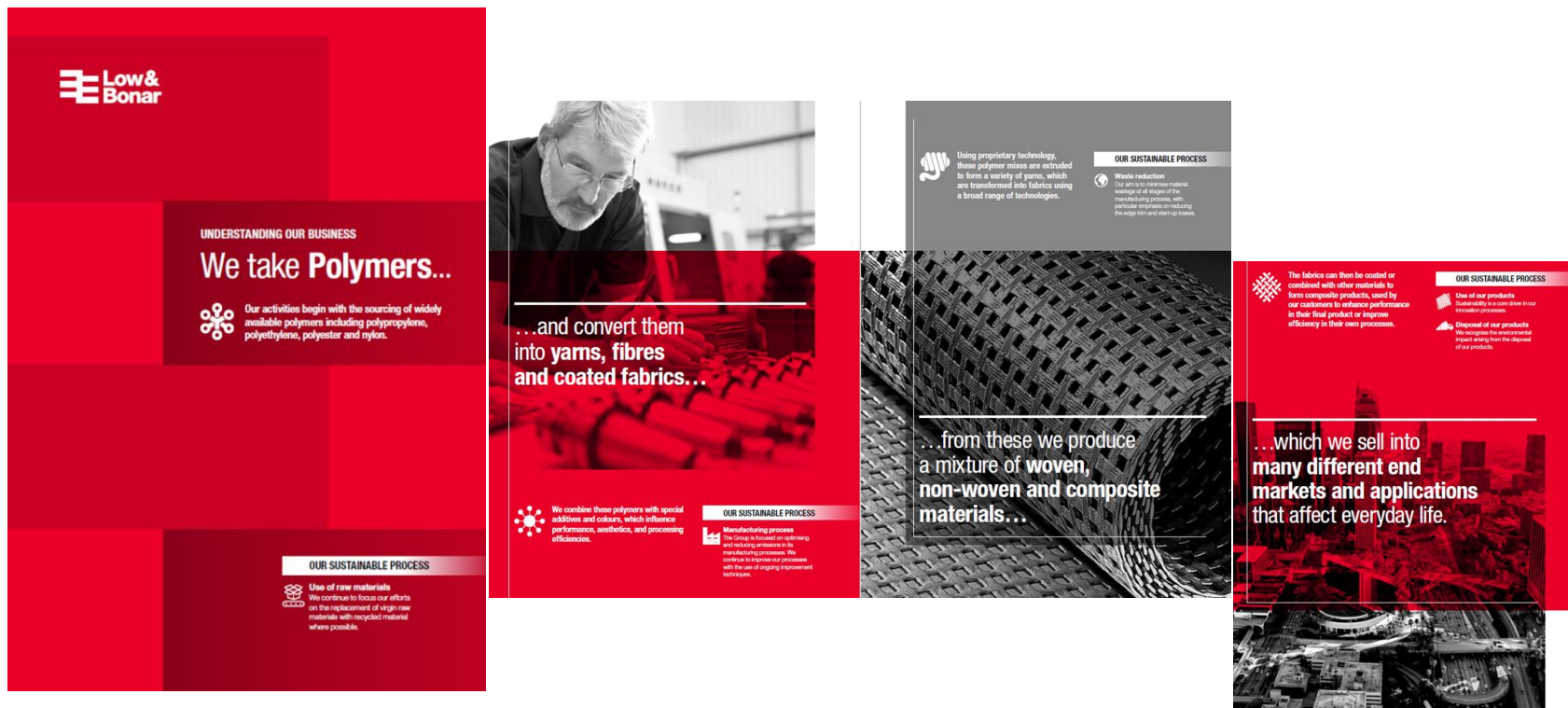
- Introduce a **theme** to help tell their corporate story and support it with clear messaging
- Set the scene to provide an **overview** of the company with **key data**
- Set out your **strategy** in the context of **market** trends, challenges and opportunities
- Link strategy to **business model**, **KPIs**, **risks** and **remuneration** to align the narrative
- Describe the key capabilities, resources and relationships the business depends on to create and sustain **value**
- Communicate the story in an **engaging** way that reinforces your brand



## Storytelling Example



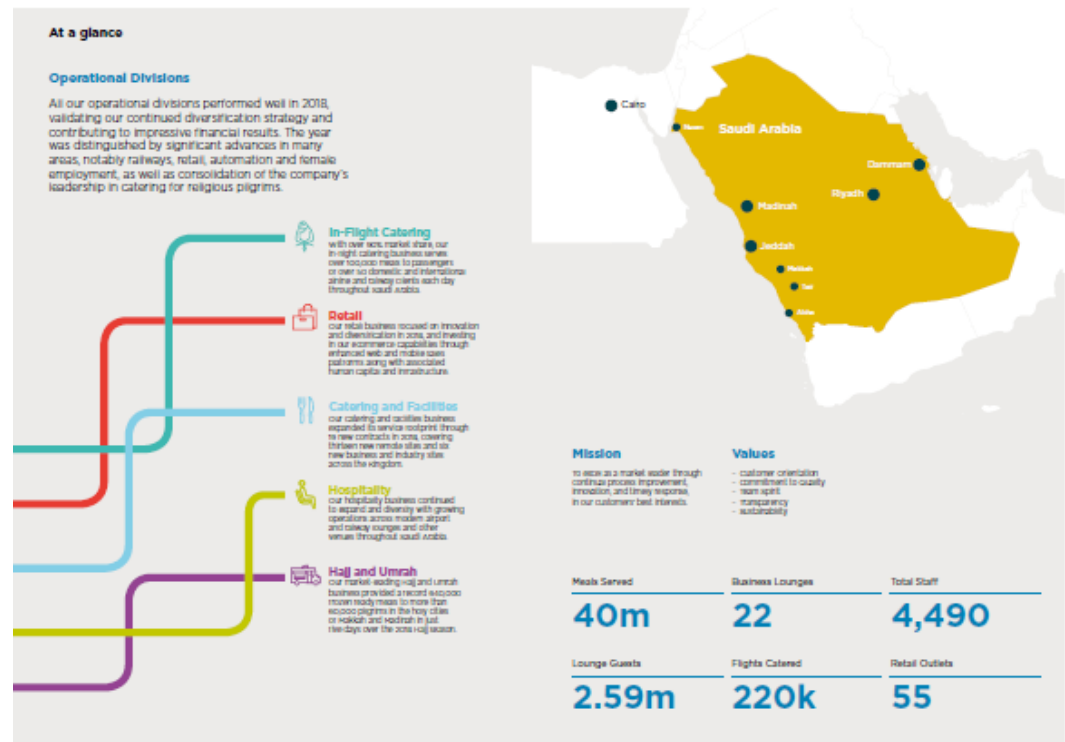
Consistency of theme in content and design





## Storytelling Example

Consistency of theme in content and design







## Design

Like all of your internal and external communications, design plays a critical role in getting your messages across and expressing your brand.

Annual Reports should:

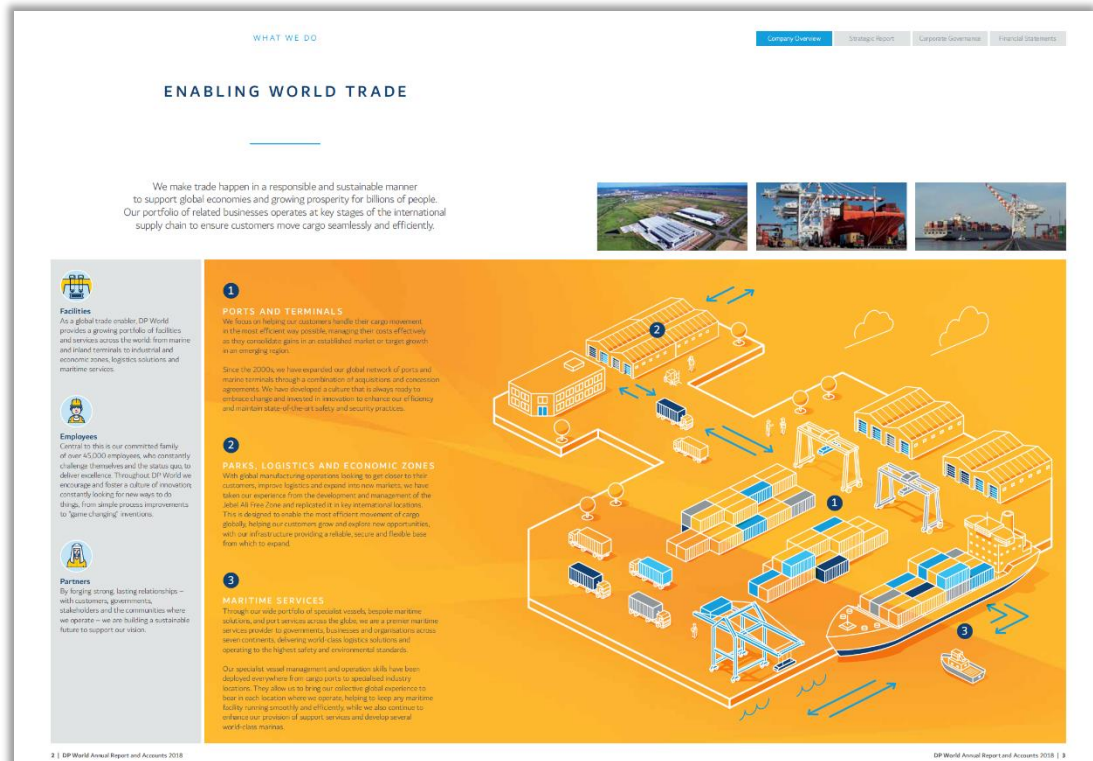
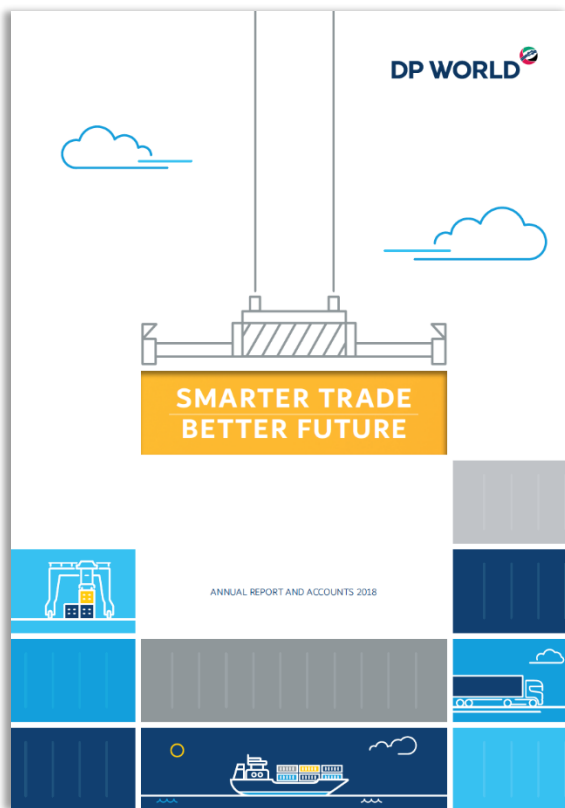
- Be on **brand** – logo, colours, typography?
- Be **Relevant**, engaging and vibrant design
- Use **graphics** to tell the story visually
- Use quality **photography**



## Design Example



Engaging and on brand, good use of graphics to tell the story





## Design Example

# DERWENT LONDON

Engaging and on brand, good use of graphics and imagery to tell the story



12

Derwent London plc Report & Accounts 2019

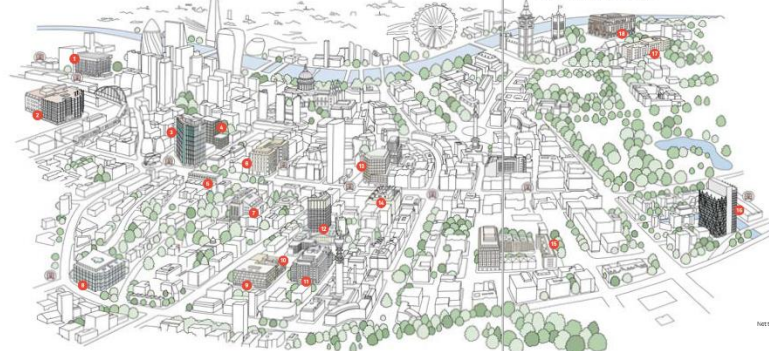
## LONDON: OPEN FOR BUSINESS

### Key to Derwent London buildings

- |                       |               |
|-----------------------|---------------|
| 1. Angel One Building | 10. The Shard |
| 2. The Shard          | 11. The Shard |
| 3. The Shard          | 12. The Shard |
| 4. The Shard          | 13. The Shard |
| 5. The Shard          | 14. The Shard |
| 6. The Shard          | 15. The Shard |
| 7. The Shard          | 16. The Shard |
| 8. The Shard          | 17. The Shard |
| 9. The Shard          | 18. The Shard |

For more detail on our ten-year outlook for London office

GLA (Greater London Authority) Economic Review, December 2019



### A global city

With 6.5m jobs and a population of 8.5m, London is a major global city and one of the largest cities in Europe. It is a significant creative, financial and legal centre benefiting from first class cultural, educational, retail and leisure facilities. The London economy recovered strongly in the period 2010 to 2018 but subsequently growth has slowed, more recently impacted by Brexit uncertainty. Current expectations of annual economic growth are 1.7% to 2.0% over the next few years, with both the population and workforce predicted to increase.

### Brexit uncertainty

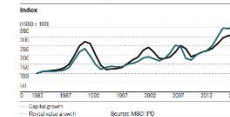
Forecasting growth in the short-term is particularly difficult given the uncertainty surrounding the outcome of the Brexit negotiations and the impact on trade and immigration. Most commentators appear to be assuming some form of soft Brexit and an extension of the status quo until at least December 2020. However, no final decision has yet been made on the issue of a 'hard Brexit' remains, which we would expect to lead to greater economic disruption, at least in the short-term. To date, the impact on job retention has been relatively modest but Brexit may well impact future demand patterns. Further information on how Brexit could impact Derwent London is detailed on page 42.

### Other factors impacting future demand

As well as economic and political change, future demand for London offices is likely to be impacted by the rise in agile working practices and the increasing impact of AI/Artificial Intelligence. Some believe that these latter two factors will have a more fundamental impact on London office design and demand in the longer term than Brexit.

Strategic report

### The London office cycle



Historically, the London office market has been cyclical, with a long-term growth trend broken by a number of downturns, some more significant than others. It can be argued that the London office cycle today is in its mature phase given that there has been no significant downturn for nine years, and rents and yields are near historical highs and low, respectively. The past ten years have seen the London office market unusually stable despite the considerable underlying economic and political uncertainties.

We believe this stability reflects the fact that economic growth and occupier demand have been robust, against a background of historically very low interest rates. The latter has helped support high levels of investment demand. Steady occupier take-up has helped the rise in vacant space despite the modest increase in supply. This supply looks likely to moderate in the next few years.

### OUR INTEREST IN THE MARKET

#### Locations

There is currently 77m sq ft of central London office space predominantly in the West End and the City, as shown in the pie chart below. Our portfolio is concentrated in the West End and in the City Borders. The latter forms the majority of our Tube Zone 1 portfolio which, since 2009, has seen strong growth along with London's creative industries. We have no property in the City, London's main financial district, and our focus on mid-market rents means that we have only one property in Mayfair and St James's, the traditional heart of the West End.

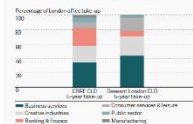
#### Central London office stock



#### Recent letting activity

Professionals and business services continue to drive demand closely followed by financial and creative industries. Our own letting activity shows relatively strong interest from creative industries and less from financial services.

#### Central London office (CLO) by business sector



#### Impact of flexible office space

The past few years have seen rapid significant expansion by various short-term office providers, with WeWork garnering most of the headlines. Despite representing 15-20% of take-up in the last two years, it is estimated that these businesses currently occupy 1% of the total market. Flexible office users also occupy 1% of our portfolio. In addition, we have occupied fully fitted flexible spaces in some smaller units at Monarch City and Barbican Street City in response to changing demand and have also agreed leases on more flexible terms where we believe this is appropriate.

Source: GLA

Source: WeWork





## Structure

- The overall **structure** of the report should be divided into 4/5 **sections**
- The **section's headings** may vary (Company Profile, Strategic Review, Financial Review, Corporate Governance, Financial Statements, Appendices)
- Sections should be clearly organized and cover relevant chapters



# Structure Example



## Financial Highlights

Operational Cash Flow  
(EBITDA-CAPEX)



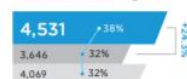
Deleveraging (Net Debt and  
Net Debt/EBITDA)



Revenues



EBITDA and EBITDA margin



Net Income/(Loss)



## Vision

To be one of the most admired Saudi companies,  
creating superior value for our stakeholders.

## Values

### Progressive

- Self-assured and forward-looking
- Experienced and dynamic
- Driving towards Saudi Arabia's future

### Passionate

- Relentless pursuit of excellence
- Warm and engaging
- A positive attitude to go the extra mile

### Caring

- Focused on you and your needs
- Takes the long-term view and builds a great relationship
- Clear and accountable

11.12%

Improvement in Free Cash Flow

6

consecutive quarters of EBITDA growth

Highest annual EBITDA growth since

2013

Net debt to EBITDA ratio at lowest level

since 2016, at under 2.5x

Net debt at lowest level in

6 years

## Operating Highlights

SAR 1.1 billion

ECA financing

Network

modernization

agreement with blue chip partners

2x10 MHz

new spectrum -

active July 2018

2x5 MHz

new spectrum -

active March 2019

46

Elite 4th batch recruits



28 Saudi women



18 Saudi men

Saudization



81% in company wide

70% in top management



Read Annual Report online,

including a link to the investor film

<https://ir.mobilylink/2018/en>

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## Structure Example

POLYMETAL IS A  
**leading**

INTERNATIONAL PRECIOUS METALS GROUP...

**2nd largest**  
GOLD PRODUCER IN RUSSIA

**9 operations**  
IN RUSSIA AND KAZAKHSTAN

**FTSE 250**  
CONSTITUENT

**3 major**  
DEVELOPMENT PROJECTS

**1st**  
PRESSURE OXIDATION PLANT IN FSU

CULTURE  
Page 02

VALUE  
Page 06

RESPONSIBILITY  
Page 10

STRATEGY  
Page 04

FUTURE  
Page 08

Annual Report & Accounts 2013

Polymetal International plc 01





## Navigation

**Clear signposting** is important to help investment professionals find information and navigate to key chapters or sections.

Better linkage and signposting help to draw out connections between sections, which is important for thoughtful and efficient analysis.

Opportunities:

- Introduce signposting as a **navigation** bar or/and a section divider
- Introduce a specific color for each section
- The concept of **section dividers** (e.g. Strategic Review, Financial Review, Governance, etc.) distributes content for readers to pick information that they need



# Navigation Example



## Overview

## Strategic Report

## Governance

## Financials

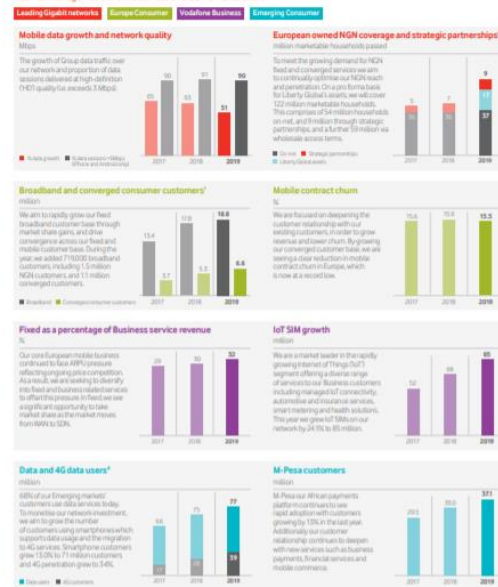
## Other information

22 Vodafone Group Plc  
Annual Report 2019

### Key performance indicators

## Turning our strategic priorities into tangible performance indicators

We measure our success by tracking key performance indicators that reflect our strategic, operational and financial progress and performance. These drive internal management of the business and our remuneration.



Notes: 1. Includes VodafoneGlobe; 2. Excluding the impact of share of payments; 3. Excluding the impact of off-balance financing; 4. Excluding fixed and wireless.

23 Vodafone Group Plc  
Annual Report 2019

### Changes to KPIs this year

We have updated some of our KPIs to more accurately reflect our strategic priorities.

