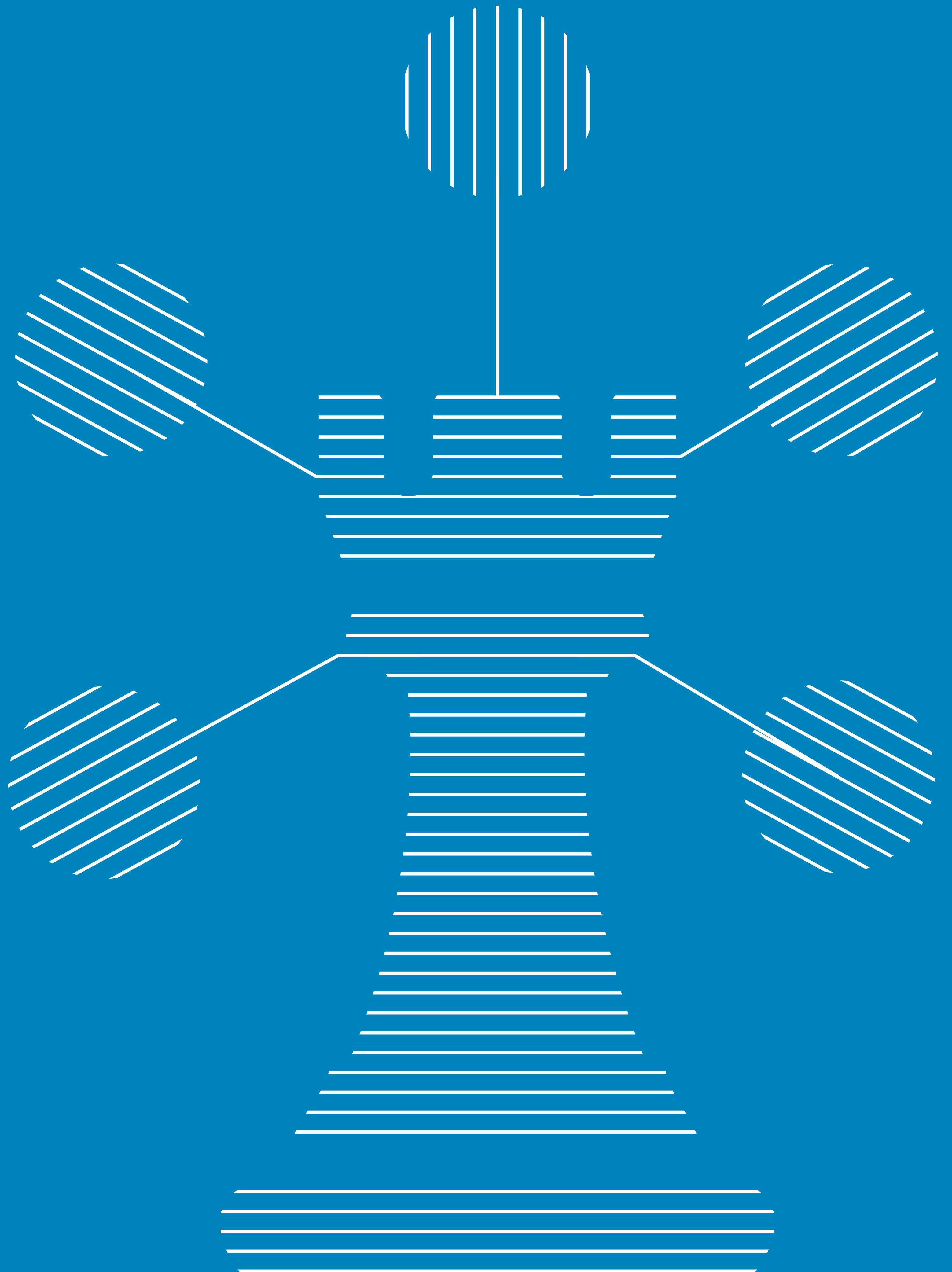


05

# SIDF Strategy

Enabling the Kingdom's transformation into a leading industrial force and global logistics platform





## First: Strategic Direction

During 2021, SIDF efforts focused on achieving the three major priorities of a number of initiatives and projects, complementing the strategic direction of the SIDF since 2018 in supporting it to fulfill its role as a financial enabler for the National Industry Development and Logistics Program (NIDL), throughout the following axes:



## 1.1 Client centralization and SIDF role as a financial enabler for the National Industry Development and Logistics Program through:



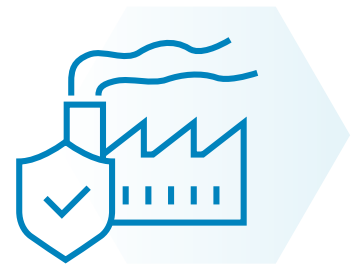
### Approval of funding for vital projects

In pursuit of its strategic objective of supporting the industrial sector in the Kingdom, SIDF approved SR 11 Billion in funding for several projects and disbursed a total of SAR 10 Billion this year, setting a historic record in its successful journey.



### Electronic Mortgage Service

SIDF sought to facilitate procedures further for its clients by cooperating with the Ministry of Justice to activate digital mortgage and promissory note services, in a leading step for government procedures in this field.



### Empowering the Future of National Industry

As part of its efforts to enable a vital and efficient future for the national industrial sector, SIDF launched the Saudi Advanced Manufacturing Hub (AMHUB) in collaboration with the World Economic Forum (WEF) to support advanced Saudi industrial entities by pooling global knowledge in the context of the Fourth Industrial Revolution.



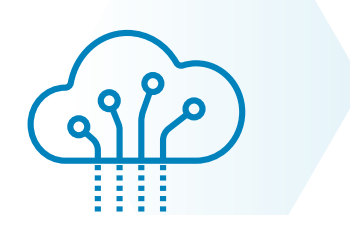
### SIDF won the award for implementing the initiatives of NIDL

SIDF's efforts in supporting and enabling the industrial sector in the Kingdom culminated when received an award to the entity that completed all its initiatives as part of the National Industrial Development and Logistics Program (NIDL) Awards.



### Launch of new financing products to empower the private sector

- Supply chain financing product in collaboration with SABB.
- Consultancy services product.
- Business incubator product in cooperation with King Saud University and Prince Sultan Development Fund.
- Logistic Land and Loan program with partners in the industrial and logistic services ecosystem.



### Digital Transformation of Customer Services

SIDF continued its successful digital transformation journey during 2021. As a result of its digital transformation efforts, SIDF was ranked by the Digital Government Authority among the top 5 financial and economic entities in the 9th digital transformation measurement; a continuation of the ecosystem's approach to providing the best services to clients. The Ministry of Industry and Mineral Resources launched a digital platform catering to investors through more than 26 services provided by the Ministry on the platform and another 26 services provided by other entities in the ecosystem.



### Launch the program "Leaders of Industry and Mineral Resources"

SIDF Academy, in collaboration with the Ministry of Industry and Mineral Resources, launched the program "Leaders of the Industry and Mineral Resources System", with the participation of several leaders of the industry system; In order to qualify leaders in the industry and mineral resources system, the program aims to promote the values of participatory leadership, innovation, and strategic thinking, and enable participants to secure the latest leadership practices in the industrial and mining sectors.



## 1.2 Working Environment



### Organizational Culture

Thanks to its efforts to promote and continuously develop the values of its institutional culture among all its employees, SIDF ranked in the top 70 in Asia on the "Great Place to Work" index for the year 2020. SIDF has also achieved the highest customer satisfaction rate since the index's launch with a rate of 75% in 2021, ranking fourth among all government entities participating in the Kingdom of Saudi Arabia.



### Training and Qualifying Programs

In coordination and cooperation with the SIDF Academy, SIDF has trained and qualified SIDF clients and staff through several specialized training programs and seminars, with the participation of over 4,430 beneficiaries from more than 300 government and private entities in the Kingdom.



**4430**  
Beneficiary



**+300**  
Governmental and  
Private Entity

### Knowledge Management

In line with its efforts to establish an advanced knowledge management strategy in its work environments, SIDF held its "Knowledge Month" event in November over the course of 15 days. A total of 24 workshops were held with a total attendance of about 750 participants, with the aim of enriching the knowledge of SIDF cadres.



**24**  
Workshop



**750**  
Participants

### Continuous Scholarship Program

SIDF continued to implement its scholarship program in an effort to qualify and develop national cadres by giving them the opportunity to advance their scientific and academic paths, granting one of its employees a Ph.D. scholarship for the very first time.



## 1.3 Sustainability and Transition to Institutional Work



SIDF continues to develop its work mechanisms in accordance with a robust strategy in order to ensure its sustainability and prepare for the transformation and transition to integrated institutional work, through the following:

### Ensuring SIDF financial sustainability

As part of its efforts to ensure financial sustainability, SIDF collected SR 6.6 Billion during 2021, representing 147% of its annual target, thus setting a new record in SIDF's collection history.

### Establishing Institutional Risk Framework and Risk Appetite Policy

SIDF has established an Institutional Risk Framework and a Risk Appetite Policy, which will enable it to address the risks it faces in a systematic and governance-based manner. In addition to receiving the ISO Business Continuity Policy certificate, SIDF was rated the most committed in terms of compliance with the requests of the General Secretariat of the National Risk Council regarding the business continuity system, with a compliance rate of 95%.

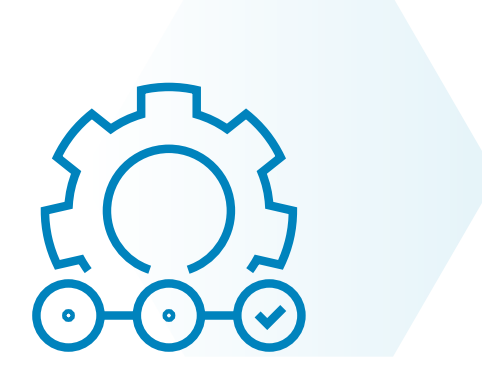
## Second: Advanced High-Quality Initiatives and Programs

In order to achieve its strategic vision, SIDF continued to innovate and launch several advanced, high-quality initiatives and programs, in addition to a range of specialized financing products, with the aim of supporting and developing various industrial environments in the Kingdom, including the following:



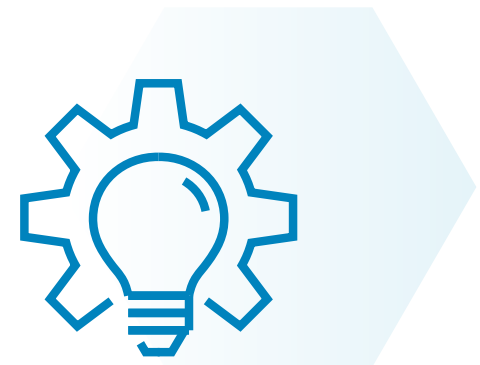
### "Land and Logistical Loan" Program

A new SIDF program dedicated particularly to investors in the logistics sector, in partnership with the Saudi Authority for Industrial Cities and Technology Zones (MODON), the Royal Commission for Jubail and Yanbu, and the King Abdullah Economic City. The program falls under the umbrella of SIDF's efforts to expand support for the logistics sector in the Kingdom by enabling investors in the sector to apply for a logistics loan and allocate a logistical plot of land for the project, as well as by facilitating procedures that allow investors to get support, thus helping them save time, effort, and money, and boosting investment in cities and industrial and economic zones.



### Supply Chain Financing product

In cooperation with SABB, SIDF launched a new financial product through which it aims at financing supply chains, to enable SIDF clients to obtain short-term financing that allows buyers to pay supplier bills in advance, with the aim of improving cash management for both buyers and suppliers. This product is characterized by a streamlined valuation process for longer buyer payment periods, enabling beneficiaries to settle supplier invoices in the form of advance payments. This in turn shortens the cash conversion cycle and enhances the relationship between buyers and suppliers.



### Industrial Business Incubator program

In partnership with King Saud University and Prince Sultan Bin Abdulaziz Development Fund, SIDF launched this program with the aim of establishing and supporting entrepreneurs' projects through a package of services dedicated to help industrial entrepreneurs establish and manage their start-up projects in a sound and comprehensive manner, from the early stages of establishment until they secure the necessary funding for these projects. The program also provides entrepreneurs with legal, accounting, finance, marketing, and engineering advisory as well as feasibility studies, and connects them to a network of potential investors for their projects.