#### New KPIs

- European mobile contract churn
- European net operating expenses reduction
- Emerging Consumer data and 4G data users
- M-Pesa customers

#### KPIs removed

- 4G customers
- Average smartphone data usage per customer in Europe
- Consumer mobile net promoter score
- Growth adjusted EBITDA faster than service revenue

### Financial performance

The Group achieved its financial guidance for the year, as good growth in most markets offset increased competition in Spain and Italy and headwinds in South Africa. As a result, we achieved the mid-point of our original guidance for 1-5% organic EBITDA growth, growing 3.1% in the year. This was supported by a net reduction in operating expense in Europe and common functions of £0.4 billion. We also delivered £5.5 billion free cash flow pre-spectrum at guidance FX rates of £5.4 billion on a reported basis.

### Paying for performance

The incentive plans used to reward the performance of our Directors and our senior managers, with some local variances, include measures linked to our KPIs. This year while we performed in line with our free cash flow target, our service revenue, EBIT, customer appreciation, and TSR performance was below target and therefore the Group's annual bonus was lower this year.

**17** **Free cash flow** **performance**  
in the Performance Report

#### Organic service revenue growth

Our growth in service demonstrates our ability to grow our customer base and/or KPIs. This year we continued to grow revenue despite tough competition in Italy and Spain. Overall, we delivered organic Group service revenue growth of 3.3% in the year.

#### European net operating expenses reduction

Our net operating expenses reduction of over £1.2 billion in operating costs in Europe (including common functions) on an absolute basis, by FY20, compared to FY19 levels. We expect to achieve this through the transformation of our operating model by being Digital First, Reducing impact and Leveraging Group scale.

#### Organic adjusted EBITDA growth

We are an early leader in the rapidly growing market of things (IoT) segment offering a diverse range of services to our Business customers including managed IoT connectivity, automotive and insurance services, smart metering and health solutions. This year we grew IoT SIMs on our network by 241% to 85 million.

#### Organic adjusted EBIT growth

Adjusted EBIT is an important indicator of profitability and returns for the Group. Our organic adjusted EBIT grew by 3.1% primarily driven by adjusted EBITDA growth and lower CAPEX.

#### Free cash flow pre-spectrum growth

Cash generation is a key driver of strong shareholder returns. On a global basis, we delivered £5.5 billion of free cash flow pre-spectrum in the year, or £5.4 billion on a reported basis.

#### Dividends per share

The ordinary dividend per share continues to be a key component of shareholder returns. Our new dividend policy and initiative to reduce our financial headroom while providing investors with a sustainable, progressive dividend.



# Navigation Example

## Strategy

### Almarai 2025

Our strategy is designed to achieve a clearly defined set of goals by 2025, as outlined below. To deliver on this strategy, we have established where we will play, and how we will win.

Our primary focus will be on realizing our full potential in core GCC markets, turning around not yet performing assets – for which in 2018 we made critical strides forward – and seeding high-potential new businesses.

### Where we will play

**Focus on GCC core full potential**  
- Work to achieve the core business's full potential in Saudi Arabia  
- Secure a leadership position in all categories and regions where we operate

**Turnaround**  
- Infant Nutrition  
- International Dairy & Juice (IDJ)

**Develop high-potential new businesses**  
- Enter adjacent new product categories  
- Grow Foodservice operations  
- Evaluate geographic expansion

### How we will win

**Cost reduction and asset optimization**  
- Eliminate waste  
- Optimize assets  
- Improve working capital management

**Innovation and marketing**  
- Increased speed to market  
- Focus on meeting consumer needs  
- Evaluate and adopt brand architecture

**Strategic acquisitions (A)**  
- Selective acquisitions to enter new categories or countries

**Operating model and talent**  
- Role of center  
- Superstructure  
- Governance  
- Ways of working  
- Resources  
- Standardization  
- Succession planning

**Technology (digital and IT)**  
- E-commerce and engagement  
- Transitioning of legacy systems – manufacturing, procurement, logistics

### Goals for 2025

- Leading market share (y-axis)
- Grow faster than the market
- Significant growth from new businesses
- Maintain strong return on assets
- Top quartile employee satisfaction
- Preferred consumer brand

## Case study: Poultry

### Challenge

Our Poultry business faced challenges in production and profitability. The key challenge was mortality rates, which led to lower bird performance and inconsistency in bird supply. This made it difficult for the ALYOUNG brand to create and supply market demand, leading to underutilization of the supply chain from farming, processing and then into distribution. In turn, this led to a higher cost base that limited the business to high-margin channels.

### Action

Actions taken included safeguarding the wellbeing of the flocks by the development and implementation of a unique air filtration system in our breeder farms. In addition, enhanced nutrition, husbandry and vaccination programmes supported the health, well-being and performance of the birds. Through the centralization of sales and distribution with Almarai's core business, alongside the introduction of the Almarai Continuous Excellence (ACE) Programme in the processing facility, the business was able to increase its efficiencies and cost leadership.

### Result

- Supply chain stability enabling expansion into new markets and into Foodservice
- Increase in asset utilization as a result of a stable supply of birds
- Health and performance consistency across global standards
- Centralized sales and distribution along with increased asset utilization, resulting in 45% reduction in sales and distribution costs
- ACE program deployment in processing plant, focusing on cost management and KPIs leading to lower production costs
- Better asset utilization resulting in over 35% reduction of overall costs
- Improved overall farming performance from breeder flocks to broiler flocks
- Ongoing focus on increasing retail sales and achieving cost leadership to reach new levels of success
- Use of vaccination diets and antibiotic free production



# Navigation

## Example – divider



### Going Concern

The Directors confirm they have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of signing these financial statements. This confirmation is made after having reviewed assumptions about future trading performance, valuation projections, capital expenditure, start sales and debt requirements contained within the Group's current five-year plan. The Directors also considered potential risks and uncertainties in the business, credit, market and liquidity risks, including the availability and repayment profile of bank facilities, as well as forecast covenant compliance. Based on the above, together with available market information and the Directors' knowledge and experience of the Group's property portfolio and markets, the Directors continue to adopt the going concern basis in preparing the accounts for the year ended 31 March 2026.

### Viability Statement

The Directors have assessed the viability of the Group over a five-year period to March 2031, taking account of the Group's current position and the potential impact of our principal risks. The Directors have determined five years to be the most appropriate period for the viability assessment as it fits well with the Group's development and leasing cycles, and is broadly aligned to the maturity of the Group's floating rate debt facilities. Our financial planning process comprises a budget for the next financial year, together with a forecast for the following four financial years. Achievement of the one year budget has a greater level of certainty and is used to set near-term targets across the Group. Achievement of the five year plan is less certain than the budget, but provides a longer term outlook against which strategic decisions can be made. The financial planning process considers the Group's profitability, capital values, gearing, cash flows and other key financial metrics over the plan period. These metrics are subject to sensitivity analysis, in which a number of the main underlying assumptions are tested to consider alternative macro-economic environments. Additionally, the Group also considers the impact of potential structural changes to the business in light of varying economic conditions, such as significant additional sales and acquisitions or refinancing. The Directors consider the key principal risks that could impact the viability of the Group to be 'Customer', 'Market cyclicality' and 'Investment and Development strategy'. We have considered the potential impact of these on the Group's ability to remain in operation and meet its liabilities as they fall due through a 'viability scenario'. The viability scenario assesses the impact of considerably worse macro-economic conditions than are currently expected, more specifically, a severe slowdown in the UK economy following failure to negotiate an agreement with the EU. In London, rental values are impacted by the expected economic slowdown and an increase in the vacancy rate over the next few years. In Retail, we assume continued downward

pressure on rental values from the ongoing impact of online retail and the expected economic slowdown. In London, it is assumed that some rents deteriorate up to March 2023 and then slowly recover in the final two years on the plan. In Retail, rental values are assumed to decline throughout the whole of our forecasting period. Where voids occur, these are expected to take longer to fill across the portfolio, reflecting the difficult market conditions. The fall in rental values, combined with an unchanged yield movement, results in a significant decline in London capital values through to March 2026, before a recovery from March 2027 onwards. In Retail, it is assumed that yields expand in all sectors through to March 2030 before flattening then slowly contracting from March 2031 onwards, resulting in severe capital values declines through to March 2031 before a slow increase to March 2035. In this viability scenario, we assume that any uncommitted forecast acquisitions, disposals or developments do not take place. Similarly, we assume no uncommitted debt refinancing takes place, and no new debt or bank facilities are raised or extended. We have assessed the impact of these assumptions on the Group's key financial metrics over the period, including profitability, net debt, loan-to-value ratios and available financial headroom. The scenario represents a significant contraction in the size of the business over the five year period considered, with net asset value falling by around 38% at the lowest point. However, our assessment is that such a scenario would not threaten the viability of the Group. The Group would be required to renew or extend options for a maximum of £750m of its debt facilities at the end of the period considered, but the Directors consider this would be possible considering the Group's expected loan-to-value ratio. Based on this assessment, the Directors have a reasonable expectation that the Group will continue in operation and meet its liabilities as they fall due over the period to March 2031.

This Strategic Report was approved by the Board of Directors on 14 May 2026 and signed on its behalf by:

  
Robert Neal  
Chief Executive

### Governance

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#### Highlights



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**Letter from the Chairman of the Nomination Committee**  
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**Letter from the Chairman of the Audit Committee**  
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**Directors' Remuneration Report – Chairman's Annual Statement**  
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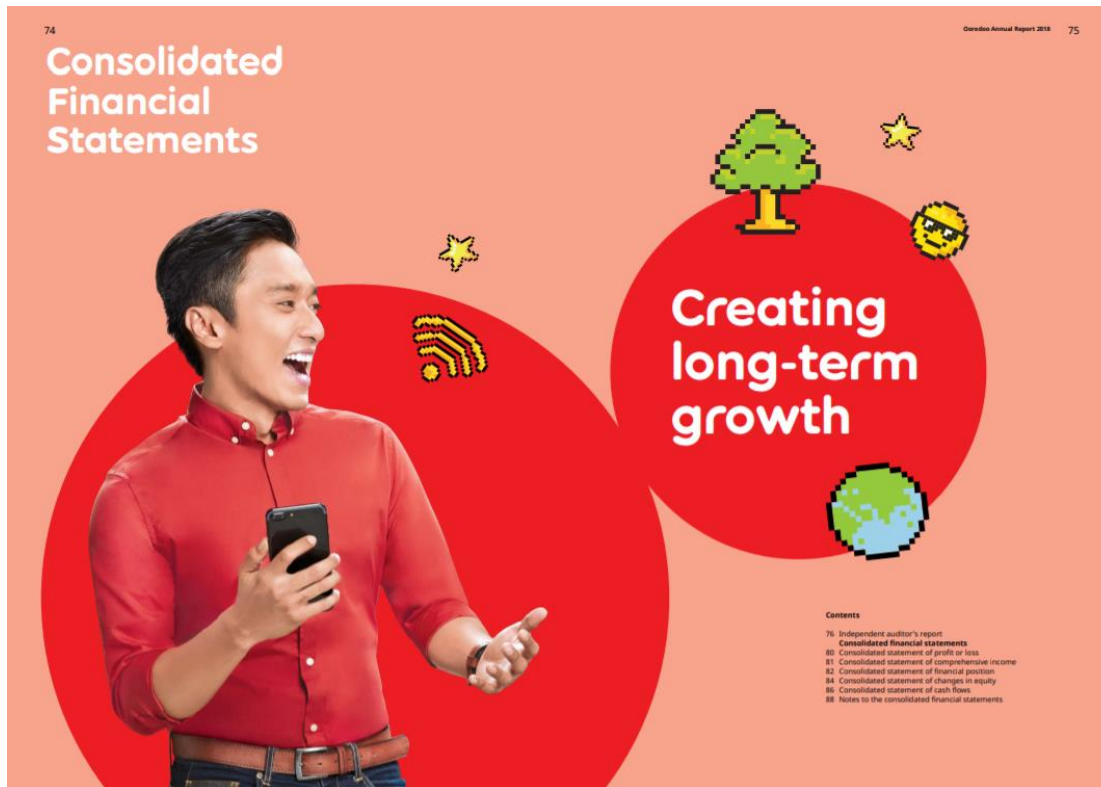
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Governance



## Navigation

Example – divider



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## Business Model

The mark of a great business model is one which demonstrates the value creation of a business, what the business does and how it generates revenue.

### Opportunities:

- Make it **clear**
- Make it **understandable**
- **Repurpose** this on your website and in other investor communications



# Business Model Example



### Outputs

**Shareholder value**

- For 40 years, consistent delivery of strong returns to shareholders
- Almarai is committed to creating shareholder value by paying dividends and realizing compelling returns for long term investors

**People**

- Almarai is recognized as one of the GCC's best employers
- All staff are encouraged to participate in training and develop their careers

**Society**

- Social responsibility and sustainability programmes designed to support Vision 2030
- Connecting all levels of society and the environment, from helping children in need to reducing our environmental footprint

**Consumers**

Delighting consumers across the Middle East with healthy and nutritious food and beverages at affordable prices from a brand they know they can trust



# Business Model Example

SAUDI AIRLINES  
CATERING



الخطوط السعودية  
للتنويه

## Business Model

### Mission

To excel as a market leader through continual process improvement, innovation, and timely response, in our customers' best interests.







## Strategy

A company's strategy is the core element of the Strategic Report. Everything else should revolve around this section.

### Opportunities:

- Create some **ownership** around it by having the CEO introduce it
- Make it **simple and clear**
- **Link** your strategy as much as possible to other sections of the report, like KPIs and Risks to tell a joined up and coherent story



# Strategy Example

SAUDI AIRLINES  
CATERING



الخطوط السعودية  
للطعام

## Our Strategy

### Vision

Our strategic vision is driving our transformation from a dedicated in-flight caterer into a multi-functional, multi-service enterprise and supporting Saudi Arabia's Vision 2030 of economic diversification.

How will we achieve this?	What did we do in 2018?	What's next?	How will we measure success?
Expand existing operations	<ul style="list-style-type: none"> <li>Good organic growth in 2018, especially in In-Flight Catering.</li> <li>Created new job functions and roles.</li> <li>Expanded coffee shops at train stations and on-board catering.</li> <li>Growth in online retail.</li> <li>Successful year catering for Hajj and Umrah with a refocus from B2C to B2B.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to grow and expand in train catering.</li> <li>Ensure staff training is at the highest level.</li> <li>Continue to improve quality across the business.</li> <li>Continue to gain market share in Hajj and Umrah.</li> <li>Keep the core business (In-Flight Catering) profitable.</li> </ul>	Revenue (SAR) <b>2.04bn</b>
Diversify and enter markets naturally connected to our core expertise	<ul style="list-style-type: none"> <li>Explore regional expansion across selected business lines.</li> <li>70% revenue from In-flight Catering and 30% from the other divisions.</li> <li>By the end of 2018, In-flight Catering had 92 clients and served over 39.9 million meals on 220,129 flights.</li> </ul>	<ul style="list-style-type: none"> <li>Study new catering market segments.</li> <li>Move closer to target of 50% revenue from In-flight Catering and 50% from the other divisions.</li> </ul>	Net Profit Margin <b>22.56%</b>



# Strategy Example



## Our strategy

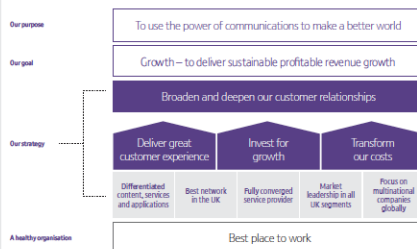
Our strategy in the year had three pillars: deliver great customer experience, invest for growth and transform our costs.

They work together: the better our customers' experience, the more we sell and the less time and money we spend putting things right. And the better we manage our costs, the more we can invest in improving our customers' experience and in products and services that will create growth.

Pages 21 to 25 describe our performance against the strategy.

Looking ahead, we're evolving our strategy to build on our strengths and allow us to respond to market opportunities and challenges. You can find more detail on page 28.

The graphic below shows the main elements of our strategy in the year. You'll find more details on our purpose and goal, in the context of our business model, on page 32.



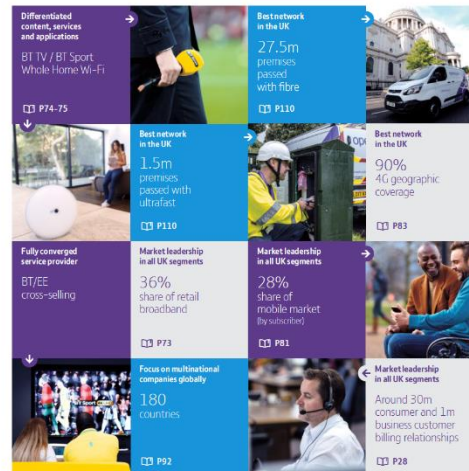
## Our strategy – How we performed continued

### Investing for growth



We've been putting money and resources into five strategic areas. Together, they underpin our strategy and our operational and financial performance, which in turn contribute to our KPIs (on page 24).

With good progress on the integration of EE within the group and with a fast-paced digitalisation of the UK economy, we've placed a particular focus this year on enabling convergence and on infrastructure leadership as key drivers of future growth.



## Our strategy – How we performed continued

## Our strategy – How we performed continued

## Our strategy – How we performed continued

## Our strategy – How we performed continued

### Transforming our costs



**Looking ahead**  
We will continue to deliver against our EE integration and first phase restructuring commitments.

We're also launching new cost transformation initiatives within each individual business unit, as well as some larger cross-business programmes.

The combination of new and existing initiatives will ensure we deliver against our new strategic target of £1.5bn gross cost reduction over the next three years.

### Our approach

Rigorous analysis, leadership and strong governance help us stay focused on both transforming costs and improving customer experience.

We benchmark the costs of doing business against other companies inside and outside our sector to see where we can do even better.

Most improvement initiatives are owned and run within individual business units. Our largest programmes span multiple business units or drive complex changes in a single business unit and often need central coordination.

### How we did in the year

This year we've increased the cumulative EE integration savings to £240m and we're on track to deliver on our £400 million commitment by the end of 2019/20.

The first phase of our restructuring activities has produced £180m of savings against our commitment to deliver £300 million over two years.

### Key achievements included:

- creating more synergies from integrating BT and EE. We've done this by combining functions, making good use of our increased purchasing power, and completing accommodation moves to bring teams together and save money from closing unused buildings
- establishing a new unit, Customer and Enterprise Transformation, within the Strategy and Transformation team. The new unit helps us make investments and take decisions that better support our customer experience and productivity priorities
- becoming even more efficient by creating a Central Business Services unit which brings together customer contact management services, contract delivery services, revenue assurance and billing.





## At a glance

The information in At a Glance shouldn't change year to year unless your business changes. This creates consistency about how you describe yourselves.

### Opportunities:

- Less is more
- Make it **engaging**
- Try to demonstrate **what sets you apart**
- Be clear and simple.
- Talk about your **corporate culture** and **purpose**, or your **values**



## At a glance Example

### Almarai at a glance (continued)

#### What do we do?

##### Dairy

Our Dairy segment is the founding cornerstone of Almarai, including Fresh Dairy, Long Life Dairy and Dairy Foods. We have earned the trust of our consumers over the last 40 years and are the regional market leader in fresh milk, laban, flavored milk, cream, yogurt, natural and processed cheese, butter and ghee. We are also one of the market leaders in the packaged dairy industry in both Jordan and Egypt via IDJ, our joint venture with PepsiCo.

Pg. 30

##### Juice

Almarai is the GCC market leader in fresh juices, offering consumers a wide range of juices, nectars and drinks, as well as specific products for children. At the end of 2017, Almarai entered the Long Life Juice segment under the Joway Life brand, with carton packs and cans. Our most recent launch was a premium range of not from concentrate juices under the Almarai Super Fruit sub-brand with pomegranate as the leading product. This innovation stream has continued in Egypt and Jordan via multiple flavor offerings in both long-life and fresh juice.


Pg. 31

##### Bakery

We deliver a wide range of bakery products to consumers across the GCC, marketed under the Lusine and TAYO brands. From bread and snacks to cakes, providing consumers with exciting and innovative baked products. In 2018, we launched our Bake Rolls range of snacks, available in flavors including chili, zaatar, pizza and salt. Small loaf bread and muffins were among other new products launched in 2018.