### Consultancy Services

SIDF has launched a full range of consulting services aimed at achieving project sustainability for its clients, particularly entrepreneurs. Given the various challenges these enterprises face in the industrial sector, a team of specialized SIDF consultants provides support by studying the appropriate opportunities to improve performance and achieve growth and sustainability in these projects. SIDF's consulting services are provided by a specialized consulting team that works on developing business projects and improving their performance. Entrepreneurs are presented with a complete current situation analysis that identifies their enterprise's strengths, weaknesses, and opportunities for growth, and provides a set of applicable scientific recommendations and solutions to improve performance as required.



### Ask an Expert Initiative

Launched in collaboration with Monsha'at, this initiative provides immediate technical advisory from SIDF experts to investors in all SIDF-funded sectors via Nawafth, a platform created by Monsha'at with the aim of linking entrepreneurs to experts. The initiative provides all investors (SIDF and non-SIDF clients) with easy and quick access to SIDF's specialized experts in all supported sectors.



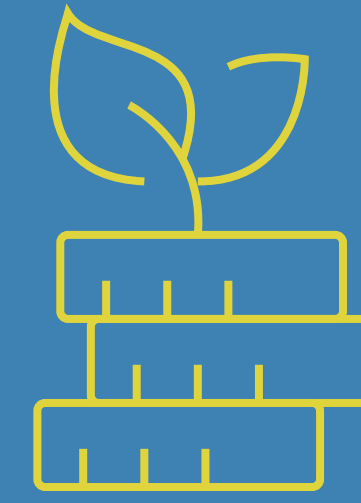
**6**  
Consultancy Services  
during 2021



# Third: SIDF Objectives and Performance Indicators

## SIDF Objectives for 2021

SIDF continues to apply best management and operational professional practices in accordance with the highest global standards of quality and efficiency in this field, in order to achieve its following strategic objectives:



### Increased economic impact of SIDF-funded projects

To maximize the economic impact of SIDF-funded projects, SIDF created a mechanism that measures the economic impact of SIDF-funded projects based on several criteria, including impact on GDP, local content rate, and other economic criteria, in alignment with the general framework of NDF.



### Stimulate investment in national priorities

SIDF works to stimulate private sector investments in national priorities and strategic sectors, to help advance the Kingdom's position as a global industrial and mining power in logistical services.



### Ensure Financial Sustainability

SIDF aims to enhance its long-term financial sustainability by improving financial efficiency and disbursement and collection processes.



### Achieving excellence in customer experience

SIDF aims to achieve excellence in customer experience; by linking the success of SIDF to the success of the client.



### Improving staff experience

SIDF is looking to establish a comprehensive approach that contributes to enhancing its work environment and improving staff experience.



## SIDF Key performance Indicators for 2021

In order to continuously develop performance and maximize the impact and achievement of all its activities and events, SIDF develops accurate and systematic performance indicators that represent its achievements and growing impact, as shown below:

#	Strategic Objectives	#	KPIs	Target 2021	Achieved 2021
1	Increasing the economic impact of SIDF-financed projects	1.1	The mechanism for calculating a baseline for indicators of the economic impact of SIDF projects	Yes/No	Yes
		2.1	Percentage of approved loans for 2021	100% (SR 11 Billion)	101% (SR 11.1 Billion)
2	Stimulating investment in national priorities	2.2	Percentage of the number of loans approved for SMEs from the total number of SIDF-approved loans for 2021	80%	74% (87/117)
		2.3	Percentage of amounts disbursed for 2021	100% (SR 10 Billion)	102% (SR 10.2 Billion)
3		Ensure SIDF financial sustainability	3.1	Percentage of amounts collected for 2021	100% (SR 4.5 Billion)
4	Achieving excellence in customer experience	4.1	SIDF customer satisfaction index	65%	61%
5	Improving employees experience	5.1	Employee engagement index	70%	75%

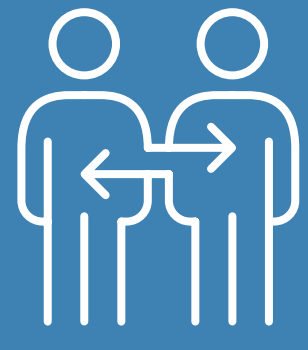






## SIDF Targets for 2022

To complement its efforts over the past few years, SIDF work in 2022 will be based on the following axis:



### 1 - Customer Enablement

SIDF seeks to design client-centric programs, products, and services, in order to ensure that clients can reach all their objectives throughout their journey with SIDF. SIDF continues on this journey to become a trusted entity for all its clients. In 2022, SIDF's thematic focus will be on the following objectives:

- Enabling the potential clients by providing them with proactive and innovative support along with other entities.
- Activating the necessary tools that boost SIDF's decision-making process and awareness, while working on developing products and services.
- Continuously improving the quality of data at SIDF to leverage in the future to empower clients with knowledge.



### 2 - Institutional Work

While developing its many products during the past few years, SIDF established new administrations and departments specialized in top-grade documentation of SIDF activities and proper data storage. In this context, SIDF will focus in 2022 on the following objectives: enabling the potential clients through proactive and innovative support along with other entities.

- Developing SIDF's five-year strategy will help it achieve its development objectives in cooperation with the private sector.
- Enhancing the quality of work at SIDF to achieve institutional excellence through documentation and data storage to fill existing gaps and the continuous improvement of planning and budget.
- Maintaining knowledge management efforts, accelerating content creation to enhance data sustainability, and building SIDF's institutional memory. All of these efforts will be the cornerstone for a new era of data analysis in SIDF, which will contribute to enhancing the quality of internal operations.



### 3 - Work Culture

SIDF always seeks to ensure a strong work culture in the best possible work environment, through:

- Building an innovation lab and enhancing design tools for SIDF staff.
- Continuing to improve the SIDF work environment and culture through several initiatives, including the recognition of staff with stellar professional and leadership competencies, thus contributing to enhancing its institutional values.



#	Strategic Objectives	#	Key Performance Indicator	Target 2022
1	Increased economic impact from SIDF-funded projects	1.1	Average economic impact scores for approved projects	Promising
2	Stimulating investment in national priorities	2.1	Percentage of approved loans for 2022	100% (SR 12 Billion)
		2.2	Percentage of the number of loans approved for SMEs from the total number of SIDF-approved loans for 2022	80%
		2.3	Percentage of amounts disbursed for 2022	100% (SR 6 Billion)
3	Ensure financial sustainability	3.1	Percentage of amounts collected for 2022	100% (SR 6 Billion)
4	Achieving excellence in customer experience	4.1	SIDF Customer satisfaction index	65%
5	Improve employee experience	5.1	Employee engagement index	75%





# Fourth: Digital Business Development

The Fund continues to invest the best possible means and resources to develop its work in an integrated manner in such a way as to enable it to achieve all its strategic objectives; through the following:

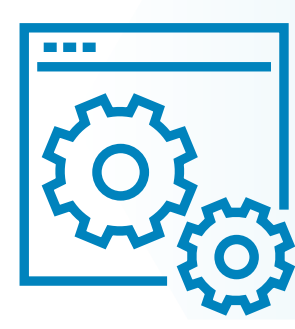
## 4.1 Digital Solutions & Applications

As part of the Digital Transformation Plan and the IT Organise the House Program, SIDF continues to support business departments through the IT department to develop and implement new solutions that boost SIDF operations, reporting, and communications through:

### Organize the House (OTH) program



Operational excellence of information technology



Automation and Creativity



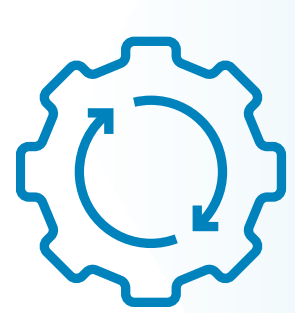
Comprehensive Infrastructure and Automation



Security and Access Control



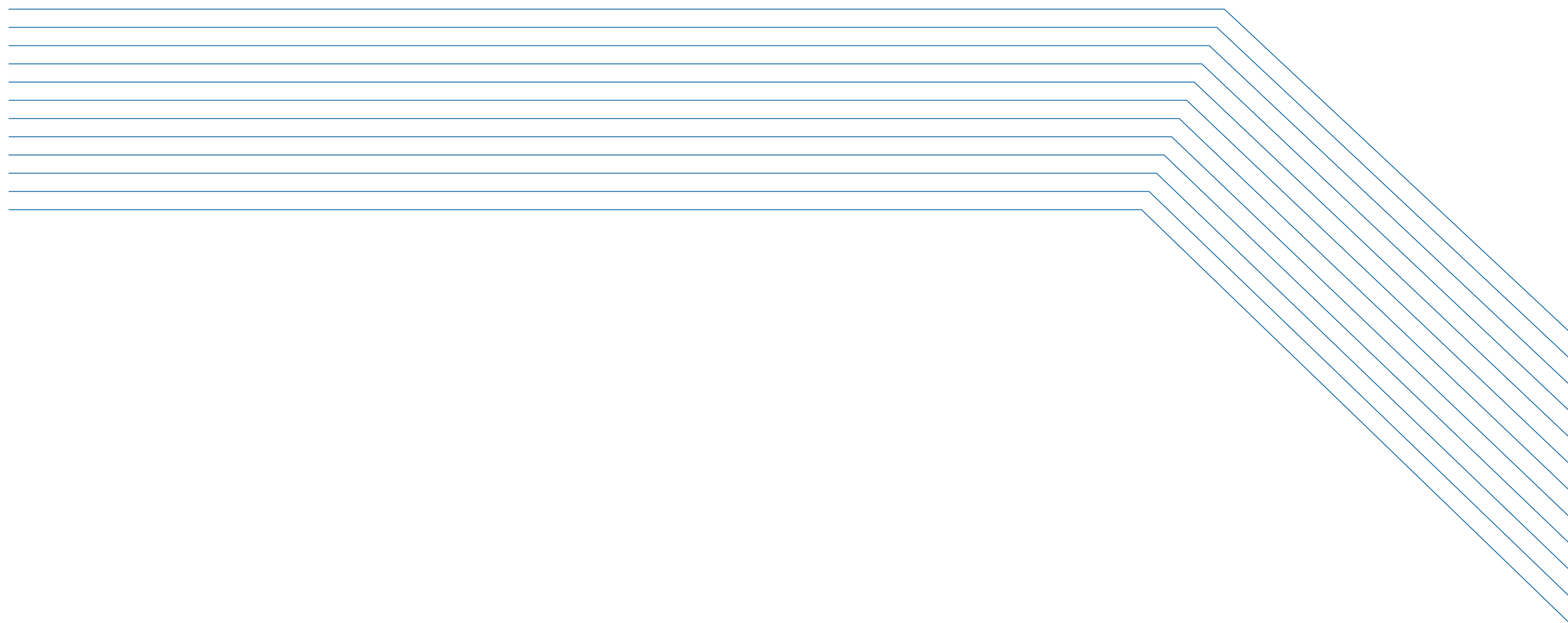
Preparation of reports and logical analysis processes



Expedite lending management system operations



Information Technology and Data Governance





## 4.2 Lending and Customer Relations Management System

SIDF's digital transformation helped increase the number of approved loans by 38% and the capacity to process and consider loans by threefold, in addition to reducing the life cycle of loan procedures by 53%, from 11 months to 5 months only, in accordance with international standards. A number of additional services were developed in the loan and customer relations management system, including more automated procedures, several e-services for beneficiaries and employees, and facilitated access to these services from various desktop and smart devices, with the aim of achieving the following goals:



Launching electronic contracts and promissory notes



Fixed Mortgage Assets



Improved funding plan



Improved mortgage service



Enhanced system security for customer and SIDF data protection



Improve Service Level Agreement



Risk Assessment Control Tool



Improved collection demand



Improve secure storage request



Automate collection letters and e-signatures



SIDF KPI dashboard



Improve customer experience (e-loan)



Complete connection procedures with relevant government entities.

to facilitate customer and beneficiary experience (before and during the loan application procedures and after obtaining the loan)

Relevant entities such as:





### 4.3 Automation of SIDF Products

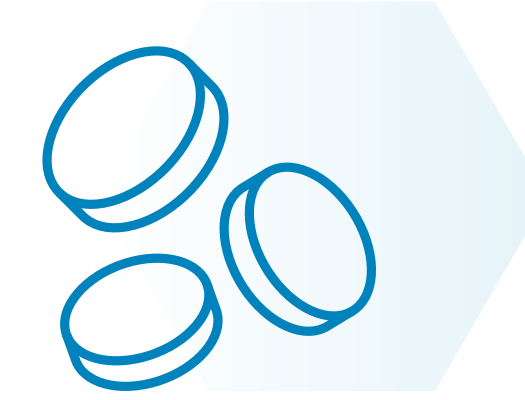
SIDF continued to automate all its launched products to facilitate access for all beneficiaries. Many new SIDF products, systems, and services have been automated, in line with the SIDF business strategy and the outputs of the National Industrial Development and Logistics Program (NIDLP) to expand the support it provides beyond the industrial sector to include all sectors targeted by the NIDLP such as the energy, mining, and logistics sectors, all while continuing to support the industrial sector.