Pg. 32

#### Where do we operate?



Almarai Annual Report 2018

##### Poultry



ALYOUN has come to be regarded by the market as synonymous with quality and innovation - that is why it is the brand of choice for over 40% of the Kingdom of Saudi Arabia's fresh poultry consumers. Our product range includes a comprehensive selection of whole, part and value-added products. Both ALYOUN and the newly launched Aboshayer value brand are free from antibiotics.

Pg. 33

##### Infant Nutrition

Our Infant Nutrition products are available to mothers and children across the Kingdom of Saudi Arabia. Almarai's brands include Nuralee and Nuralee Plus, Nurababy cereal and the Nanaplus Suregrow supplement for children. Since 2017, we have produced a new and innovative ready-to-drink formula, which is preservative-free.

Pg. 34

Arable farms
Dairy farms
Poultry farms
Manufacturing
Sales depots
Head office

## DERWENT LONDON

### Who we are

We are the largest London-focused real estate investment trust (REIT), owning a 5.4 million sq ft portfolio of mainly commercial real estate in 13 'villages' across central London.

### Our purpose

Our purpose is to help improve and upgrade the stock of office space in central London, providing above average long-term returns to our shareholders while bringing social and economic benefits to all our stakeholders.

By setting an open and progressive corporate culture and promoting values that include building lasting relationships, our design-led ethos has created a brand of well-designed, flexible and efficient buildings at affordable rents. These not only help our occupiers attract talent but also revitalise neighbourhoods and benefit local communities. Our approach contributes to workforce well-being and will help to maintain London's place as a leading global business hub.

### What we do

The majority of our portfolio is income producing. We aim for a balance between properties with potential to add further value through regeneration and those which have already been improved but where our asset management skills can continue to grow value and income. Underlying the business is a strong balance sheet with modest leverage and uncomplicated and flexible financing.

### Our culture

- Hard-working and adaptable
- A passion to improve London's office spaces
- Progressive and pragmatic
- 'Open door' and inclusive
- Collaborative and supportive

### Our values

- Reputation, integrity and good governance
- Building long-term relationships and trust
- Focus on creative design and embracing change
- Openness and transparency
- Sustainability and responsibility



# At a glance Example



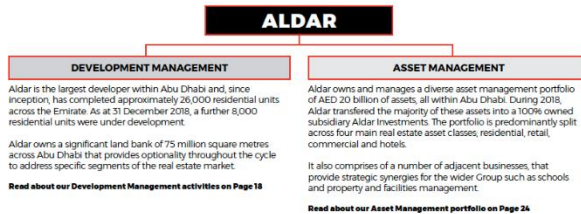
At a Glance

## LEADING REAL ESTATE GROUP

Aldar's primary activities are based within the Emirate of Abu Dhabi, where it owns a significant land bank and diversified real estate property portfolio. The activities of the Group are split into two main areas, Development Management and Asset Management.

We use our experience and knowledge of the Abu Dhabi real estate market to create long-term shareholder value through the development and monetisation of our land bank and through maximising the value of our asset management business.

[Read about Our Strategy on Page 16](#)



### OUR MARKETS

**RESIDENTIAL**  
Aldar predominantly sells residential property through its development business, where it actively launches in-demand off-plan residential developments on payment plans to buyers. The asset management business also owns a significant residential portfolio across Abu Dhabi, which is leased to a mix of individual and corporate tenants.

**RETAIL**  
Aldar has developed a substantial retail footprint within Abu Dhabi that addresses both destination retail, such as Yas Mall and Al Jinn Mall, and the convenient community-focused retail located around our residential developments.

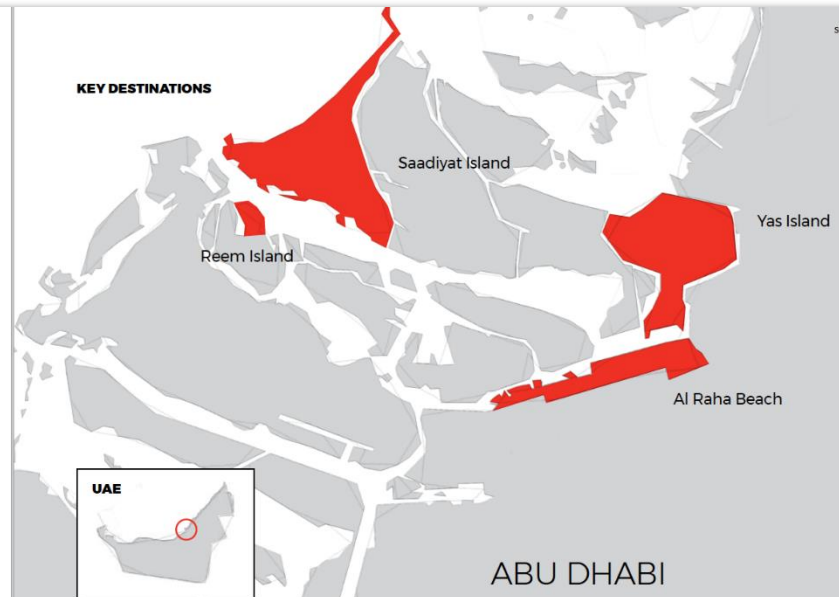
**COMMERCIAL**  
Aldar has developed and, in more recent years, acquired a high-quality, predominantly Grade A commercial office portfolio that attracts top-tier tenants. The commercial portfolio is principally located across Abu Dhabi islands and has a significant exposure to the Government of Abu Dhabi as a tenant.

**HOTELS**  
Aldar owns a unique cluster of hotels on Yas Island that benefit from their proximity to the airport and continued activation of Yas Island as the leisure and entertainment centre of Abu Dhabi, which most recently included the opening of Warner Bros. World, Abu Dhabi in July 2018.

[Read More on Page 12](#)

Aldar Annual Report 2018

## KEY DESTINATIONS



Aldar Annual Report 2018

Strategic Report





## Year in Review

Having a clear and concise year in review is a great way to tell your audience about the activities in the year.

### Opportunities:

- Include activities that cover more than just a financial story
- Make it **understandable**
- **Repurpose** this on your website and in other investor communications



# Year in review

## Example



Highlights of 2018 continued

### YEAR IN REVIEW

#### FIRST RESIDENTS ON YAS ISLAND AT ANSAM

Ansam is the first residential development on Yas Island to be handed over to residents, marking the establishment of a permanent population on the island.



JANUARY

#### LAUNCHES REFLECTION ON REEM ISLAND

The AED 440 million boutique residential development on Reem Island offers 374 homes, comprising studios, 1, 2 and 3-bedroom apartments.



MARCH

#### HANDOVERS BEGIN AT NAREEL ISLAND AND AL MERIEF

Nareel Island is a prime destination on one of Abu Dhabi's most exclusive islands and Al Merief offers land plots for UAE Nationals in Khalifa City.



APRIL

#### AED 1.7 BILLION ASSET ACQUISITION

The acquisition is one of the largest in the UAE and includes assets in the hospitality, retail, residential, education and infrastructure sectors.



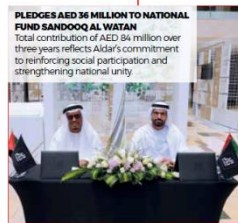
MAY



**JV BETWEEN ALDAR PROPERTIES AND EMAAR ANNOUNCED**  
JV will develop the world's next era of iconic destinations that will shape the UAE's ever-evolving skyline with a targeted national and international development pipeline.



**LAUNCHES ALGHADEER**  
Alghadeer is a AED 10 billion mixed-use master development located close to the border of Abu Dhabi and Dubai in Seih Al Seisrah.



**PLEDGES AED 36 MILLION TO NATIONAL FUND SANDOOQ AL WATAN**  
Total contribution of AED 84 million over three years reflects Aldar's commitment to reinforcing social participation and strengthening national unity.

#### COMMENCED HANDOVER OF WEST YAS VILLAS

Handovers were undertaken in phases and continued throughout 2018.



JUNE

#### LAUNCH OF ALDAR INVESTMENTS

Marks the creation of the region's largest diversified real estate investment company with AED 20 billion of assets.



SEPTEMBER

#### TAKES FULL OWNERSHIP OF KHDIMAH

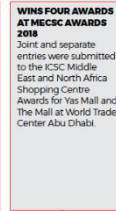
Acquires remaining 40% of leading UAE-integrated property services company Khdimah, taking Aldar's total ownership to 100%.



SEPTEMBER

#### WINS FOUR AWARDS AT MECSA AWARDS 2018

Joint and separate entries were submitted to the ICSC Middle East and North Africa Shopping Centre Awards for Yas Mall and The Mall at World Trade Center Abu Dhabi.



NOVEMBER

#### FIRST WOMAN JOINS EXECUTIVE MANAGEMENT TEAM

Appointed Bayan Al Hosary, Director of People & Performance, as the first female to join the Executive Management Team.



NOVEMBER

#### LAUNCHES THE CEDARS AT YAS ACRES

The newly named community within its flagship golf and waterfront development, Yas Acres is part of Aldar's strategy to create distinct communities within an overall masterplan.



#### WINS EMIRATISATION AWARD

Recognised by The Ministry of Human Resources and Emiratization for growing and developing our cadre of UAE Nationals.



**COMPLETES SUCCESSFUL REFINANCING WITH NEW 7-YEAR US\$ 500M SUKUK WHICH WAS SUBSEQUENTLY LISTED ON ADX**  
Demonstrates Aldar's ability to raise efficient long-term debt capital independently and successfully refinances Aldar's forthcoming debt maturities, with the listing marking the first corporate sukuk to be listed on the ADX.

#### CONTRACT AWARDED AT ALGHADEER

Appointed the main contractor for infrastructure buildings and early works package at the AED 10 billion Alghadeer project.







## Key financial highlights/At a glance

Key highlights of the company for the financial year should be clear and concise, and sit at the start of the Annual Report

### Opportunities:

- include **non-financial** information/data
- Make this section **bold**
- Let the **numbers** speak for themselves



# Key financial highlights/At a glance

## Example



### 2018 AT A GLANCE

4 continents, 6,318 global employees, 90.4 USD billion total assets

12.0% return on average equity, 1.38% NPL ratio, 17.2% capital adequacy ratio

### VISION MISSION VALUES

**VISION**  
To deliver world class products and the highest service quality to our customers  
To attract, develop and retain the best banking talent in the region  
The trusted Bank of choice, building on our core values, people and expertise

**MISSION**  
To support the communities in which we operate  
To adhere to our core values of passion, integrity, conservatism and knowledge  
By doing so, we believe that we will be able to achieve consistently superior returns to our shareholders

**VALUES**  
Passion  
Integrity  
Conservatism  
Knowledge

### ABOUT NBK

Founded in Kuwait City in 1952, the National Bank of Kuwait S.A.K.P. (NBK or the Bank) is the country's longest-serving local bank – and the first shareholding company in Kuwait and the Gulf Cooperation Council (GCC). Over 65 years, NBK has established itself as Kuwait's leading financial institution, according to its franchise across the Middle East and beyond, to global markets. Today NBK has more than 140 branches in 15 countries across 4 continents.

The bank has a reputation for experienced and stable management, with a clear strategy for strengthening its core business and expanding into new segments and markets. It has consistently achieved a highly competitive level of profitability, leading to robust shareholder returns, supported by high quality assets and a strong level of capitalisation. NBK offers customers a comprehensive range of financial products and investment services, with solutions for individuals, corporates and financial institutions. NBK is Kuwait's leading banking group in terms of assets, customer deposits, and customer loans and advances.

#### Ownership

Established by a group of leading Kuwaiti merchants, NBK has retained its core shareholder base since inception. Its shares have been listed on the Kuwait Stock Exchange since 1984, with a single shareholder (the Public Institution for Social Security) owning more than 5% of the share capital (5.53% as at 31 December 2018). NBK's market capitalisation as at 31 December 2018 was USD 16.8 billion.

#### Operations

With a truly international footprint, NBK's main operational focus is on the Middle East and North Africa (MENA) region. The Group also has presence in China, France, Singapore, Switzerland, Turkey, the United Kingdom and the United States. The Bank's core business segments are:

1. Consumer and private banking
2. Corporate banking
3. Islamic banking (through subsidiary Ibadayen Bank)
4. Investment banking and asset management (through subsidiary NBK Capital)



#### DIVERSIFYING FOR THE FUTURE

In 2018, NBK realized considerable progress in pursuit of its diversification strategy. Our diversification as a bank extends to our product and service offering, our growing reach in all existing geographies, our pursuit of new business avenues, and our commitment to a digital transformation that will form the foundation for our growth in the future. Learn more in this report.

P. 12



# Key financial highlights/At a glance

## Example



### Almarai at a glance

Founded in 1977, Almarai Company is the world's largest vertically integrated dairy company and the region's largest food and beverage manufacturing and distribution company. Headquartered in the Kingdom of Saudi Arabia, Almarai is ranked as the number one Fast Moving Consumer Goods (FMCG) brand in the Middle East and North Africa (MENA) region and is market leader in most of its categories across the Gulf Cooperation Council (GCC).

After more than 40 years of sustainable growth, Almarai continues to provide nutritious and healthy products to consumers of all ages, with success derived from the bedrock principle of 'Quality you can trust'. In addition to its high-quality dairy products, Almarai has diversified its product portfolio to include juices, bakery, poultry and infant formula under the major brand names Almarai, L'usine, 7DAYS, ALYOUN, and Nuralac. Meanwhile, the Company operates successful joint ventures with Chipita and PepsiCo.

As at 31 December 2018, Almarai's paid-up share capital amounted to SAR 10.0 billion, consisting of 1 billion fully paid and issued shares of SAR 10.00 each. Available and tradable shares by the end of 2018 amounted to 216 million, representing 21.7% of Almarai's total available shares, with a market capitalization of SAR 48.0 billion.

**Vision**

To be the consumers' preferred choice by leading in chosen markets with superior food and beverage products

**Mission**

To provide quality and nutritious food and beverages that enrich consumers' lives every day

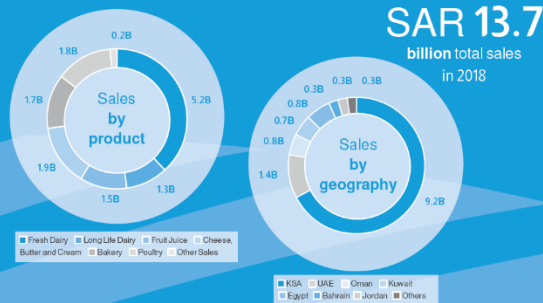
**Values**

Adaptable Sharing Passionate Innovative Respect Excellence

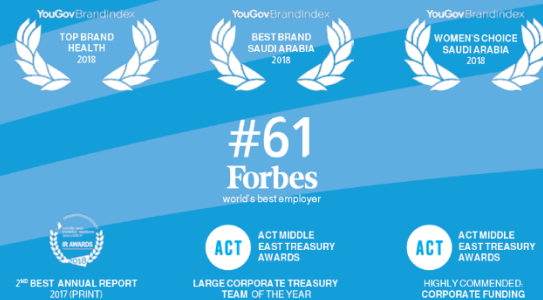
4

Almarai Annual Report 2018

### Where does our revenue come from?



### Awards in 2018



5



## Key financial highlights/At a glance

Example



Highlights of 2018

### 2018 FINANCIAL HIGHLIGHTS

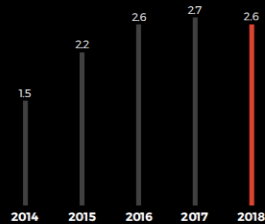
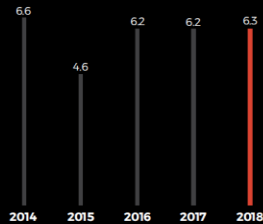
Aldar is the largest listed real estate group in Abu Dhabi by market capitalisation, and one of the region's most recognised master developers.

Revenue

**AED 6.3bn**  
(2017: AED 6.2 BILLION)

Gross profit

**AED 2.6bn**  
(2017: AED 2.7 BILLION)



Aldar Annual Report 2018

Off-plan development sales

**AED 2.6bn**  
(2017: AED 3.5 BILLION)

Total assets

**AED 39bn**  
(2017: AED 36 BILLION)

Net operating income from recurring revenue assets

**AED 1.6bn**  
(2017: AED 1.6 BILLION)

Earnings per share

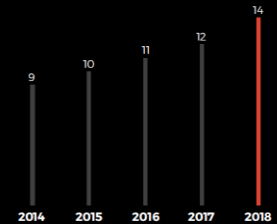
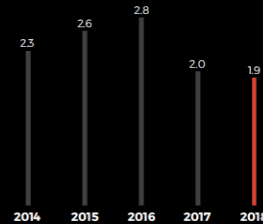
**24 fils**  
(2017: 25 FILS)

Net profit

**AED 1.9bn**  
(2017: AED 2.0 BILLION)

Dividend per share

**14 fils**  
(2017: 12 FILS)



Aldar Annual Report 2018

Strategic Report

1





## C-suite chapters

The c-suite's leadership, competence, balance of skills is vital for the delivery of a company's strategy.

### Opportunities:

- Demonstrate the company's values and purpose
- Show how **management and board** work together to achieve the strategic goals and delivery on shareholders expectations and interests
- Provide **personal leadership** statements



ST. JAMES'S PLACE  
WEALTH MANAGEMENT





Chairman's Statement

## C-suite chapters

### Example

Annual Report 2018

## Chairman's Statement

I am pleased to introduce Mobily's Annual Report for the year ended 31 December 2018. In it you will find a detailed discussion of our performance and activities through the year, together with our full audited accounts. This was a year for commencing the execution of our 3-year corporate strategy – RISE – which we introduced in 2017. We are proud of our achievements to date in delivering the strategic goals that we have set ourselves.

### Our market

Although 2018 was a volatile year for markets, stabilizing oil prices and an agreement on production cuts by OPEC members in the final quarter provided some basis for optimism for the future. An accompanying rise in consumer spending added to a sense that economic recovery could begin to consolidate and accelerate through 2019. It is clear that the reform strategies adopted by the government – Vision 2030 and the National Transformation Plan – are an important driver for this recovery

and will help pave the way for the country's future economic growth and diversity.

Growth in the telecommunications sector closely mirrors economic sentiment, but it also flows from the adoption of new technologies that are now being rolled out. With a continuing steady decrease in expatriates living in Saudi Arabia, the challenge for all participants in the sector is to rebalance their business models and tap into what increasingly sophisticated young Saudi consumers are seeking from their devices and networks. Mobily needs to be as agile as it can to provide them with the latest and most competitive solutions, to make us their operator of choice.

### Highlights in 2018

Following the acquisition of additional network spectrum from Communication and Information Technology Commission (CITC) in 2017, a further 2 blocks were won

in 2018 with 2x10 MHz of spectrum in the 800 MHz band available mid-year, and an additional 2x5 MHz of spectrum in the 1800 MHz band (added to the 2x15 MHz that Mobily already holds) available from 1 March 2019. These will support both our network expansion and its capacity. The rollout of our 4G services continued and tests were initiated on the launch – over a 2-year time horizon – of 5G as well as other intermediate technologies.

The role of government in stimulating the telecom sector cannot be overstated. Its increasing use of data centers, some of them belonging to Mobily, as well as the growing digitization of the Saudi economy, for instance in hospitals, is a driver that will enable the industry in Saudi Arabia to grow and to aspire to world-class status. Mobily's exceptionally strong network and data center offering has put it in pole position to take full advantage of this market



10



Chairman's Statement

“

*Mobily's exceptionally strong network and data center offering has put it in pole position for future growth*



trend, which has a crucial place in our path to future growth.

For Members of the Board and for myself personally, 2018 was also a milestone year that saw our reappointment by Shareholders for another 3-year term. Since our previous term began, we have had the privilege to oversee a great deal of positive change, which has resulted in the turnaround that Mobily has achieved after a difficult chapter in its history as a company. We are pleased to have been reappointed in our stewardship of the business and we look forward to seeing further positive change during the current term.

### Our commitment

Apart from the employment we offer, the services we deliver and the impact we have in leveraging technology for the nation, we continued to make significant contributions to charitable and philanthropic causes across the Kingdom, among them Ensan,

the Charity Committee for Orphans Care, the Saudi Children's Cancer Support Association (Soyady) and the Takaful Charity Association for Orphan Care (Madrinah). Meanwhile, Mobily's #Upfront campaign and platform – initially launched to our staff – went national in 2018, with a competition to identify and motivate talent among young Saudis focused on such areas as art and technology, football and cooking. These are our future employees, customers and leaders and we want to give them all the support we can.