Linking transactions for investors (real estate mortgages) with the Ministry of Justice



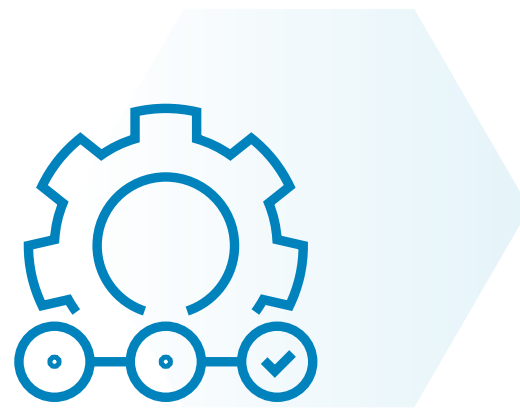
1st government entity to activate e-signature of contracts in cooperation with the Ministry of Justice



Adding a digital LoC service in cooperation with Riyadh Bank



Financial data mapping for Bayan statements



Supply Chain Financing product (Phase 1)



Developing Logistic Land and Loan program with three entities

الهيئة الملكية للجبيل وينبع  
Royal Commission for Jubail & Yanbu



هيئة المدن والمناطق الاقتصادية الخاصة  
Economic Cities and Special Zones Authority

KAEC  
مدينة الملك عبدالله الاقتصادية

### Digital Transformation



**53%**  
Reduced the duration of loan procedures