### Our thanks

I would like to express my gratitude to the Board of Directors for their diligent and valuable support for the Company throughout the year. On behalf of the Board, I would also like to offer our deep gratitude to senior management for the endeavour and professionalism that they bring to building Mobily's today and tomorrow. Lastly, but by no

means least, I would like to thank our Shareholders for their ongoing support and trust. We have made great strides in our strategic journey and we look forward to further growth and success.

Sulaiman Al Gwail  
Chairman

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# C-suite chapters Example

## Chief Financial Officer's Review



For the period to 2 December 2018, we maintained significant sales growth in a competitive environment while progressing our business further across many fronts.

The Group secured three international partnership deals and continued to deliver double digit revenue growth. Profitability in the period was impacted by the investments in our platform to deliver future growth for both our existing and future partners. It was also impacted by share-based senior management incentive charges following the significant share price increase in the year and by additional depreciation following the opening of the new UK CFC. As a consequence the total before tax for the period was \$44.6 million (2017 restated: loss of \$9.8 million).

**IFRS 15**  
Ocado Group PLC has early adopted IFRS 15, the new revenue recognition standard, and this report on our performance in 2018 against the comparative period in 2017 is under the new standard. The adoption of the standard has impacted our underlying results, specifically the Solutions business in relation to the timing of recognition of certain initial and upfront fees.



See Alternative Performance Measures on pages 229 and 230

## Chief Financial Officer's Review

For a typical arrangement, the recognition of revenue commences when a working solution is delivered to our partners which is typically when a CFC or Store Pick goes live. Prior to this, no revenue is recognised. The period in which revenue is recognised is dependent on management's view of the estimated customer life as the contract typically has no defined period. The balance sheet will now include certain fulfilment assets and a significant amount of deferred income in relation to contracts where payments have been received from partners to undertake work prior to the recognition of revenue and planned outcomes being delivered. The net impact of the recognition of contract assets, certain facilities, contract costs and other movements has resulted in the Group restating consolidated net assets at 2 December 2017 by £23.1 million to £247.1 million (previously £17.0 million).

The adoption of IFRS 15 means that for the current Ocado Solutions arrangements, Ocado will recognise losses in the early years due to the

recognition of non-capitalised costs for these arrangements and no revenue recognised for the cash fees received. The shortfall in revenue in early years will be compensated for with higher revenue recognised in future years than previously expected. To aid shareholders' understanding, we will provide information on the fees received for Ocado Solutions for each accounting period. Note 1.5 to the consolidated financial statements outlines the relevant adjustments to the prior year Balance Sheet.

The current period results comprise 52 weeks ended 2 December 2018. For comparability purposes 52 weeks data to 2 December 2017, which includes the final trading week of the 2017 financial year, is used '2017' for comparison to the 52 weeks ended 2 December 2018 '2018', unless otherwise stated.

	FY 2018 (52 weeks) £m	FY 2017 (52 weeks) restated £m	FY 2017 (53 weeks) restated £m	Variance (52 weeks)
Revenue	3,388.0	3,403.8	3,404.3	12.3%
Gross profit	1,417.5	1,416.3	1,416.3	10.0%
Other income	71.9	59.5	62.9	20.0%
Distribution and administrative costs	966.1	471.3	480.0	19.1%
Share of results from joint ventures	3.0	1.6	1.6	100.0%
EBITDA*	153.3	51.0	51.1	295.3%
Depreciation, amortisation and impairment <sup>1</sup>	91.5	71.0	71.0	29.1%
Net Finance costs	12.5	13.5	12.7	17.4%
Exceptional items <sup>2</sup>	0.3	0.3	0.3	38.3%
Gross before tax	(44.4)	(3.5)	(3.3)	-

1 Revenue is a share value (not of shares) including charges for delivery but excluding relevant overheads and value added tax. The net charge to the Statement and loss charged to Revenue and other income is also included in revenue.

2 Exceptional items include the impact of depreciation, amortisation and impairment and other costs of results from joint ventures and other assets.

Revenue grew by 12.3% to £3,388.0 million in comparison to 2017 revenue of £3,403.8 million. This was due to an increase in the average number of orders a week and fees earned from our partnerships. Gross profit increased by 10.0% year on year, a higher rate than revenue reflecting faster growth in Solutions revenue with currently higher gross profit margins compared to Retail.

EBITDA\* of £153.3 million was 20.7% lower than the prior year. This was driven by increased measures to further develop the QSP platform, the opening of our new proprietary CFC in Eire and increased technology headcount to support our ongoing development. Higher share-based senior management incentive charges were caused by share price increases. This was offset by revenue from existing partners in the Solutions segment and increased supplier income within the Retail segment.

See Alternative Performance Measures on pages 229 and 230

## Trading review by segment Retail Performance

	FY 2018 (52 weeks) £m	FY 2017 (52 weeks) £m	FY 2017 (53 weeks) £m	Variance (52 weeks)
Revenue	1,417.5	1,417.4	1,344.1	12.0%
Gross profit	424.5	378.9	386.6	12.0%
Other income	19.8	49.2	50.4	21.9%
Distribution and administrative costs <sup>1</sup>	411.2	361.8	358.1	15.2%
EBITDA*	15.3	7.9	7.0	47.5%

1 Distribution and administrative costs include depreciation, amortisation and impairment for the period.

2 IFRS 15 was not applied to the prior period of comparison.

3 There were no items in the Retail segment under the new accounting standard, IFRS 15, and thus no IFRS 15-related PFIOT numbers are provided.

Retail revenue growth was driven by a 12.0% year on year increase in orders per week to 296,000 (2017 restated: 264,000), with the highest orders per week of 340,000. Active customers increased by 11.1% from 640,000 to 711,000. The average gross profit per item increased by 1.2%. This was offset by a 19.4% decrease in the average basket price at Ocado.com to £106.05. The general merchandise business growth was 13.0% driven by strong growth in Pet & Pets and Fabbed.com.

**Gross profit**  
The increase in Gross Profit was driven by higher order volumes and improved cost prices that led to an 12.0% increase in gross profit to £424.5 million.

**Other income**  
Other income increased by 21.9% to £39.8 million (2017 restated: £49.2 million) with supplier income increasing year on year by 19.4% to £37.1 million (2017 restated: £46.5 million) equivalent to 3.0% of retail revenue (2017 restated: 3.4%).

	FY 2018 (52 weeks) £m	FY 2017 (52 weeks) £m	FY 2017 (53 weeks) £m	Variance (52 weeks)
CFC	138.9	115.7	117.9	20.0%
Trading and Delivery	125.1	144.5	141.0	11.0%
Other operating costs	11.3	9.8	10.0	15.3%
Marketing	15.6	13.7	14.1	12.9%
Head office costs	19.2	15.6	16.3	18.2%
Total Retail Distribution and administrative costs <sup>1</sup>	411.2	361.8	358.1	15.2%

1 Revenue is a share value (not of shares) including charges for delivery but excluding relevant overheads and value added tax. The net charge to the Statement and loss charged to Revenue and other income is also included in revenue.

2 Exceptional items include the impact of depreciation, amortisation and impairment and other costs of results from joint ventures and other assets.

Revenue grew by 12.0% to £1,417.5 million in comparison to 2017 revenue of £1,417.4 million. This was due to an increase in the average number of orders a week and fees earned from our partnerships. Gross profit increased by 10.0% year on year, a higher rate than revenue reflecting faster growth in Solutions revenue with currently higher gross profit margins compared to Retail.

EBITDA\* of £15.3 million was 20.7% lower than the prior year. This was driven by increased measures to further develop the QSP platform, the opening of our new proprietary CFC in Eire and increased technology headcount to support our ongoing development. Higher share-based senior management incentive charges were caused by share price increases. This was offset by revenue from existing partners in the Solutions segment and increased supplier income within the Retail segment.

See Alternative Performance Measures on pages 229 and 230





## Market review and geography

Clearly explain the company's **business environment** and its position in the market to demonstrate your due diligence in understanding your **market** and its **trends**.

### Opportunities

- Present a 'Market overview' section to consolidate information that supports the strategic opportunity in the context of **macro trends**, **geopolitical** factors, **opportunities** and **risks**
- Key market data and developments provide **context** in terms of **strategic priorities**



# Market review and geography

## Example

GLOBAL FOOTPRINT

Company Overview Strategic Report Corporate Governance Financial Statements

### ENABLING SMARTER TRADE TO MAKE A BETTER FUTURE FOR EVERYONE

78  
Locations

40  
Countries

6  
Continents

DP World employs smart solutions and industry best practices to ensure that goods move as quickly as possible from the point of manufacture to the point of consumption. As a global trade enabler, we provide a growing portfolio of facilities and services across the world, from marine and inland terminals to industrial and economic zones, logistics solutions and maritime services.

Trade is the life force of the global economy and DP World is at its heart. Our Ports and Terminals division develops and operates trade enabling infrastructure including marine, inland and cruise terminals across all continents inhabited by humans, its a rich recipe for success.

#### 5. Berbera, Somaliland

Construction work on the multi-purpose port in the Republic of Somaliland began in 2018. The first phase consists of building a 400-metre quay and 250,000 square metre expansion, as well as the development of a new area to create a regional trading hub. The port will serve landlocked countries in the Horn of Africa, such as Ethiopia.

#### 2. Calais, France

DP World has expanded its footprint in France with the acquisition of Calais Port Authority and the Suez Canal Economic Zone was assigned to develop a comprehensive industrial zone in Solihna, Egypt, spanning 75 square kilometres. It includes the port of Solihna, port, linking the industrial zone to fuel investment and trade growth. The new industrial zone will include light and medium-sized industries, logistics and service activities.

#### 3. Solihna, Egypt

A joint venture with the Suez Canal Authority and the Suez Canal Economic Zone was assigned to develop a comprehensive industrial zone in Solihna, Egypt, spanning 75 square kilometres. It includes the port of Solihna, port, linking the industrial zone to fuel investment and trade growth. The new industrial zone will include light and medium-sized industries, logistics and service activities.

#### 4. London Gateway

A highlight of the year was the opening of the LPS London hub, one of the largest single infrastructure investments outside the UK in the Company's history with a capacity of 2.4 million TEU and a logistics park the size of 400 football pitches. Throughput grew by 38% in 2018 and with further investments, DP World Southampton, DP World London Gateway facilities offer a seamless solution with operational flexibility.

#### 5. Prince Rupert, Canada

The next phase of expansion of the DP World Prince Rupert Rail and Container Terminal on the Pacific coast of Canada has been assigned to DP World and the Port of Prince Rupert. The Phase 2B expansion, due to begin in mid-2019, will increase annual throughput capacity at Canada's second largest container terminal to 1.8 million TEU when completed in 2020. The project follows the 2017 completion of Phase 2A, which increased the terminal capacity by 1,000,000 TEU to a current capacity of 1.3 million TEU.

#### 6. Dakar, Senegal

DP World is planning to develop an integrated port, logistics and economic zone in Dakar. Linking the lower cost-of-ownership region and technology Port de Fouta will help enable the movement of goods to support the country's economic development, boosting non-resource exports. Alongside this, an economic impact study on DP World's Dakar Container Terminal noted that 31,000 Senegalese residents have been supported by the Company's activities with a 65% increase in Dakar's imports and exports between 2010 and 2015 as a result of infrastructure investments.

#### 7. Karachi, Pakistan

Qatar Investment Company (QIC) Terminal (QICT) capacity value is the only facility where customers can deliver goods from containers from either DP World Karachi or the MICT Terminal. This capability boosted the throughput to over 1.2 million TEU in 2018. QICT handles 40% of Pakistan's cargo volume, with major industrial zones around the port including a 3-million square metre Textile City and 80% of the nation's automotive plants within an 8km radius, and the shipbrokerage service to a terminal in Lahore.

#### 8. Pusan, South Korea

Pusan New Port Company (PNC), owned on a 50:50 basis with the Korean government, is the country's leading port gateway to the Pacific Ocean and key transportation hub in the region. Operating over 120 hectares, with six operational berths at 130-metre deep, PNC welcomes the world's largest container ships, including the new generation 20,000 TEU-class megaships. The terminal is fully linked to both road and rail to Seoul and other industrial zones and has an annual throughput capacity of over 5 million TEU. In 2018, it handled nearly 5.3 million TEU.



# Market review and geography

## Example

## DEVELOPING MINING FOR A BETTER FUTURE

Future demand for copper will be driven by continued urbanisation and rapidly rising adoption of renewable energy and electric vehicles.

### INCREASING MARKET DEMAND FOR COPPER

Copper is essential to modern society and a greener future. It can play a vital role in addressing some of the world's major challenges such as the availability of affordable and clean energy, air and noise pollution and sustainable urban development.

The metal is corrosion resistant, extremely malleable and an exceptional conductor of heat and electricity, making it a key input for efficient energy use and green technologies. For centuries, it has held a central role in humankind's development due to its unique combination of properties.

Today copper is a key component of everyday life from mobile telephones to the roofs, heating and electric wiring in people's homes. It is needed for power generation and transmission, motor vehicles, domestic appliances – such as air conditioning and televisions – and industrial machinery.

Since early this century, demand for the industrial metal has been driven by urbanisation, propelled by China where 50% of the population now lives in a city compared to only 39% in 2002. Urbanisation and industrialisation in India and Southeast Asian countries are expected to dominate copper consumption growth beyond 2020 as the rate of Chinese demand growth slows.

A growing middle class in emerging economies is also boosting sales of copper-rich consumer goods such as electronic devices and cars.

Going forward, copper demand growth will also be fuelled by renewable energy and electric vehicles pushed by the falling costs of these environmentally-friendly technologies and the world's need to find cleaner solutions for modern life.

The fact that copper is 100% recyclable only enhances its credentials as a metal able to contribute to the United Nation's Sustainable Development Goals.

### MARKET TRENDS

**BUILDING THE CITIES OF TOMORROW** 12  
Copper is a vital building block for urbanisation and greener, healthier buildings.

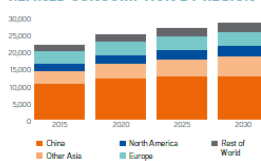
**CONTRIBUTING TO CLEAN AND AFFORDABLE ENERGY** 14  
Electricity generated from solar and wind will power copper demand growth in energy markets in coming years.

**ELECTRIC TRANSPORT GETS GREEN LIGHT** 16  
Electrification of transport is expected to take off in the next decade providing a significant boost to copper demand.

### REFINED CONSUMPTION BY REGION 2000-2040

The most important market is China, which accounted for approximately 48% of global copper consumption in 2018, significantly more than Europe and North America combined, which consumed 16% and 10% respectively. An estimated 15-25% of Chinese consumption is re-exported as manufactured products. However, longer-term growth over the next 20 years is expected to come predominantly from the rest of Asia.

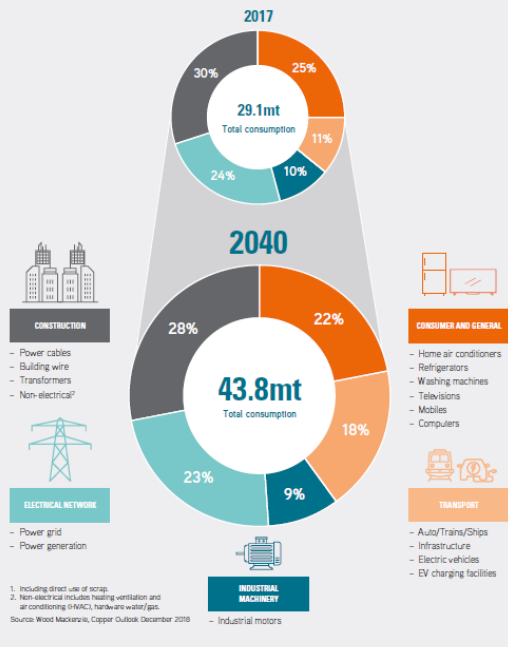
### REFINED CONSUMPTION BY REGION



Source: Wood Mackenzie, Copper Outlook December 2018

### GLOBAL COPPER CONSUMPTION BY MARKET SECTOR<sup>1</sup>

Growth in total consumption from 2017 to 2040 is estimated to be 1.8% per year and will reach 43.8mt, underpinned by electrification in transportation, buildings and manufacturing. In addition, governments continue to establish targets for renewable energy, which results in higher copper demand.



### BUILDING THE CITIES OF TOMORROW

COPPER IS A VITAL BUILDING BLOCK FOR URBANISATION AND GREENER, HEALTHIER BUILDINGS.

Today, 55% of the world's population live in cities, and this will rise to 70% by 2050. The global urban population is expected to reach 6.5 billion by 2050, with China and India accounting for the most growth. Being urbanised and well connected is a major driver for a sustained and strong copper demand. The world is also witnessing a growing demand for green buildings, which will drive the construction of sustainable, energy-efficient and low-carbon buildings. Copper is a key material in green buildings, used in wiring, plumbing, and roofing. Copper is also a key material in green buildings, used in wiring, plumbing, and roofing. Copper is also a key material in green buildings, used in wiring, plumbing, and roofing.

### WORLD URBANISATION PROSPECTS AS A PERCENTAGE POPULATION (%)

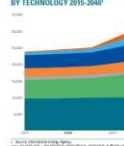


### CONTRIBUTING TO CLEAN AND AFFORDABLE ENERGY

ELECTRICITY GENERATED FROM SOLAR AND WIND WILL POWER COPPER DEMAND GROWTH IN ENERGY MARKETS IN COMING YEARS.

The new New Mexico will achieve a share of 10% of the world's electricity by 2050, and this will be a significant driver for copper demand. The new New Mexico will achieve a share of 10% of the world's electricity by 2050, and this will be a significant driver for copper demand. The new New Mexico will achieve a share of 10% of the world's electricity by 2050, and this will be a significant driver for copper demand.

### GLOBAL ELECTRICITY GENERATION BY TECHNOLOGY 2015-2040<sup>1</sup>







## Business operations review

- Describes the company's operations and daily activities vs performance

### Opportunities

- Shows the **value** generated by business operations and **segments**
- Addresses **operating procedures**, areas of **growth** and other factors that may affect the business
- Allows to review the company's operational **performance**
- Shows how well the company is prepared for **future challenges**





## Business operations Example



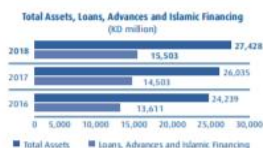
### OPERATING REVIEW

In 2018, the Group maintained its commitment to defending market share while diversifying and growing in new product and service categories.

#### Group performance

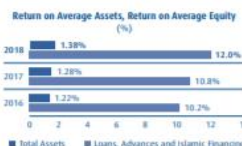
In the course of the year, NBK was successful in maintaining its leadership position in Kuwait across core business segments. This was achieved by an ongoing commitment to defending market share while diversifying and growing in new product and service categories – in line with our strategic objectives.

As at 31 December 2018, total Assets were KD 27.4 billion, as compared with KD 26.0 billion in 2017, representing an increase of 5.4%. Customer Deposits increased by 4.4% to reach KD 14.4 billion, and Customer Loans and Advances increased by 6.9% to reach KD 15.5 billion at year-end. Net Profit Attributable totalled KD 370.7 million, representing growth of 15.0% in 2017.



International Banking Group remained vital to minimising our risk and to diversifying our income in terms of both product and market. The total bottom-line contribution of our international banking operations was 30.4% – compared with 29.4% in 2017. Group Net Operating Income was KD 883.2 million, as compared with KD 822.7 million in the previous year, increasing by 7.4%.

Profitability metrics for the year were equally robust. In 2018, Return on Average Assets was 1.38%, compared to 1.28% in 2017. Meanwhile, Return on Average Equity was 12.0%, compared with 10.8% in 2017.



As outlined in the Bank's Group strategy, Islamic Banking is a key area of focus for continued growth. The Group achieved this through the operations of our subsidiary, Boudayan Bank. In 2018, Boudayan Bank's Total Assets were KD 4.3 billion – increasing from KD 4.0 billion in 2017. Net profits reached KD 56.2 million, representing a year-on-year growth of 17.9%. Boudayan Bank's board and management continue to benefit from the direct support of NBK's senior leadership and directors.