**55%**  
Reduced loan duration (11 to 5 months)



**86%**  
Reduced duration of contract signing (from 3 weeks to less than 3 days)



**2600**  
Number of contracts and documents approved electronically



**+190**  
Signing contract electronically



**552**  
Promissory notes for companies and individuals





## SIDF journey in digital transformation

### 9th measurement (2021)

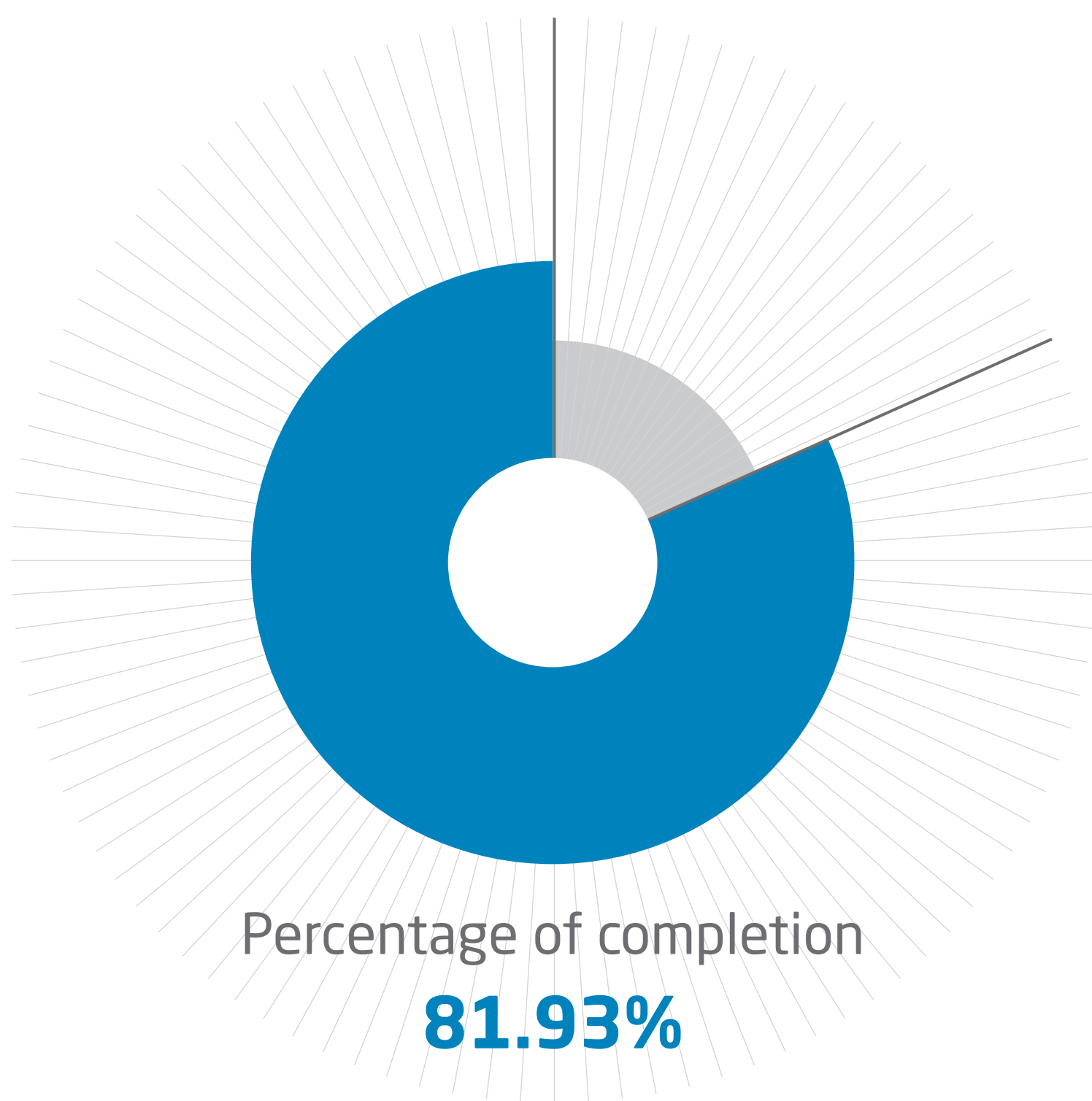
Maturity Level  
Integration



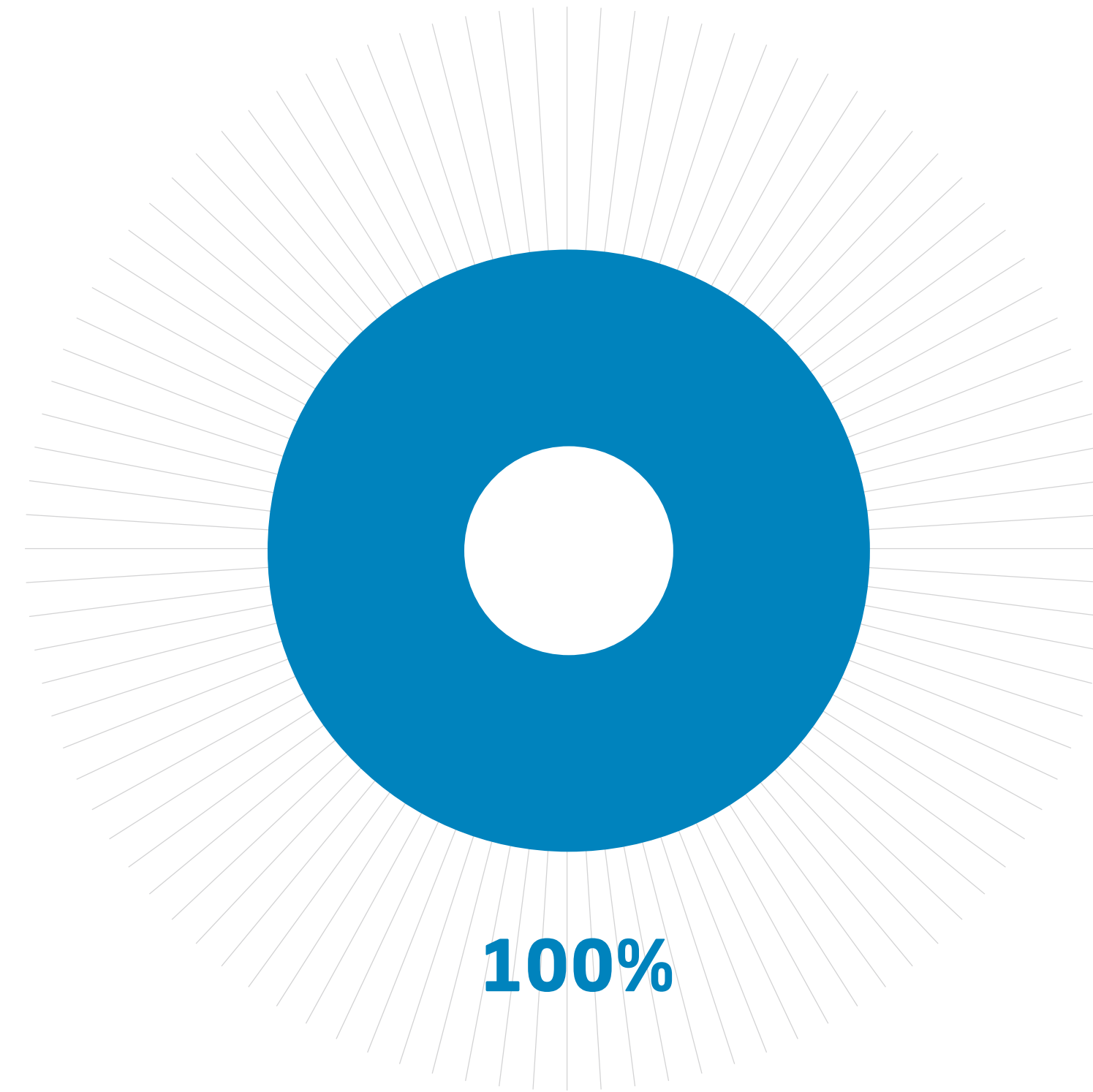
Achieved **12th place** at the level of entities in the Kingdom of Saudi Arabia



Achieved **4th place** at the level of the economic and financial sector



Maturity Level in Digital Electronic Services (Marsad)