#### Consumer Banking Group (CBG)

In 2018, CBG maintained its leadership position and relevance to customers by enhancing its digital offering and through effective acquisition and retention efforts. The business' activities were centred on 3 key objectives:

1. Secure NBK's future growth by focusing on the youth (Shabab) and affluent customer segments, thereby maintaining our domestic leadership position
2. Maintain leadership in digital banking by launching new digital services and rolling out the digital transformation of our traditional branches.
3. Deliver on the 'product-segment continuum', with a focus on target segments supported by new products, services and a value proposition in line with customer needs

#### Revenue growth

Given the rising interest rate environment, CBG increased its focus on liabilities. In addition, consumer loans became a better-performing product through a focus on higher ticket sizes and improved acquisition. CBG's revenue growth was driven by Net Interest Margins (NIMs), fees and charges.

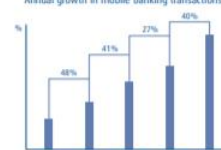
#### Banking channels

The bank has 68 branches in the country, with over 12,000 POS terminals including over 7,000 contactless POS terminals – an unrivalled footprint in the local market. We have experienced increasing adoption of contactless POS terminals, resulting from their ease of use for customers and merchants. NBK has the largest ATM network in Kuwait, operating 307 ATMs, of which 97 are CBGs.

We continue to experience high growth and adoption in digital transactions, coupled with decline or stagnation among traditional channels. This is aligned with our strategy of promoting the use of digital channels and for these channels to be driven largely by a mobile first approach. In 2018, we achieved strong growth in mobile transactions, which increased by 40% Y-o-Y.

Meanwhile, CBG's call centre is the largest financial call centre in Kuwait and has been successfully transitioning from a service centre to a sales and service channel.

#### Annual growth in mobile banking transactions



#### Human capital

NBK has been at the forefront of promoting Kuwaiti talent and in 2018 maintained its focus on developing Kuwaiti human capital. We are one of the largest recruiters in the country and our Talent Management Department ensures that employees are given the right type of training and opportunities to deliver to the best of their abilities. In the course of the year we provided several trainings across Products, Systems, Soft Skills and Leadership Development.

#### Technology and digitisation

Given that Kuwait has a young population, with 63% below the age of 30 and enjoys one of the highest internet and mobile penetration levels in the world, online and mobile banking are essential offerings. Digital transformation sits at the core of CBG's strategy for fulfilling the needs of its target customers.

Technology and digitisation have cemented their place at the heart of the CBG strategy. For retail customers, almost any process or transaction that does not relate to credit can be fulfilled online. We are moving towards a complete digital journey, from prospecting to fulfillment, while working to ensure security and regulatory requirements are met.

In diversifying the digital offer, the introduction of the Smart Wealth product in partnership with NBK Capital was an important step.

New features launched in 2018 included upgraded mobile banking, video chat through mobile and online banking, self-pay, a host of ATM enhancements (including cashless withdrawal with Civil ID or mobile number, NFC and QR updates).

Mobile banking upgrades in 2018 included new services such as an easy registration process, e-payment services (education, telecom, entertainment), quick pay, e-mail and phone number upgrade, managing transfer limits, managing cards during travel, fingerprint login for Android users, and adding beneficiaries. Meanwhile, NBK continued to improve services in branches with the introduction of bulk deposit machines for corporate clients.

In diversifying the digital offer, the introduction of the Smart Wealth product in partnership with NBK Capital was an important step. This will enable our affluent customers to digitally access a wealth management product.

In recognition of our leadership in digital banking products, Global Finance presented three awards to NBK, including Best in Mobile banking (Consumer, Kuwait), Best Consumer Digital Bank (Kuwait) and Best Mobile Banking App (Consumer, Kuwait). These awards are a testament to both the investment and commitment that we have made towards improving our digital offer and are a direct reflection of the quality of the services that have been added to our platform.



Strength in evolution

#### INDUSTRY POSITION

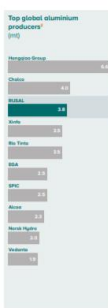
## Industry position

## Metals Segment

En+ Group's Metallic segment, represented by RUSAL, produced approximately 5.8% of the global aluminium output and about 6% of the world's aluminium production. RUSAL is a low cost, vertically integrated aluminium producer with core operations located in the Siberia of Russia. In 2018, the Company remained among the largest global producers of primary aluminium.

The Company is fully self-suff in alumina capacity with potential to additionally supply to third party about 75% self-sufficiency in bauxite nephelines.

Global aluminium demand increased 3.6% in 2018 year-on-year to 69.3 million tonnes. Global aluminium supply unchanged year-on-year and at 64 million tonnes in 2018 follow year-on-year rise in 2017. Global (including China) grew by 1.8% to 27.6 million tonnes, while China contracted by 0.8% to 38.4 million tonnes.



## #1

aluminium producer outside of China

Energy segment

WEN'S Energy segment, Eni-Group is the largest power producer in Russia in terms of installed capacity and the largest independent hydro power producer company in the world. Siberian Eni has a vast development of power factor that is much needed by the country's high energy-intensive industries. The power generation of the Unified Energy System of Russia in 2008 was 243.2 GWh with a total electricity production of 1,070.9 TWh.

The country's electricity is mostly dominated by thermal power generation sources (gas and coal). Thermal power generation accounts for 79.5% (20%) and nuclear (2%), while the Siberian region's capacity is roughly split between hydro (20%) and gas (72%), while the Siberian region's capacity is roughly split between hydro (20%) and gas (72%).

Hydro power generation is a key area of the Group's Energy business, with its assets primarily located in Siberia, in the Far East and in the Far North. The Group's hydro power generation producer in Siberia, contributing 36.4% of the region's total installed capacity. Furthermore, 79.5% of the Group's capacity is hydro power, which enjoys a preferable position in the market.

Cool prices are the main driver of Dry-shed market prices, as coal handling plants are the marginal producers. The output of hydro power plants (HPP), driven by weather conditions, is also relevant, as it affects the production volumes needed from combined heat and power (CHP) plants. In 2018, power production in Siberia increased by 1.3% year on year. The hydro power output in Siberia increased by 8.4% year-on-year, while thermal power and captive power plants decreased their electricity production by 4.9%. Electricity consumption in Siberia increased by 2.1% 2018, the average electricity spot prices in the second spot area increased by 2.7% from 865 RUB/MWh in 2017 to 888 RUB/MWh in 2018.

## #1

Independent hydro power  
generator by installed  
capacity

### OPERATIONAL PERFORMANCE

## Metals Segment

## Business overview

**Aluminium**

Russia remains top aluminium smelter with 1.5 million tonnes in two countries: Russia (nine plants) and Sweden (one plant). The Company's core asset base located in Siberia in Russia, accounts for 1.1 million tonnes of the Company's aluminium output in 2018. Among the BAZ and KAZ together account for 40% of Russia's aluminium production. The Company also owns a of a smelter located in Nigeria.

The Group's primary aluminium production for the year ended 31 December 2018 demonstrates a slight increase of 1.2% year-on-year compared to the previous year, totaling 3,753 million tonnes.

Production of value-added products (VAP) went down (down 16.4% year-on-year) to 1,573 million tonnes in 2018, with the share of VAP decreasing from 50.8% 42.0% in 2018.

**Alumina**

As at the end of 2018, the Group owned eight alumina refineries located in six countries: Russia (four plants), 2018 (one plant), Ukraine (one plant), Bulgaria (one plant), Russia (three plants) and

low plants. In addition, the Company holds a 20% equity stake in G&L, an ISO 9001 certified quality control company. Most of the Group's refineries have ISO 9001 certified quality control systems. In addition, most of the Group's ISO 14001 certified for environmental management and three refineries have ISO 26000 certified for social responsibility. The Group is committed to their health and safety management systems.

The Company's strong driving capacities help it secure a sufficient supply for expanding the Company's aluminum production capacity. The Company is leveraging favorable market conditions through first-party aluminum sales.

Aluminum production in 2018 was 7714 thousand tonnes in 2018 and 7273 thousand tonnes in 2017. Despite a reduction in production, the Company's Alkerm Aluminum Refining, Wittenbach, and Augstwerk Aluminum Refining, the launch of the new aluminum refinery in Germany made it possible to maintain production capacity.

**Bauxites and nephelines**

Bauxites and nephelines are key raw materials for alumina production. In 2018, the Company's bauxite production was 79% self-production and bauxite and nepheline production.

The Group operates seven bauxite mines. RUSAL's bauxite mines are located in four countries: Russia (two mines), Jamaica (one mine), Guyana (one mine) and Guinea (one mine). The Company's strong bauxite capacity helps secure a sufficient supply for expansion of its alumina production capacity and enables it to meet the fluctuating market conditions through three partly bauxite sales.

The Group's total attributable bauxite output was 13,847 thousand tonnes in 2017, an increase of 10.4% compared to 2017. A decrease in bauxite production at Windward resulted from poor conditions of the contractor fleet, while stabilisation of production at other sites, the acquisition of three additional locomotives and new wagoning after the accidents in October 2016 and April 2017 allowed increasing output. The total bauxite export of bauxite in 2018. During the year, a haulage equipment renovation project was finished at BCOB, ensuring a significant increase in production volume from 2017 levels at 1,560 thousand tonnes, achieved following the launch of the new class-1000 locomotives and the purchase of Frigate Bauxite and Alumina Company

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In April 2018, the new Vuhvuh-Shigoloksa mine deposit was commissioned at Timon Baulotte.

In 2018, a mining equipment renewal project was completed at BCGI.

In June 2018, Dian Chen mine was commissioned.

Launched mining of the new Vuhvuh-Shigoloksa deposit and the continuation of development of the existing Vuhvuh-Voronezhskoe deposit contributed to the increase in production in the Compagnie des Bauxites de Kinshasa successfully achieving its design goal of 3,451 thousand tonnes in 2018 with 3,451 thousand tonnes.

Securing high quality bauxite under adequate volumes and competitive prices for its alumina facilities is an important objective for the Compagnie des Bauxites de Kinshasa. An undertaking to locate new bauxite deposits in the Group's existing mine areas and new project areas. Each of these areas is operated as a new or once in a while.

As at 31 December 2018, the Group JORC certified bauxite resources totalling 1,834.4 million tonnes, of which 794.8 million tonnes were indicated. 630.5 million tonnes were inferred.

**Re-evaluation of resources** saw the new field development projects introduced at the Tura North Urals basin in 2015.

**Naphthenes**

RUSAL's naphthene suite grew by 4,294 thousand tonnes in 2018 to 4,352 thousand t.

**Downstream projects**

A new downstream division established by the Company in 2018 to develop and improve efficiency of producing value-added products from aluminium and naphthenes. The division brought together the Company's packaging materials, powder and wheel production facilities as well as its secondary alloys production.

**Fall and packaging**

The volume of aluminium produced by the company in 2018 amounted to 88.95 thousand tonnes of flat and 12.31 thousand tonnes (down 1.2

year-on-year) was caused by related restrictions that were in place at the time. The decrease of output amounted to 8.59 per cent (see table).

**Wheat business**

The production of durum wheat fell by 57.6% in the period of Russia's embargo. On year-on-year basis the volume amounted to 842,000 tonnes in 2017, measured against 2,000,000 tonnes of production output in 2016 compared to total 2017 world 19.2% or 1281 thousand tonnes. In the production of soft wheat, which is produced more abundantly by successfully sowing measures aimed at increasing the general yield of production, including the introduction of new technologies, reducing the interest rate paid for loans, and increasing the general effect of production. The extra volume of production amounted to 1.5 million tonnes to the consumers in time we saw demand for the SKAD brand Russian export target grain. The crop harvest in spring 2017 again registered an upsurge of wheat from China.

The production volume attributable to successful measures

By 2005, sanctions were in place at affected exports of 100,000 tonnes

Throughout 2019, Eir Group held a strategic 48.1% shareholding in RUSAL which allows the exercise of corporate control. In January 2020, Eir Group's shareholding in RUSAL was reduced to 48.1% and the company is 50:50 in a joint venture partnership with Glencore. The transfer of an additional 5.75% of RUSAL shares to Eir Group is scheduled for no later than February, 2020.

<sup>3</sup> Based on the Company's internal data and past companies' publicly available results, announcements, reports, and other information.

1. Test algorithm simulators currently in operation.

2. Pro-rata share of production attributable to the Group

3. Results output data are:

- o calculated based on the pro-rata share of the Company's ownership in corresponding license mines and mining companies. The total production of the Company's fully consolidated subsidiaries, BHP Company of Sugeng Inc., is included in the production figures, notwithstanding that minority interests in each of these subsidiaries are held by third parties
- o reported in net smelter off-take contracts.





## Key Performance Indicators

KPIs demonstrate performance of a company and what measures you use to benchmark success against previous years.

### Opportunities

- Show at least the previous year for comparison. Best practice is **3 years comparison**
- Include **non-financial** KPIs as well as financial KPIs
- Explain why these KPIs have been chosen to **give context** and **explain** the performance during the year



# Key Performance Indicators

## Example

SAUDI AIRLINES  
CATERING



الخطوط السعودية  
للتنويه

### Key Performance Indicators

#### Number of flights served

**220,129**

2018 230,139  
2017 200,000

##### Why it is important

Our main business is In-Flight Catering. One of the main factors to follow is the number of flights.

##### How we performed

The number of flights increased from 2017 by 10.1%.

#### Number of lounge guests

**2.59m**

2018 2.59m  
2017 2.57m

##### Why it is important

Lounge business is important to us. Number of guests is an important marker to follow in this business.

##### How we performed

The number of guests increased from 2017 by 1%.

#### Payout ratio

**99.1%**

2018 99.1%  
2017 94.5%

##### Why it is important

Our shareholders expect SACC to provide robust return on their investment.

##### How we performed

In 2018 our payout ratio was 4.6 percentage points higher than 2017.

#### Average meal price, including handling fee (SAR)

**35.7**

2018 36.7  
2017 35.7

##### Why it is important

In-Flight Catering service has two components: the meal itself and handling i.e. delivering the meals to airplane and collecting the waste after landing. This is the third important KPI when evaluating In-Flight Catering.

##### How we performed

Meal prices were on the same level as 2017.

#### Net profit after Zakat and income tax

**459.3m**

2018 459.3m  
2017 481.7m

##### Why it is important

Strong, continuous financial performance guarantees that we can continue our growth and ensure steady dividends to our shareholders.

##### How we performed

Our net profit after Zakat and income tax was 4.7% lower than 2017.

#### Dependency on revenues from Saudi Arabian Airlines

**62.5%\***

2018 62.5%  
2017 64.5%

##### Why it is important

While Saudia is and will remain our most important client, our strategy is to reduce this dependency.

##### How we performed

Our dependency reduced by 2 percentage points from 2017.

\* This figure includes Airline Equipment involving, which under IFRS 15 is categorized as an agent sales and hence, in financial statements presented on a net basis. However, here it has been presented on a gross basis in order to give a clear picture on our dependency.

#### Number of in-flight meals

**40.0m**

2018 40.0m  
2017 36.4m

##### Why it is important

Besides number of flights, it is important to follow the number of meals. Together these KPIs give a picture on how the business is developing.

##### How we performed

Number of meals increased from 2017 by 10%.

#### Earnings per share (SAR)

**5.60**

2018 5.60  
2017 5.87

##### Why it is important

Earnings per share is an important result indicator to external parties, but also to us. It tells us how well we meet shareholders' expectations.

##### How we performed

Our earnings per share decreased from 2017 by 4.6%.

#### Revenue

**2.04bn**

2018 2.04bn  
2017 1.95bn

##### Why it is important

Revenue growth is a sign of healthy growth of our business.

##### How we performed

Our revenue increased by 4.3% from 2017.



# Key Performance Indicators

## Example



### Key performance indicators

We hit our financial guidance set in May 2017 for adjusted EBITDA and exceeded it for normalised free cash flow. We fell short of our target for underlying revenue excluding transit due to demanding market conditions and actions we have taken to exit lower margin business in our enterprise divisions. We've achieved our customer experience goal for the year, but want to go further.

**Progress against our KPIs**  
We use four key performance indicators (KPIs) to measure how we're doing against our strategy. Our financial KPIs include the trend in underlying revenue excluding transit; our adjusted earnings per share; and normalised free cash flow. Customer service improvement is the key non-financial KPI for us.

Our KPIs are chosen because they reflect the key elements of our strategy. We use these to measure the variable elements of our senior executives' pay each year, as we've explained in the Report on Directors' Remuneration (see page 158).

We've outlined our performance against each KPI here, together with an explanation of how we define each measure.

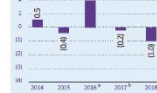
You can find reconciliations of the financial measures to the closest IFRS measure in the Additional information section on pages 288 to 290.

#### Underlying revenue excluding transit

Underlying revenue reflects the overall performance of the group that will contribute to sustainable profitable revenue growth. We exclude the impact of specific items, foreign exchange movements, acquisitions and disposals. We focus on the trend in underlying revenue excluding transit because transit traffic is low margin and is affected by reductions in mobile termination rates, which are outside our control.

Our key measure of the group's revenue trend, underlying revenue excluding transit was down 1.0% (2016/17 down 0.2%) which is below our outlook of broadly flat.

Trend in underlying revenue excluding transit  
Year ended 31 March



-1.0%  
2018 trend in underlying revenue excluding transit

**Performance**  
Our revenue performance has been impacted by challenges in our enterprise business, particularly in Global Services where revenue declined due to ongoing demanding market conditions and lower IP Exchange volumes and equipment sales in line with our strategy to reduce low margin business. We explain more about the performance of our customer-facing units from page 72.

\* Calculated as though ILS was not part of the group until 1 April 2016.  
\* Calculated as though BT had been part of the group from 1 April 2015.

#### Customer service measure

Right First Time is our key measure of customer service. This tracks how often we keep the promise we make to our customers. This could be about keeping to appointment times, completing orders when we agreed or fixing faults within an agreed period. As well as improving service and the customer experience, keeping our promises should mean that there is less work to do to correct our mistakes, and so reduces our costs.

Our customer service measure Right First Time was up 4.3% compared with up 6.4% last year.

Customer service improvement<sup>1</sup>  
At 31 March



+4.3%  
2018 customer service measure

**Performance**  
Improving the service we deliver is key. Our Right First Time measure was up 4.3% (2016/17 up 6.4%). We're making good progress in some areas and every customer-facing unit has improved its Right First Time scores. Despite these improvements, we're looking ahead at improving customer experience further. You can read more about our customer service on page 21.

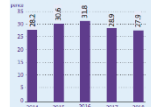
\* Cumulative improvement from 1 April 2015.

#### Adjusted earnings per share

Adjusted earnings per share is the adjusted profit after tax attributable to our shareholders, divided by the weighted average number of shares in issue. Being an 'adjusted' measure, it excludes the impact of specific items and so is not a comparable consistent way to measure the performance of our business over time.

Adjusted earnings per share decreased 3% to 27.9p compared with down 9% last year.

Adjusted earnings per share  
Year ended 31 March



27.9p  
2018 adjusted earnings per share

**Performance**  
Adjusted profit after tax decreased 3% to £2,773m this year reflecting our investment in mobile devices and customer experience, along with higher business rates and pension costs, partly offset by cost savings.

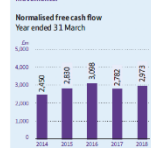
Adjusted earnings per share decreased 3% to 27.9p.  
The weighted average number of shares in the market was in line with the previous year.

#### Normalised free cash flow

Free cash flow is the cash we generate from our operations, less capital expenditure and finance costs. It represents the cash available to invest in the business, repay debt, support the pension scheme and pay dividends to our shareholders.

Normalised free cash flow excludes significant non-operational payments and receipts that distort the trend in our cash flow. So in calculating normalised free cash flow we take out the impact of specific items, purchases of telecommunications licences, pension deficit payments and the tax benefit from pension deficit payments.

We generated normalised free cash flow of £2,973m. This was up £131m compared with last year and is above our outlook of £2.7bn to £2.8bn due to favourable working capital movements.



£2,973m  
2018 normalised free cash flow

**Performance**  
The increase of £131m or 7% in our normalised free cash flow primarily reflects favourable working capital movements.

### Our non-financial performance as a sustainable and responsible business

Our integrated approach to reporting means that the requirements of the new Non-Financial Reporting Directive are addressed throughout the Strategic Report.

For ease of reference, information pertaining to each of the matters addressed by the new regulation can be found on the following pages: Human rights (page 43); Employees (page 49); Social (page 43); Environmental (page 54); Anti-corruption and bribery (page 57).

Additionally, non-financial matters have long been embedded in our business model as stakeholder outcomes on page 22, and within our principal risks and uncertainties on pages 57 to 70. Non-financial performance indicators are linked to our ambitions and foundation measures as a sustainable and responsible business and can be seen in the table below.

✓ Target met X Target failed > Ongoing

Our ambitions	2016/17 performance	2017/18 performance	Status	Page
<b>Creating a connected society</b>	By 2020, more than 9/10 people in the UK will have access to our fibre-based products and services	8.8 out of 10 UK premises passed	✓	47
	By 2020, to help 10m people overcome social disadvantage through the benefits our products and services can bring	3.9m people reached	>	47
<b>Creating a culture of tech literacy</b>	By 2020, to help 5m children to receive better teaching on computer skills	1.1m children reached	>	48
<b>Supporting charities and communities</b>	By 2020, to use our skills and technology to help generate more than £1bn for good causes	£195m raised for good causes	>	48
	By 2020, to inspire 60% (two-thirds) of our people to volunteer	31% of BT people volunteering	>	45
<b>Delivering environmental benefits</b>	By 2020, to enable customers to reduce their carbon emissions by at least three times the end-to-end carbon impact of our business	1.8:1 achieved	>	54
	By 2020, to cut our carbon emissions intensity by 87%, compared with 2016/17 levels	n/m (new ambition)	>	54
* Including our network costs				
<b>Our foundation measures</b>	2016/17 performance	2017/18 performance	Status	Page
<b>Investment in society</b>	Investment to accelerate our purposeful business approach to more than 7% of adjusted profit before tax (PBT)	1.03% of PBT invested	✓	47
<b>Customers</b>	Customer service to consistently improve RFT across our entire customer base	1.08% 5-year average	✓	21
	Employee engagement index to maintain or improve our relationship with our employees	6.4% improvement	✓	44
<b>Employees</b>	Employee engagement index to maintain or improve our relationship with our employees	71% favourable	✓	44
	Sickness absence rate to maintain or reduce % of calendar days lost to sickness	2.22% calendar days lost to sickness	>	46
	Ethical performance to maintain or improve our employees' perception of our ethical performance	76% favourable	✓	57
	Ethics training all employees to complete annual training on our ethics code including our zero tolerance approach to Anti-Corruption & Bribery	99.3% trained	✓	57
<b>Supply chain</b>	Ethical trading across our supply chain, with focus on human rights. Achieve 100% follow-up within three months, for all suppliers identified as high or medium risk, through our ethical standards questionnaire	100% follow-up within three months	✓	50
	Renewable electricity by 2020 to buy 100% of our electricity workload from renewable sources, wherever markets allow	77% bought from renewable sources	✓	55
	Carbon emissions by 2020 to reduce our supply chain carbon emissions by 29%, compared with 2016/17 levels	n/m (new target)	>	55

n/m = not meaningful

2018 is first year about these measures, our methodologies and how our results are calculated, take a look at [bt.com/deliveringpurpose](http://bt.com/deliveringpurpose)

\* Based on 2018, available data is not fully available for the year to date with the remaining information

1. 2016/17 average of 1.08% 5-year average





## Remuneration

Remuneration can be a very tricky topic to navigate. Communication throughout the year is key and showing how you have engaged with shareholders on the topic sends a powerful message of transparency.

### Opportunities


- Explain why remuneration is appropriate using internal and external measures, including **pay ratios** and **pay gaps**
- Ensure that remuneration policies are **long-term** and performance-related
- Be **clear** and **transparent** about remuneration.



# Remuneration Example

[Company Overview](#)
[Strategy Report](#)
[Corporate Governance](#)
[Financial Statements](#)

## REMUNERATION COMMITTEE



**Members**

Deepak Parekh (Committee Chair)

Mark Russell

Robert Woods

Muhammad Al Sweid

During 2018, the Remuneration Committee was comprised of four members all of whom are Independent Non-Executive Directors. The secretary to the Committee is Mohammad Al Hashim, Deputy Group General Counsel & Company Secretary.

**Committee Meetings**  
The Remuneration Committee meets formally at least twice a year and other wise as required. Attendance at the Remuneration Committee meetings is set out in the table on page 69.

**2018 Activities**  
During the year, the Remuneration Committee:

- reviewed the cash allowances, salary structures and total remuneration competitiveness of DP World's Executive Directors and senior management;
- reviewed the Company's Performance Delivery Plan and Long Term Incentive Plan design and rules and;
- reviewed the performance against objectives of Executive Directors and senior managers.

**Role of the Committee**  
The Remuneration Committee determines and agrees with the Board the framework and broad policy for the remuneration of the Group Chief Executive Officer and Group Chief Financial Officer and other members of senior management.

The Committee's policy is to review remuneration based on independent assessment and market practice.

The remuneration of Independent Non-Executive Directors is a matter for the Chairman and executive members of the Board. No Director is involved in any decisions as to their own remuneration.

The Remuneration Committee's responsibilities include:

- reviewing and providing the Board with a recommendation for a suitable remuneration framework for the Company;
- monitoring the level and structure of remuneration for senior management; and
- recommending adjustments where appropriate;
- keeping under review its own performance, constitution and terms of reference; and
- considering other matters as referred to it by the Board.

The full terms of reference of the Remuneration Committee can be found on DP World's website, [www.dpworld.com](http://www.dpworld.com).

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## REMUNERATION

**Executive Reward Policy**  
The reward policy for Executive Directors and senior management (Executive Committee and other senior management) is guided by the following key principles:

- business strategy support aligned with our business strategy with focus on both short-term goals and the creation of long-term value ensuring alignment to shareholders' interests;
- competitive pay ensure competitiveness against our target market;
- pay packages consistent, equitable and fair treatment within the organisation and;
- performance-related pay linked to performance targets, short and long-term incentive plans and the pay review process.

The reward policy for Executive Directors and senior management consists of the following key components:

**1. Market benchmark**

- the target market position is between median and upper quartile in a total remuneration band;
- for Executive Directors and senior management based in Dubai, practice and pay rates reflect the structure of the Dubai pay market, while at the same time ensuring competitiveness on an international basis. Variable pay is the reward and balanced against the total remuneration package and DP World's unique position of market leadership and its adherence to particular remuneration matters. This is subject to periodic review.

**2. Base salary**  
Total cash compensation based on level of responsibility as determined by applying a formal job evaluation methodology;

- reflects local practice in each of the geographies in which DP World operates, but is also set against common market policy positions and;
- reviewed annually on 1 April to take into account market pay movements, individual performance, relative to market in an individual role and DP World's ability to pay.

**Allowances and Benefits**  
Can either be cash or non-cash elements based on level of responsibility as determined by applying a formal job evaluation methodology;

- reflect local practice in each of the geographies in which DP World operates, but are also set against common market policy positions;
- for Executive Directors and senior management based in Dubai, cash allowances are a normal component of the package and typically cover accommodation, utility, transport and club members in line with Dubai market practice. Benefits include providing children's education expenses, travel assistance, medical and dental insurance and pension retirement benefits;
- Reviewed annually to ensure that DP World remains competitive within the market place and that it continues to provide the reward mechanism to aid retention in line with its ability to pay.

**Incentive Plans**  
The Company has adopted a short-term performance delivery plan and a long-term incentive plan for its Executive Directors and senior managers. Details of these plans are outlined below.

Performance Delivery Plan ("PDP")	Description	2018 Implementation
	Cash-based incentive plan to motivate, drive and reward performance over the operating cycle of one year.  The PDP combines business financial performance and individual performance objectives. Levels of awards, financial and personal measures and weightings will vary depending on the individuals role, geography and level of responsibility. For individuals outside the Executive Directors and senior management category, this principle is then typically cascaded throughout the hierarchy, operationalised based to line with local practices.  Appropriateness of the levels of awards, financial and personal measures and weightings are reviewed on an annual basis to ensure they continue to support our business strategy.  Payment is cash and is expected to be made in April each year for performance over the individual financial year subject to review and sign-off by the Remuneration Committee.	The PDP for the financial year ended 2018 (award to be paid in 2018) and 2017 (award to be paid in 2018) is worth a maximum of 250% of annual base salary. It is made up of two components: a financial component worth 70% of the overall award value and a personal component worth 30% of the overall award value.  The financial component is based on performance assessed against Specific, Measurable, Achievable, Relevant and Timely (SMART) objectives for 70% of the personal award and against the Financial Targets for 30% of the personal award. The objectives are particular to each individual role and can include financial objectives and more qualitative ones.  The personal component is based on performance assessed against Specific, Measurable, Achievable, Relevant and Timely (SMART) objectives for 70% of the personal award and against the Financial Targets for 30% of the personal award. The objectives are particular to each individual role and can include financial objectives and more qualitative ones.
Long Term Incentive Plan ("LTIP")	Cash-based rolling operation plan to motivate, drive and reward sustained performance over the long-term operating cycle of three years.  The LTIP reflects business financial performance only (level of awards, financial measures and weightings will vary depending on the individuals role, geography and level of responsibility). In addition to the Executive Directors and senior managers, employees performing the top 100 plus (internationally) are also eligible to participate in the LTIP in line with the same financial metrics as described for Executive Directors and senior managers with varying levels of award in line with their job role.  Appropriateness of the levels of awards, financial measures and weightings are reviewed on an annual basis to ensure they continue to support our business strategy.  Payment is cash and is expected to be made in April each year for performance over the operating cycle. Financial year subject to review and sign-off by the Remuneration Committee.	The LTIP for the 2016-2018 period is to be paid in 2019 and 2017-2020 award to be paid in 2020 and 2020-2022 award to be paid in 2022. Performance cycle is based on performance over three years assessed against two balanced measures with 70% of the award linked to a Return On Capital Employed measurement, 30% linked to our Earnings Per Share measures.  The LTIP for the eligible described above is worth a maximum of 100% of average annual base salary for the Executive Directors and a maximum of 75% of average annual base salary for the senior managers.



# Remuneration Example

DERWENT LONDON

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## REMUNERATION COMMITTEE REPORT



Claudia Arney  
Chair of the Remuneration Committee

### FOCUS AREAS IN 2019

- Remuneration Policy review and consultation with major shareholders and proxy voting agencies
- Review the wider workforce arrangements
- Review incentive performance conditions
- Prioritise the Committee's position in respect of post-employment shareholdings and malus and clawback

Derwent London plc Report & Accounts 2019

### ANNUAL STATEMENT

**Dear Shareholders,**  
As chair of the Remuneration Committee and on behalf of the Board, I am pleased to present our report on Directors' remuneration for 2019.

The Annual report on remuneration, describing how the Remuneration Policy has been applied for the year ended 31 December 2019 and how we intend to implement policy for 2019, is provided on pages 119 to 191.

Our remuneration policy was last approved by shareholders at the 2017 AGM and reviewed 98.4% of votes cast in favour. Further, I have reproduced the policy in full, we have provided a summary on pages 121 to 122. A copy of the complete remuneration policy can be found on our website at: [www.derwentlondon.com/investors/governance/board-committees](http://www.derwentlondon.com/investors/governance/board-committees)

#### Pay and performance outcomes in 2019

We will continue to be transparent about how pay and performance is reported at Derwent London and how decisions made by the Committee support the strategic direction of the business.

Executive performance is closely aligned to business performance, with a high proportion of total remuneration delivered through variable pay designed to reward achievement of long-term strategic targets. In remuneration context this means rewarding performance that reflects our strategic objectives which are discussed on page 151.

The Group's results for 2019 are outlined in the Strategic report. Despite continuing uncertainty, the Group has achieved a total property return of 6.0% and a total return of 5.3%. Both these financial KPIs are used in assessing the level of performance-related pay for the Executive Directors under the Annual bonus.

To ensure that remuneration reflects a balanced performance, a record of additional metrics is taken into account by the Committee when considering the strategic element of the Groups annual bonus scheme.

Taking into account performance against these financial KPIs and strategic targets resulted in a bonus of 102.75% of base salary being earned.

Performance share awards made to Executive Directors in 2019, under the Group Performance Share Scheme (PSS) will vest in April 2020. These awards will be subject to performance conditions over the three-year period from 1 January 2019 to 31 December 2021. The first element was based on total shareholder return (TSR) performance compared with that of a group of 12 peer entities companies. The second part was based on the Group's total property return compared to properties in the MSCI IPO Central London Offices total return index.

The combined assessment of these two performance measures concluded that 50.0% of the total award will vest.

The Committee considered whether it was appropriate to exercise discretion but it believes that the outcome of both the annual bonus and the PSS fairly represents the Group's underlying financial and share price performance and progress against strategic objectives over their respective performance periods.

Further information about the levels of executive remuneration earned in 2019, including details of performance against the relevant targets, are given on pages 122 and 123.

Governance

### Implementation in 2019

The Committee reviewed the performance and development of our Executive Directors during the year and decided to increase executive Directors' salaries by 7% from 1 January 2019. This increase is in line with the general cost of living increases across the Group. Annual bonus and long-term incentive (LTI) opportunities remain unchanged for 2019.

The Board reviewed the Non-Executive Director fees during the year (with the Non-Executive Director being present) and decided to increase the base fee by £5,000 to £47,500 and the Senior Independent Director fee by £4,500 to £35,000. The Board considers this a level of fees appropriate for a company of our size and complexity. The fee increase to Non-Executive Director fees was with effect from 1 January 2019.

#### Management changes

**Robert Rayne's retirement**

As announced on 22 November 2018, Robert Rayne will retire as Chairman on 17 May 2019 and will be succeeded by John Burns, the Group's founder and current Chief Executive, for a period of two years. There will be no payment for loss of office for Robert Rayne ceasing to be a Director. Robert Rayne's letter of appointment, currently due to expire on 26 March 2019, will be extended to his retirement date, 17 May 2019, with no changes made to its terms.

#### John Burns' remuneration as Chairman from 17 May 2019

John Burns will remain Chief Executive until 17 May 2019, when he will become Non-Executive Chairman. He will receive a fee of £250,000 per annum as Non-Executive Chairman when the Committee believes is an appropriate fee for a company of our size and complexity. Robert Rayne's current chairman fee has not been increased since 2007 and is positioned towards the lower end of the market for companies of our size.

John Burns will have access to a driver as well as ancillary support. He will also receive a contribution to his office expenses of £50,000 per annum.

#### John Burns' remuneration as Chief Executive to 17 May 2019 and treatment of outstanding incentives

Until he becomes Non-Executive Chairman on 17 May 2019, John Burns will continue to receive his salary, benefits and pension contribution in the role of Chief Executive. The table below provides information on the treatment of his annual bonus and LTI.

Annual bonus:	
• Annual bonus for the year ended 31 December 2018 will be paid in March 2019 based on performance against targets and is detailed on page 126. The bonus element will be released in accordance with the normal timetable.	
• Eligible to earn a pro-rata bonus for the period to 17 May 2019. It will remain subject to performance for the year ending 31 December 2019 and any bonus earned prior to 17 May salary will be paid in March 2020 but any portion earned above this level deferred into shares.	

#### PSP awards:

- John Burns will not be eligible to receive a PSP grant in 2019 or thereafter. In respect of his outstanding PSP awards, they will:
- Vest in accordance to their normal vesting timetable subject to the achievement of the relevant performance conditions.
- Be subject to the normal vesting period of two years, and
- Will be subject to a pro-rata reduction for the period 17 May 2019 to the end of the performance period.

**Paul Williams' remuneration as Chief Executive**  
Paul Williams will become Chief Executive from 17 May 2019 and will receive a salary of £500,000 per annum. There are no other changes proposed to Paul's benefits, pension, bonus or LTI package. Further information on Paul's current remuneration package can be found on page 123.

#### UK Corporate Governance Code

Following the publication of the 2018 UK Corporate Governance Code in July, the Board and its Committee have spent considerable time reviewing the new requirements. We already comply with the new Code in many areas and will be considering our approach to compliance in the remaining areas during 2019.

One area of immediate change, however, is that in the interest of fairness, the Committee has agreed that pension provision for any new Directors appointed to the Board from 2019 will be aligned to a significant proportion of the wider workforce at 15% of base salary.

The Committee's terms of reference have been updated to reflect the recommendations of the Code and is available on the corporate website.

The Committee welcomes all developments which aim to improve transparency in governance which is why we have voluntarily disclosed our CEO pay ratio on page 128.

#### Remuneration Policy review

The current remuneration policy was approved by shareholders at the 2017 AGM and is now approaching the end of its three-year term. During the coming year, the Committee will conduct a comprehensive review of its remuneration arrangements to ensure it remains closely aligned with the Company's strategic aims, vision, attitudes to risk and culture, and will consult with our major shareholders on any proposed changes.

Ongoing and transparent dialogue with our shareholders is important to us and follows the Committee's thinking on remuneration matters. I therefore encourage all of our shareholders to engage with us during the review process.

#### Shareholder engagement

Look forward to receiving your support at our 2019 AGM on Friday 17 May, where we will be available to respond to any questions shareholders may have on this report or in relation to any of the Committee's activities.

In the meantime, if you would like to discuss any aspect of our Remuneration Policy, please feel free to contact me through David Lawrie, the Company Secretary, (Singapore: +65 (020) 7603 3000 or email: [company.secretary@derwentlondon.com](mailto:company.secretary@derwentlondon.com)).

**Claudia Arney**  
Chair of the Remuneration Committee  
26 February 2019

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## REMUNERATION AT A GLANCE

To incentivise our employees to achieve our strategy, we provide market competitive remuneration which is both transparent and aligned with our culture.

### BOARD SUCCESSION

With effect from 17 May 2019, the Committee agreed:

- John Burns' Non-Executive Chairman fee will be £250,000 per annum
- Paul Williams' CEO base salary will be £500,000 per annum
- There will be no payments for loss of office for Robert Rayne

More information

### REMUNERATION POLICY REVIEW

The Committee will develop a post-employment shareholding policy and review its malus and clawback provisions in 2019. This will form part of the wider Remuneration Policy review. Pension opportunity for any new Executive Directors joining the Board from 2019 will be 15% of salary, in line with a significant proportion of our workforce.

More information

### GROUP PERFORMANCE IN 2018



### HIGHLIGHTS







## Risk

Risk Management is important to investors to understand what factors have a potential impact on the performance of a business.

### Opportunities

- Include a **heat map** to show that you have been through a process to identify and rate your risks
- **Avoid being generic.** Explain how the risks you have identified are important and moreover unique to your business
- Explain **how you mitigate** each principal risk and show your risk management process to **show good governance** is in place
- Tie your risks to **KPIs and Strategy**. Risks identified should have a direct correlation to your strategy



# Risk Example

## RISK MANAGEMENT

### OUR PRINCIPAL RISKS

The nature of our business is long term, which means that many of our risks are enduring in nature. However, risks can develop and evolve over time and their potential impact or likelihood may vary in response to internal and external events.

During 2018, we continued to monitor and review the principal risks relating to the Group's business performance that could materially affect our business, financial performance and reputation. While other risks exist outside those listed, we have made a conscious effort to disclose those of greatest importance to our business. A summary of our principal risks and how these could affect our strategic objectives is included below. The nature and management of these risks is further described on pages A1 to A5.

Accepting that it is not possible to identify, anticipate or eliminate every risk that may arise and that risk is an inherent part of doing business, our risk management process aims to provide reasonable assurance that we understand, monitor and manage the principal risks we face in delivering our strategic objectives. We employ controls and mitigation strategies to reduce these inherent risks to an acceptable level. Our principal risks will evolve as these controls and mitigating activities succeed

in reducing the residual risk over time, or as new risks emerge.

Many risk factors remain beyond our direct control. The Enterprise Risk Management Framework can only provide reasonable but not absolute assurance that key risks are managed to an acceptable level.