### 8th measurement (2019)

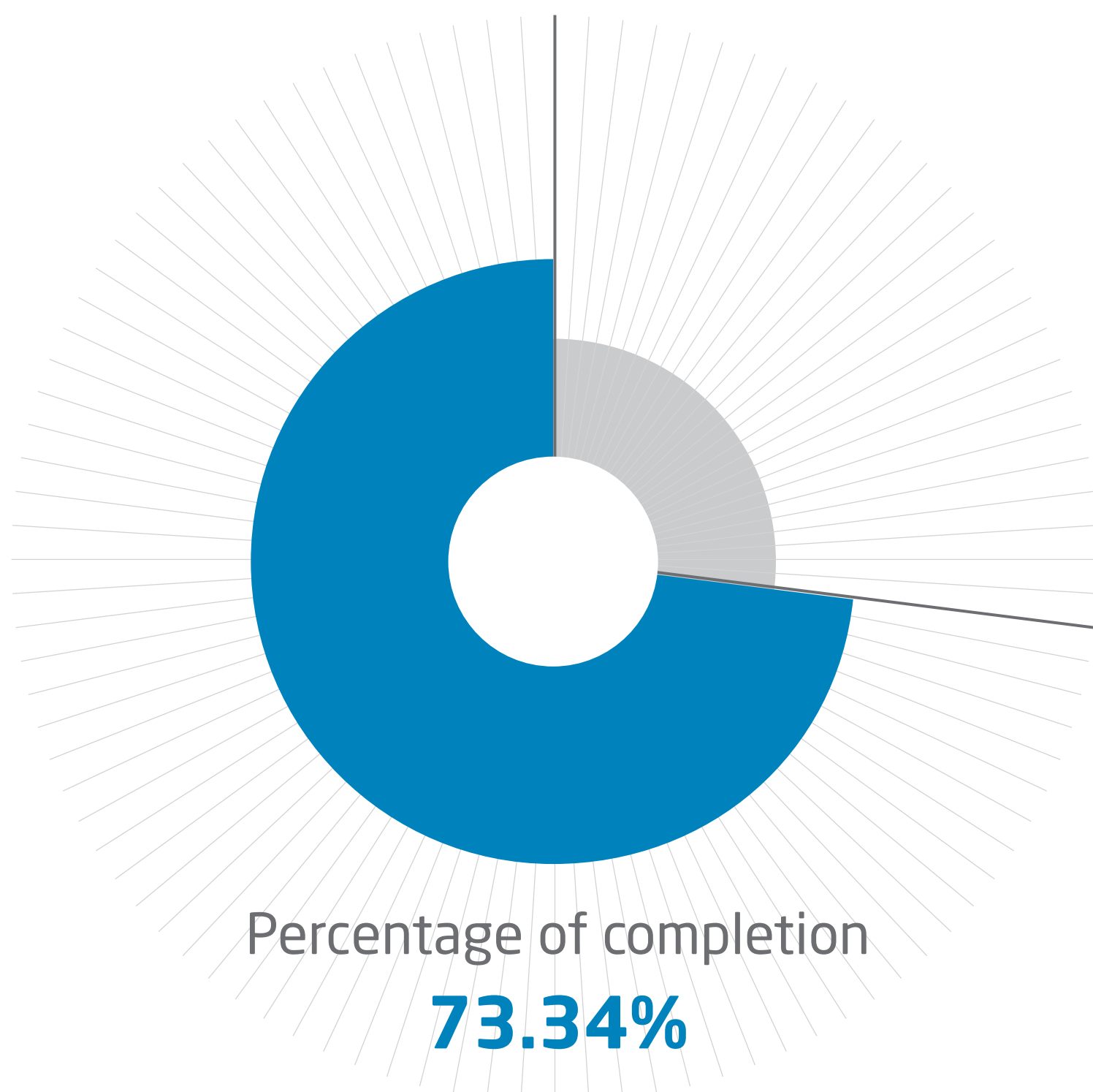
Maturity Level  
Integration



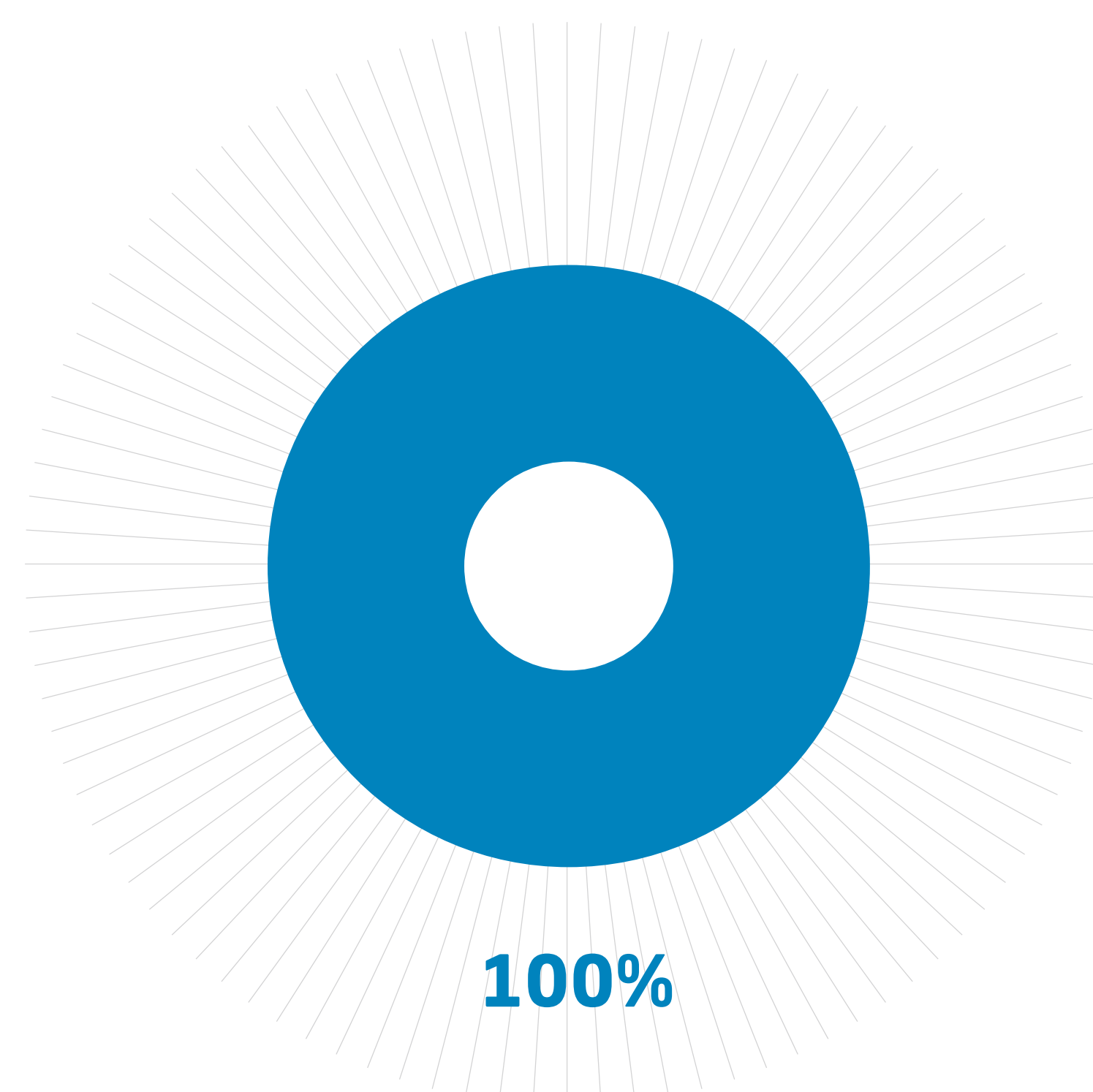
Among the top twenty-two (22) entities in Kingdom of Saudi Arabia



Among the top 3 at the level of the economic and financial sector



Maturity Level in Digital Electronic Services (Marsad)



## 4.4 Sidf Strategic Partnerships and Agreements



In line with the outputs of the NIDLP, SIDF developed its business strategy to become the financial enabler of industrial transformation in the Kingdom. SIDF aligned its strategy with the aspirations and objectives of NIDLP to cover the financial and advisory requirements of the targeted sectors. Accordingly, SIDF expanded the support it provides beyond the industrial sectors to include all sectors targeted by NIDLP such as the energy, mining, and logistics sectors, all while continuing to support the industrial sector.

SIDF also collaborated with government entities to develop programs and strategies that enable the industrial, energy, mining, and logistics sectors, as well as to support and encourage industry and other economic activities that benefit the Kingdom, provide innovative solutions to ensure the growth, development, and improved performance of the local industry landscape in order to achieve sustainable investment returns in the industrial sector, develop the added value of the local economy by supporting local products, promote non-oil exports, provide integration between the industrial sector and other sectors, increase the participation of Saudi talents in the industrial sector, attract foreign capital, and transfer and localize technology.