2018	Strategic objectives		
<b>Risk trend</b>	Drive profitable and sustainable growth through a world-class portfolio of assets and services	Develop new revenue streams through acquiring new customer segments and service portfolio	Maintain strategic advantage through investing in digital and innovative opportunities
<b>Increasing</b>	Industry capacity and competition Safety risks	Macroeconomic instability Geopolitical	IT systems and cyber threat
<b>Stable</b>	Major projects – development and planning Environmental Compliance Leadership and talent	Financial risks Legal and regulatory	
<b>Reducing</b>	Labour unrest		

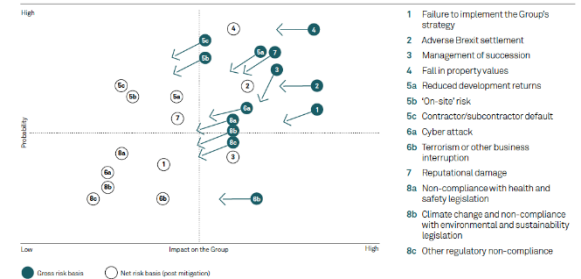
## Strategic report

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Key Strategic objectives	Movement during the year
1. To optimise returns and create value from a balanced portfolio	Risk increased
2. To grow recurring earnings and cash flow	Risk unchanged
3. To attract, retain and develop talented employees	Risk decreased

Potential impact	What we did in 2018	Further mitigating actions for 2019
<b>Strategic objectives</b> <b>1,2,4,5.</b> <b>Business model</b> Could potentially impact on all aspects of our business model <b>KPIs</b> • Total return • Total property return • Total shareholder return	<ul style="list-style-type: none"> <li>The annual strategic review was performed by the Executive Committee and reviewed at the Board's strategy meeting on 13 June 2018.</li> <li>The Board considered the sensitivity of our KPIs to changes in underlying assumptions including interest rates, timing of projects, level of capital expenditure and the extent of capital recycling.</li> <li>Three rolling forecasts and a budget for 2019 were prepared.</li> <li>In respect of our de-risking strategy, 77% (188,100 sq ft) of the Brunel Building and 74% (7,600 sq ft) of 80 Charlotte Street have now been pre-let.</li> <li>The Group's loan-to-value ratio remained low, its net interest cover ratio was 409% and the REIT ratios were comfortably met.</li> <li>The Board has committed to The Featherstone Building and Soho Place developments.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to de-risk the Brunel Building development through pre-letting strategy and monitoring of construction progress.</li> <li>Market The Featherstone Building and Soho Place to start de-risking these developments via our pre-letting strategy.</li> <li>Monitor our portfolio for further asset management activities and manage the vacancy rate.</li> <li>Extend income through renewals and repairs for properties not earmarked for regeneration.</li> <li>Examine opportunities for disposals.</li> <li>Focus on maintaining our credit rating of A, assigned by Fitch in August 2018.</li> </ul>
<b>Strategic objectives</b> <b>1,2,5.</b> <b>Business model</b> Could potentially impact on all aspects of our business model <b>KPIs</b> • Total return • Total property return • Total shareholder return	<ul style="list-style-type: none"> <li>A detailed review of our construction contracts was performed which included foreign currency impact.</li> <li>Put in place contingency plans with our principal contractors.</li> <li>Brexit risk assessments have been performed to understand how the different Brexit scenarios could impact on our business model and strategy.</li> <li>Monitored Brexit negotiations and discussed potential outcomes with external advisors.</li> <li>Monitored letting progress and demand for our buildings.</li> <li>As at 31 December 2018, the Group had cash and undrawn facilities of £274m.</li> </ul>	<ul style="list-style-type: none"> <li>Extend loan durations, where appropriate.</li> <li>Redemption or conversion of the unsecured convertible bonds.</li> <li>We will continue with our current controls and mitigating actions including operating the business on a basis that balances risk and income generation.</li> </ul>
<b>Strategic objectives</b> <b>1,2,3,4,5.</b> <b>Business model</b> Could potentially impact on all aspects of our business model <b>KPIs</b> Could impact on any Group KPIs	<ul style="list-style-type: none"> <li>We have continued to cultivate the 'talent pipeline' via the 'Fit for the Future' programme to identify key individuals and enable them, in future, to take on key roles.</li> <li>Appointed Clive Strickland, Non-Executive Director, as the Director responsible for gathering the views of the workforce (see page 62).</li> <li>A working group proposed ideas to the Executive Committee in November 2018 on how to address the higher priority areas arising from the latest employee survey.</li> </ul>	<ul style="list-style-type: none"> <li>The Remuneration Committee will be reviewing the effectiveness of the incentive schemes to retain and motivate the senior management team.</li> <li>Conduct the third biennial employee survey.</li> <li>Continue to support the Group in creating a working environment that promotes individual well-being and a respectful, inclusive and collaborative culture.</li> </ul>

## Effect of mitigation actions on our principal risks



# DERWENT LONDON

DP WORLD

middle east  
investor relations  
association

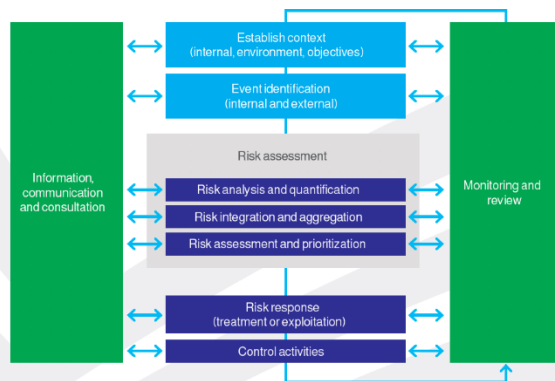


# Risk Example

manage risks effectively and efficiently, supporting the achievement of short- and long term objectives. The Almarai Risk Management framework is aligned to the COSO model components and the process defined in ISO 3100:2009. This cyclical process is supported by

Almarai's Enterprise Risk Management Department through the provision of education, training and monitoring, review and assessment through guidance to business management teams and the use of an ancillary toolset for recording, analyzing and reporting on risks.

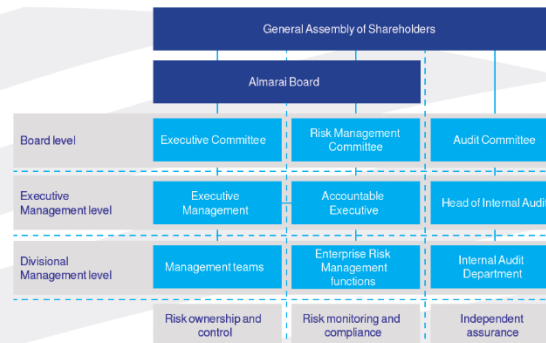
## Almarai risk management process



## Managing risk

Aligned with industry-recognized and adopted best practice, Almarai operates a three-lines-of-defense model to ensure accountability across the Company for governance, management and reporting of risks and the control environment.

## Almarai three-lines-of-defense model







## Environment, Social and Governance

The investment landscape is going through radical change and the importance of environmental, social and governance (ESG) to investors is growing.

### Opportunities

- **Be honest** about your ESG journey. Include as much audited information as possible
- **Be consistent** – Have metrics and standards that are comparable to other companies
- **Make it relevant** to demonstrate how ESG risks and opportunities will affect your company



# Environment, Social and Governance Example

SUSTAINABILITY AND IMPACT

## OUR WORLD, OUR FUTURE

DELIVERING ON OUR PURPOSE

In 2018, we made real progress in further embedding sustainability into our core business. There were notable achievements from our business units around the world as we continued to maximise the benefits global trade can bring to local communities through smarter and sustainable business operations.

### Our World Our Future

**Driving Improvement**  
During a challenging year in which the Dow Jones Sustainability Index (DJSI) changed its methodology, we improved our ranking to join the top 30% of competitors in our sector. We continue to score strongly in areas such as Corporate Citizenship, Customer Relationship Management, and Codes of Business Conduct. We worked with Corporate Citizenship to identify areas for improvement and develop a roadmap to make positive changes moving forward.

**Driving Excellence**  
Our network of over 80 sustainability champions around the world was recognised through numerous sustainability awards in 2018. These include:

- UK: Sustainability Influencer of the Year at the Planet Mark Awards 2018.
- India: Corporate Social Responsibility winners at the Seatrade Maritime Awards 2018.
- Argentina: Corporate Citizenship Award in the Sustainable Development Initiative category for 'Use of Energy' by the US Chamber of Commerce of Argentina.
- Sri Lanka: Corporate Social Responsibility Award winners at the VSD/Roadside Gold Mines Awards.

**Pakistan winners at the 2018 Corporate Social Responsibility Awards** organised by Pakistan's National Forum for Environment and Health.

**UAE: Employee Engagement/Behaviour Change winners at the 2018 Gulf Sustainability and CSR Awards ceremony.**

These awards and improvement in DJSI show how our people are demonstrating the Founder's Principles and are delivering our sustainability commitments and driving results. We recognise, however, that our business and the world in general continue to evolve at a rapid pace and we must continue to adapt and evolve to ensure our sustainability strategy is making a lasting and meaningful impact.

**A better future for everyone**  
Sustainability has long been a fundamental part of our DNA. To formalise our approach, we launched Our World, Our Future strategy in 2015, which articulates our commitment to our people, safety, the environment and society.

Since the launch of Our World, Our Future, there have been changes both internally and externally, the development of our Founder's Principles, the launch of the UN Sustainable Development Goals (SDGs) and our new brand purpose.

### UN Sustainable Development Goals

CORPORATE GOVERNANCE

## CHAIRMAN'S INTRODUCTION

"The implementation of good governance practices adds value to our performance, improves our strategic thinking, and allows us to run our business more effectively and better monitor the risks we face."

Good governance and risk management are core to our business achieving its objectives. The DP World business model integrates best practice in these areas and is the blueprint to achieving our vision as a Group to lead the future of world trade.

The Board remains committed to effectively leading the Company, ensuring that our business is managed prudently and steadily to achieve sustained long term value for our shareholders. The balance of skills and expertise on our Board will allow us to continue creating value as we expand our horizons and lead the future of world trade.

The implementation of good governance practices adds value to our performance, improves our strategic thinking, and allows us to run our business more effectively and better monitor the risks we face.

The Corporate Governance Report has been structured to align with the principles set out in the Corporate Governance Best Practice Standards as detailed in the Dubai Financial Services Authority (the "DFSA") Maltese Rules.

It sets out the actions that we have taken in 2018 to implement these practices.

**Leadership**  
A balanced Board with the necessary skills, knowledge and industry experience to lead our Group is key to achieving our strategic objectives and long term goals. Details of the role of the Board, the Directors' responsibilities, the Board composition and activities during the year are given in the Corporate Governance section on pages 66 to 71. The membership and work of the principal Board Committees are included on pages 75 to 79.

**Accountability**  
Our Corporate Governance practices lay down the framework for creating long term trust between us and all our stakeholders – our shareholders, customers, employees, suppliers, governments and communities. We will continue to engage with our stakeholders and encourage effective dialogue with our shareholders.

As the Board, we are ultimately responsible for determining the Group's risk appetite and its willingness to accept certain risks in pursuit of achieving the Group's strategic objectives. The Board is also responsible for maintaining appropriate risk management and internal control systems. During 2018, we continued to review the Group's principal risks that could have material effects on our business, financial condition and reputation. The principal risks and our approach to managing them are discussed on pages 38 to 45 of the Strategic Report and an outline of our internal controls and compliance procedures is contained on pages 72 to 73 in this Corporate Governance section.

We also report on the remuneration structures and their alignment with the long term interests of the Group on pages 80 to 83 in the Remuneration Committee Report.

We look forward to another prosperous year as we strive to be leaders in world trade by undertaking our business with the highest standards of good governance.

**SULTAN AHMED BIN SULAYM**  
GROUP CHAIRMAN AND CHIEF EXECUTIVE OFFICER  
22 MARCH 2019

Company Overview Strategic Report Corporate Governance Financial Statements

## OVERVIEW

DP World PLC (the "Company") is incorporated in the Dubai International Financial Centre (the "DIFC") and was admitted in 2007 to the official list of securities on Nasdaq Dubai. The Company must therefore comply with the regulatory obligations of the DIFC Markets Law and the various rules made by the DFSA thereunder (together with DIFC Markets Law, the "Nasdaq Dubai Rules"). The Board reviewed and monitored the policies and procedures in place during the year to ensure compliance with the Corporate Governance principles of the Nasdaq Dubai Rules as briefly summarised below.

The Directors believe that these rules, including the mandatory Corporate Governance principles enshrined in them and the best practice standards which support the principles, provide a robust basis on which to maintain corporate governance best practice for the benefit of the Company's shareholders.

**Board Committees Reports**  
A separate section of a company's Annual Report should, under the Nasdaq Dubai Rules, describe the work carried out by each of the Audit, the Remuneration and the Nominations and Governance committees in discharging their responsibilities.

See page 75 for the **Audit Committee Report**  
See page 76 for the **Nominations and Governance Committee report**  
See page 79 for the **Remuneration Committee report**

**Leadership**  
Principle 1  
The Board must ensure that there is an adequate, effective, well defined and well integrated risk management, internal control and compliance framework.  
Principle 2  
The Board must ensure that the responsibilities of the Board and senior management.  
Principle 3  
The Board and its committees must have an appropriate balance of knowledge, experience and adequate resources.  
To read more about our **Board's Leadership** see page 64

**Accountability**  
Principle 4  
The Board must ensure that there is an adequate, effective, well defined and well integrated risk management, internal control and compliance framework.  
Principle 5  
The Board must ensure that the rights of shareholders are properly safeguarded and that there is effective dialogue between the Board and the Company's shareholders.  
To read more about our **internal controls** see page 72 to 73  
To read more about our **shareholder engagement** see page 74

**Position and prospects**  
Principle 6  
The Board must ensure that any reports present an accurate, balanced and understandable assessment of the Company's financial position and prospects.  
See the **Statement of Directors' Responsibilities** on page 63

**Remuneration**  
Principle 7  
The Board must ensure that the Company's remuneration structure and arrangements are well aligned with the long term interests of the Company.  
To read more about our **Remuneration Committee report** see page 79

3 | DP World Limited has been voluntarily converted to DP World PLC with effect from 12 November 2018. Following the conversion of DIFC Law No. 1 of 2018.



# Environment, Social and Governance Example

## BAHRAIN

**ZAIN COMMUNITY ENGAGEMENT PROGRAM**  
Zain Bahrain's Community Engagement Program aims to instill a culture of volunteering into the company by providing employees opportunities to give back to the community. Established in 2018, the program aims to contribute to various areas such as health, the environment, gender equality, youth mentorship programs and capacity building. Through a well-managed engagement approach, Zain Bahrain was able to establish several partnerships with organizations that included National Bank of Bahrain (NBB), Salmaniya Hospital, The Cancer Ward, Bahraini Society for Training and Development, Women Tech Makers, and Bahrain Philanthropic Society. During the year, Zain Bahrain was able to provide 69 volunteering opportunities with more than 50 employees participating in the various programs.

**GOOGLE DEVELOPER GROUP WOMEN TECH MAKERS**  
In partnership with Google Developers Group (GDG) Muscat, Bahrain, Zain enabled a memorandum of understanding that aims to further Zain's leadership position in empowering women in the technology space. Through this partnership, Zain Bahrain will provide access to its facilities to host events and workshops, provide knowledge exchange opportunities with Zain employees, and encourage and promote entrepreneurship and innovation in the field of technology. In 2019, 25 women participated in the GDG Women Tech Makers events and workshops.



## IRAQ

**JAMEATY IN PARTNERSHIP WITH MINISTRY OF EDUCATION**  
In 2018, Zain Iraq launched the Jameaty initiative, which aims to fulfill the needs of the scientific and administrative departments in public and private universities. Through the initiative, Zain Iraq distributed 1400 printers, more than 100 Zaini devices, and 4000 i-Go devices. Additionally, a Go-modern was provided to high-achieving students in each university as a form of recognition for their hard work and accomplishments. Through this initiative, Zain Iraq was able to fulfill social opportunities and improve the quality of education for students attending universities in Iraq.

**KNOWLEDGE SPACE**  
Knowledge Space is a newly formed coding and technology developer space, which is a collaborative work space created to support the making, learning, exploring and sharing of knowledge in the fields of science, technology, engineering and math (STEM). This space is considered the first supporting facility for the ICT community in Kuwait. Through this facility, training programs are being offered in topics such as 3D printing and data science.



ANNUAL REPORT 2019

## KUWAIT

**ZAIN KUWAIT AND CODED**  
In order to address the skills gap occurring across the region, Zain Kuwait, in partnership with Coded, created a training program for young people, which teaches coding and technology using robots, arts and science, by utilizing the latest tools and technologies. The four-week program covered introductory topics to coding and robotics such as block coding, text coding, python, coding logic, sensors, building a computer, and robotic components. Some of the tools used included KANO Computer Kit, Sony KICO Kit, Lego Robot, Lego Mindstorms, Culexite, and Beolity. 39 students were trained through the Coded Junior Summer Camp.

**ZAIN KUWAIT PARTNERSHIP WITH LOVAC**  
Zain and LOVAC's strategic partnership is centered on the development of the Education and Youth sector in Kuwait. Through this partnership, Zain engages with various public, private, and non-profit organizations that cater to youth's talents and skills, ultimately contributing to the further progression of the national economy. Through the partnership, Zain has been able to support ICN, a social entrepreneurship program, offered in Kuwait in collaboration with Babson College in Boston. Another program established through this partnership is the I&I Internship Program, where talented young females are sent abroad to learn from international experts. Lastly, LOVAC AC Milan Soccer School is a program that has become one of the leading soccer schools in the region over the course of five years of existence. Since inception, Zain's partnership with LOVAC has been able to impact more than 12,000 students positively.

- Ken Social Entrepreneurship Program: 24 entrepreneurs
- Cultural Awareness Committee: 26 volunteers
- Media Awareness Committee: 27 volunteers
- Environmental Awareness Committee: 11 volunteers
- AC Milan Soccer School: 300+ registrations



## SAUDI ARABIA

**MITEF PAN ARAB STARTUP COMPETITION**  
Zain's annual partnership with MITEF Pan Arab Startup Competition aims to create opportunities for growth and development in the MENA region based on innovation and value creation. The competition, since its inception, has been held in Saudi Arabia, is divided into three main categories: Ideas, Startups, and Social Entrepreneurship. Each of these tracks has three winners who are awarded cash prizes and other benefits including training, mentorship, media exposure and networking opportunities. Various stakeholders supported the competition along with Zain KSA and included the General Authority for Small and Medium Enterprises, King Abdulaziz Economic City, King Khalid Foundation, Saudi Aramco Entrepreneurship Center, Wadi, Saudi Investment Bank, Microsoft, Oracle, and others.



**COOPERATIVE TRAINING**  
Zain Saudi Arabia is committed to providing cooperative training opportunities for undergraduate students. Upon completion of the program, Zain Saudi Arabia was able to hand pick top performers to become full-time employees, providing them meaningful employment. This year, the company hired 30% of those who completed the training program.



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09

## CORPORATE SUSTAINABILITY

The assessment of the board of Directors is also a means of improving performance and reducing constraints that may prevent the full implementation of their responsibilities. The board of Directors adopted a new, more robust and independent method of assessing the performance of the Board, Members and Committees, which is the third-party assessment. The third-party assessment is an independent evaluation conducted by a neutral, seasoned third party. The objectives of the assessment is to provide an unbiased assessment of the operations of the Board of Directors. This assessment helps the company to raise the efficiency and improve the performance of the board and its members and committees, which is reflected in the performance of the company as a whole. Such an assessment helps the Company to identify potential problem areas, improve its ability to manage risks related to Board performance, and measure board performance reduction against governance standards and applicable legal and regulatory requirements.

### RULE XI: FOCUS ON THE IMPORTANCE OF CORPORATE SOCIAL RESPONSIBILITY

The aim of the Corporate Sustainability Policy is to ensure that the Sustainability strategy and direction is embedded to achieve the company's goals and targets in a holistic and inclusive manner. The purpose of the policy is to provide an official statement that affirms Zain's commitment to achieving sustainable growth, socio-economic development, while ensuring that its business processes are monitored and reported as well as to ensure that relevant community deficits and challenges are being addressed in an effective manner. In order to do so, the company provides and focuses on capacity building, profit and sector empowerment, social innovation, job opportunities, poverty reduction, and address aspects of broad-based connectivity that can lead to the above: trafficking, violence, and exploitation of children. Furthermore, the company states its alignment and commitment to the Sustainable Development Goals which is a global agenda set by the United Nations. Therefore, the company adopted the responsibility matrix where the Chief Sustainability Officer is tasked to ensure that the company's Corporate Sustainability Policy is in line with international best practices and standards in both an internal and external basis.

As with any policy, a revision was done during 2019 to ensure key developments in the area of sustainability were captured and included in the policy. For Zain, the policy is a key document that provides guidance and frames the company's sustainability approach in relation to its business activities, establishment, and operations. The revision of the CS Policy was made in alignment to the latest developments that reflect issues associated with rapid changes and advancements in technology (Fourth Industrial Revolution and technology disruption) aimed to enable connectivity and associated socio-economic development.

### SOME OF ZAIN'S CORPORATE SUSTAINABILITY ACTIVITIES/INITIATIVE/PROJECTS INCLUDE:

#### BAHRAIN

**Zain Community Engagement Program**  
Established in 2018, the program aims to contribute to various areas such as health, the environment, gender equality, youth mentorship programs and capacity building. Zain Bahrain was able to establish several partnerships with organizations that included National Bank of Bahrain (NBB), Salmaniya Hospital, The Cancer Ward, Bahraini Society for Training and Development, Women Tech Makers, and Bahrain Philanthropic Society. During the year, Zain Bahrain was able to provide 69 volunteering opportunities with more than 50 employees participating in the various programs.

**Google Developer Group Women Tech Makers**  
In partnership with Google Developers Group (GDG) Muscat, Bahrain, Zain entered a memorandum of understanding that aims to further Zain's leadership position in empowering women in the technology space. Through this partnership, Zain Bahrain will provide access to its facilities to host events and workshops, provide knowledge exchange opportunities with Zain employees, and encourage and promote entrepreneurship and innovation in the field of technology. In 2019, 25 women participated in the GDG Women Tech Makers events and workshops.

#### IRAQ

**Jameaty in partnership with Ministry of Education**  
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ANNUAL REPORT 2019

### Knowledge Space

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#### KUWAIT

**Zain Kuwait and Coded**  
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#### SAUDI ARABIA

**MITEF Pan Arab Startup Competition**  
Zain's annual partnership with MITEF Pan Arab Startup Competition aims to create opportunities for growth and development in the MENA region based on innovation and value creation. The competition, since its inception, has been held in Saudi Arabia, is divided into three main categories: Ideas, Startups, and Social Entrepreneurship. Each of these tracks has three winners who are awarded cash prizes and other benefits including training, mentorship, media exposure and networking opportunities. Various stakeholders supported the competition along with Zain KSA and included the General Authority for Small and Medium Enterprises, King Abdulaziz Economic City, King Khalid Foundation, Saudi Aramco Entrepreneurship Center, Wadi, Saudi Investment Bank, Microsoft, Oracle, and others.

#### Cooperative Training

Zain Saudi Arabia is committed to providing cooperative training opportunities for undergraduate students. Upon completion of the program, Zain Saudi Arabia was able to hand pick top performers to become full-time employees, providing them meaningful employment. This year, the company hired 30% of those who completed the training program.

#### JORDAN

**Mobile Clinic for Children**  
Opening since 2019, Zain Jordan's Mobile Clinic provides health services for hundreds of children in remote areas across the Kingdom. The clinic offers free medical consultation, dental treatment and medication dispensed by a fully equipped and qualified medical staff. It provides children quality health care, the clinic facilitates parents' transfers to different health centers and hospitals under the Ministry of Health network of affiliates. Serving children up to the age of 18 years, the clinic treated 200,000 children in 2019.

#### Knowledge Space

In 2018, Zain Jordan provided connectivity to its knowledge spaces across the Kingdom. This initiative was undertaken in collaboration with the National Information Technology Center. It aimed to provide connectivity to Amman, Karak, Ma'an, Na'ur, Jordan Valley and Irbid. Through the Knowledge Space, approximately 8,000 people are estimated to have benefited from the services.



# Environment, Social and Governance Example

43 Introduction: Why sustainability matters to us

44 2018 Sustainability statements of intent

46 Our impact on our stakeholders

48 Our people

52 Sustainable supply chain

53 Sustainable product

54 Our environment

56 Our communities

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Our environment

Reducing waste, responsible operations, lowering emissions

Reducing waste

Turning production waste into energy, reducing amounts to landfill, reuse/recycle

KPI 1

Total % of waste recycled or reused

98.5%

KPI 2

100% of all packaging used in our manufacturing is from recycled sources

100%

Highly efficient production is one of our strategic aims as it gives us a competitive cost advantage. Over the years we've invested in efficient production machinery and in software that takes the consistency of changing production mix, and maximises the number of pieces that we can get from each sheet of material. We've also worked with our cardboard supplier to develop a new size of board that allows us to minimise cutting waste even further.

Nevertheless, the sheer scale of our manufacturing operations means that we still generate a lot of cardboard waste. At both of our factories, we have invested in baling machines which turn this waste to produce fuel. They allow us to reuse waste. They reduce our emissions and they save us the cost of the equivalent bought in fuel.

Our two plants, in an integrated way, also generate electricity from the waste. Our two plants, in an integrated way, also generate electricity from the waste. Our two plants, in an integrated way, also generate electricity from the waste.

Responsible operations

Energy-efficient facilities, efficient transport

Our factories, warehouses and transport sites meet or exceed 140,000 standard for Environmental Management. This ensures us that we have good processes in place. It also encourages us to look for further improvements in areas such as sustainable energy, waste and material management.

We have invested in a number of energy saving projects in our production facilities in 2018. The most significant of these involved installing all equipment at management systems and technology with modern energy efficient versions. These initiatives should give us an aggregate energy saving of around 2.4 million kWh per year, the equivalent of the annual energy use of 140 average homes.

In 2018, we converted 12,000 tonnes of waste into energy at our Hoxton and Blunston sites. This is enough to power a 100,000 homes for a year. In 2018, we generated 48,000 MWh of energy from our biomass boilers in 2018, equivalent to the average annual electricity consumption of 12,000 households.

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Our communities

Local community projects, Leonard Cheshire

Local community projects

Local involvement on a nationwide basis, thousands of donations, £1.4m contributed

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Local involvement on a nationwide basis, thousands of donations, £1.4m contributed

Leonard Cheshire

£750,000 donated, 31 Inclusive Kitchens installed

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Corporate Governance Report

INTRODUCTION FROM THE CHAIRMAN OF THE BOARD

INTRODUCTION FROM THE CHAIRMAN OF THE BOARD

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MEETING ATTENDANCE

The figures below show the number of meetings individual Directors attended during the year. The figures are shown as a percentage of the total number of meetings that the Director is eligible to attend.

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# Digital reporting





## Digital reporting: definition and best practice

Digital presents key information from the annual report in a microsite, which provides flexibility and interactivity and improves the overall quality of the report.

It provides efficient information distribution to investors, shareholders, analysts and other stakeholders who find it more convenient to read online.

### Opportunities

- REACH – reach wider audience as digital enhances brand awareness and recognition
- ENGAGEMENT – strengthen the engagement, reputation and confidence with investors and stakeholders
- INNOVATIVE – incorporate interactivity, attractive data visualization and good typography
- MEASURE IMPACT – see how many people have read the report and analyze the visitor behavior
- SUSTAINABLE – reduce carbon footprint



## Digital reporting: definition and best practice

### MEIRA awards criteria

#### DIGITAL

- > Navigation
- > User experience
- > Design
- > Adaptation from print version of report
- > Responsive (smart device and desktop friendly)
- > Searchability /accessibility
- > HTML version
- > Use of functionality (download centre)
- > Interactivity
- > Integration of relevant video
- > Integration of social media

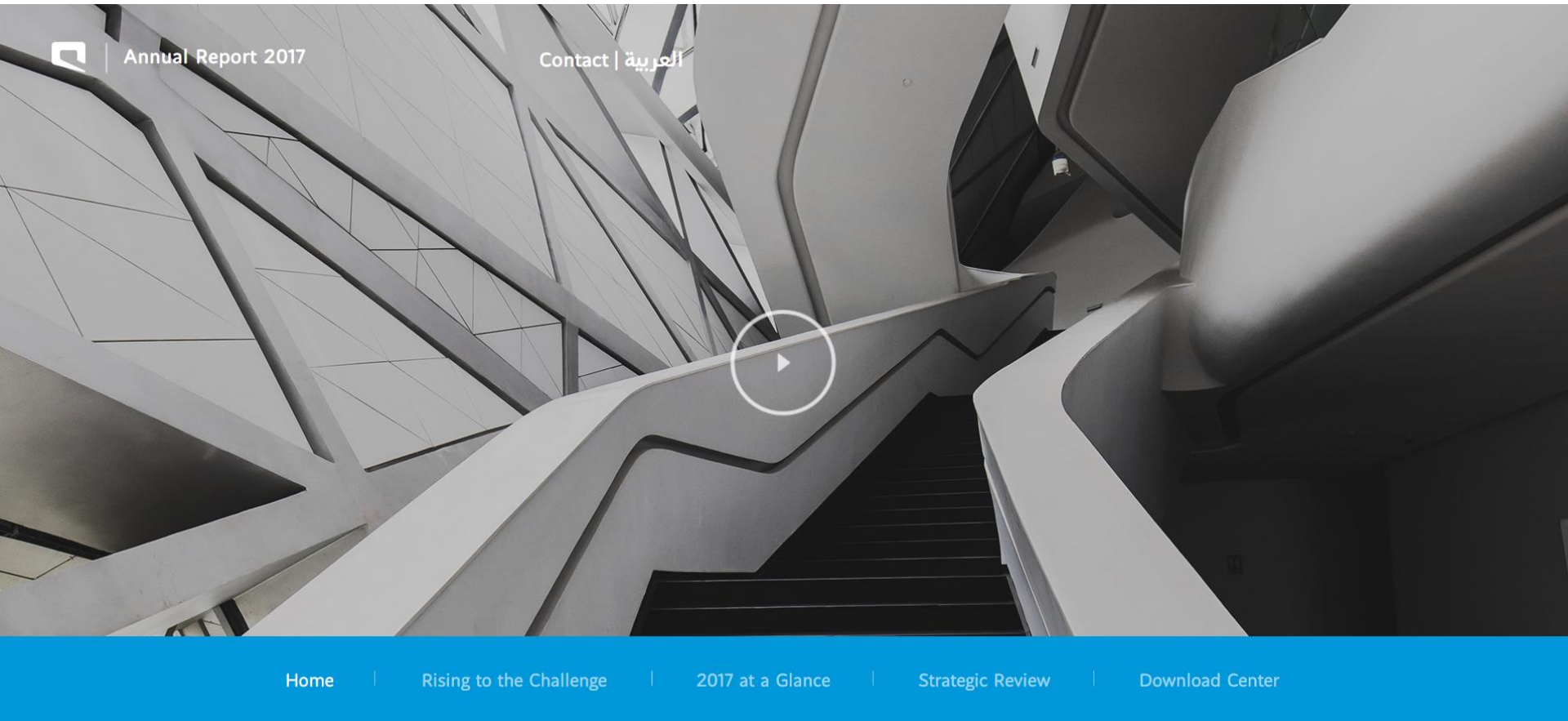
#### TOTAL DIGITAL SCORE

### Scoring

- 0: These criteria do not appear to have featured
- 1: Some evidence – basic reporting
- 2: Average – acceptable reporting
- 3: Good – quality reporting
- 4: Excellent – insightful reporting
- 5: Exceptional – best practice reporting



Digital reporting  
Example  
<https://ir.mobily.link/2017/en>







Digital reporting

Example

<https://2018.nbkannualreport.com/index.php/en>



ANNUAL REPORT 2018

FINANCIAL HIGHLIGHTS

2018 AT A GLANCE

CHAIRMAN'S STATEMENT

BUSINESS MODEL

STRATEGY

OUR FOOTPRINT

CONTACT

العربية

DOWNLOADS

**DIVERSIFYING FOR THE FUTURE**

Scroll down for more





# Digital reporting

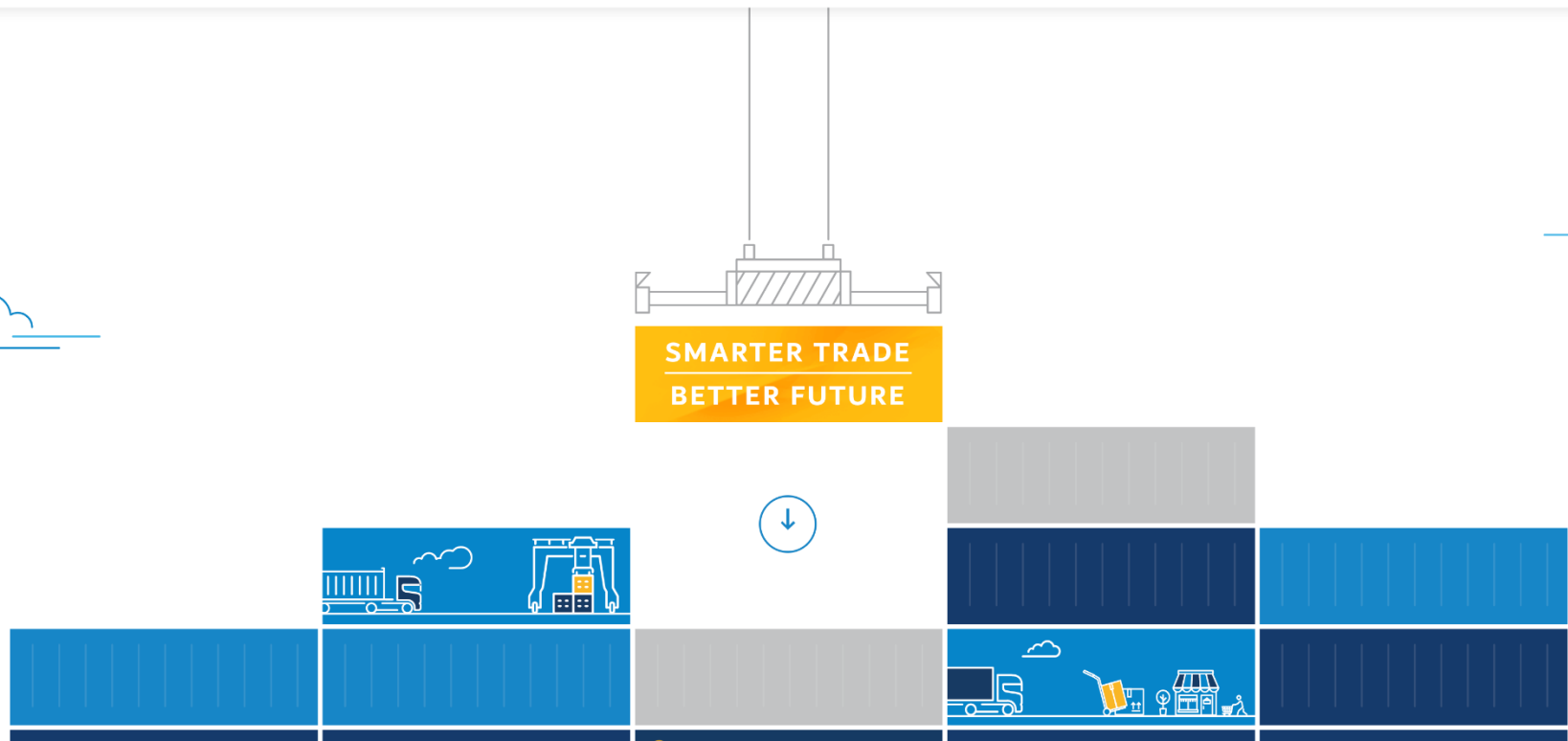
Example

<https://www.dpworld.com/ar.dpworld/index.html>

ANNUAL REPORT 2018 (PDF 1.2MB)

DP WORLD

MENU





## Digital reporting

Example

<http://www.saudiacatering.com/Annual-Reports/index.html>



Saudi Airlines Catering Company (SACC)

# Our business is in your journey

Full Annual report 2018 (PDF)





# IR Website: your first port of call with the investment community

John Gollifer, General Manager, MEIRA





## Why does it matter?

The investment community uses a company's IR website as their source of **primary information**.

According to Rivel Research, of 404 institutional investors interviewed globally, **77%** believe that a poorly designed or incomplete website has an unfavorable impact on the investment interest in the company.

Opportunities:

- Make it easy to find within your corporate website (Investor Relations tab)
- User-friendly design and easy to navigate
- It is up to date with all your latest information
- Promote your IR website in your investor presentations, annual reports, press releases, business cards, etc. in order to increase the traffic to your IR section.

It should always include the IR contacts



## IR Website: definition and best practice

### MEIRA awards criteria

#### a) Overall look and feel

- > Is there a consistent concept/message/theme to the IR Website content?
- > Is this clearly linked to the main website and any other supporting IR collaterals, including the Annual Report?
- > Is there a simple and clear design with linkage and flow throughout the IR Website?
- > Is the IR Website accessible and functional for all users, including mobile-friendly?
- > Above all, is there clarity and transparency of language used in the IR story/investment case?

#### b) Design and structure

- > Does the IR Website clearly set out upfront all contents at a glance?
- > Is the IR Website well-presented and on brand – logo, colours, typography?
- > Is the design user-friendly, easy to navigate/sign-posted, responsive and engaging?
- > Are there graphical devices used to summarise and update data?
- > Is there use of other digital channels/tools: webinars; video; IR Apps; social media, for example?

#### c) Content

- > IR story/investment case with what's in it for investors, dividend policy, for example?
- > Clear business model, strategy/risk assessment and easy-to-follow KPIs with timeline?
- > IR contact details
- > Investor presentations
- > Market announcements and press releases
- > Annual Reports and financial statements
- > Share price information
- > Chairman's statement?
- > CEO's statement?
- > CFO's Statement?
- > Year in Review?
- > Key financial highlights / at a glance?
- > Description of the business and operations?
- > Market review and geography?
- > Environmental, Social and Governance issues, including Remuneration Policy?



## Examples from regional IR websites

### IR contact details

#### Investor Enquiries

Redwan Ahmed

DP World Limited

Mobile: +971 50 554 1557

Direct: +971 4 808 0842

[Redwan.ahmed@dpworld.com](mailto:Redwan.ahmed@dpworld.com)



#### Investor Relations

Patrick Clerkin

Head of Investor Relations

Email: [ir@EmiratesNBD.com](mailto:ir@EmiratesNBD.com)

### Investor Presentations



FAB Analyst & Investor Day 2019

Presentation



Investor Presentation

2019

2018

2017

2016

Archive

### Announcements



Throughput  
Announcements

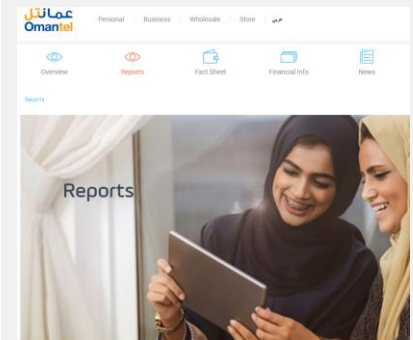
[FIND OUT MORE](#)



Regulatory  
Announcements

[FIND OUT MORE](#)

### Annual Reports



Annual reports



Find out more about Ooredoo's financial and strategic direction by downloading this detailed report.



## DXB Entertainments (2019 MEIRA Best IR Website)

<https://www.dxbentertainments.com/investor-relations/>

Home

Financial  
Information

Share Information

IR Events Calendar

Corporate  
Governance

Annual Report

IR Contacts

### Welcome to DXB Entertainments Investor Relations

DXB Entertainments PJSC  
Q3 2019 Investor Call  
14 November, 2019

Launched in 2014 and traded on the Dubai Financial Market (DFM) under the trading symbol DXBE, DXB Entertainments PJSC, is the Dubai-based owner of Dubai Parks and Resorts the regions leading integrated theme park destination.

Spanning 25 million square feet of land we bring together a diverse portfolio of world class brands and rides to offer pioneering entertainment in the areas of theme parks, retail and hospitality.

For us, fun means business and DXB Entertainments is set to become an industry-leading provider and producer of innovative and inspirational entertainment experiences in the Middle East.

0.21 AED

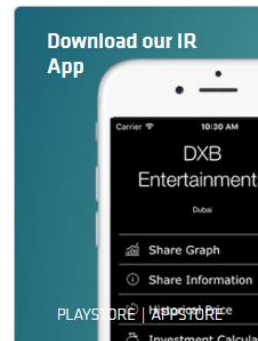
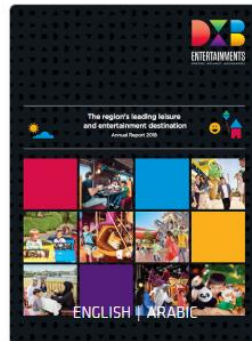
↑ +0.01 +2.44%

11/14/2019 13:55:37



Supplied by © Euroland.com

### Company Factsheet







## The IR App

The IR apps gives you the opportunity to optimize your content and interact with the investment community.

Most of the IR website providers can develop your IR app as an integrated feature from your IR website.

Opportunities:

- Cost-effective solution as it can be part of your IR website
- Easier to use during corporate events, roadshows, presentations
- Choose more tailored information than the whole website



# Q & A





# Thank you