## National and International Partnerships



### Saudi Advanced Manufacturing Hub (AMHUB)

SIDF launched the Saudi Advanced Manufacturing Hub (AMHUB) in collaboration with the World Economic Forum (WEF) following its selection by WEF to host the regional platform. AMHUB is the first platform of its kind in the Middle East and the 13th in the world, as an extension of WEF's Advanced Manufacturing Hub Network. The platform was officially launched in November 2021 in the presence of 24 founding members of the platform from government agencies and private sector companies interested in advanced industry, as well as universities and national research centers. Members have also identified and will focus on the platform's three main priorities:

- Access to talent, develop them and provide them with the necessary motivations.
- Supporting SMEs in their journeys towards digital transformation.
- Transfer technology and innovations to develop local factories..



### Signing MoU with SASO

This MoU aims to qualify and empower SIDF clients to obtain accredited quality certifications, such as ISO certificates, in order to improve the quality and sustainability of projects.

It also aims to intensify workshops for local manufacturers in order to raise awareness of the importance of the SASO Quality Mark and apply the required specifications and standards.



الهيئة السعودية للمواصفات والمقاييس والجودة  
Saudi Standards, Metrology and Quality Org.





## Strengthen partnerships and relationships with customers

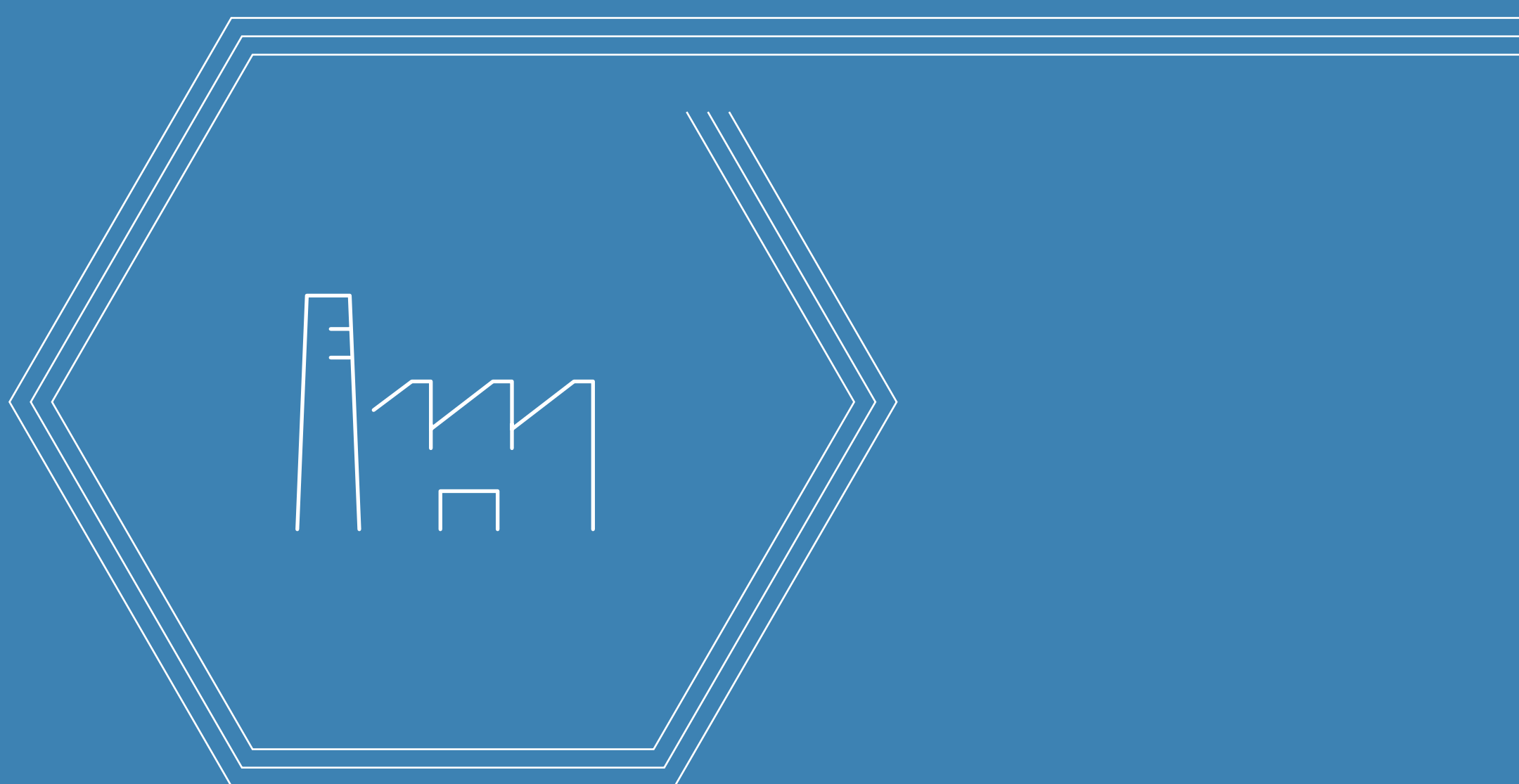


### Operational Excellence Improvement Initiative

For the launch of this initiative, SIDF leveraged its own expertise. A glass and aluminum factory facing challenges in exploiting its full production capacity was selected for the pilot launch of the initiative. The SIDF team cooperated with the factory team to successfully launch manufacturing processes and restructure the factory, which contributed to improving operational efficiency and increasing the factory's production capacity by 50%, the equivalent of SAR 13 Million in additional sales. The SIDF team is currently selecting several other factories to apply the same methodology after its successful pilot launch, with the aim of increasing operational efficiency in factories, enhancing their competitive value, and gaining mutual experience.

### Energy Efficiency Roadmap Initiative

SIDF conducted an integrated and comprehensive energy efficiency study in the iron manufacturing sector in the Kingdom, with the aim of identifying opportunities to raise the energy efficiency of each factory assessed by the specialized SIDF team, making recommendations, and setting expected targets to reduce energy consumption, to help factories comply with the objectives of the Saudi Energy Efficiency Center, motivate investors to adopt modern energy efficiency technologies, and incentivize investors to benefit from the SIDF financing programs serving this objective.



### Non-performing projects

The challenges faced by clients in paying their financial obligations to SIDF prompted the latter to seek solutions to support these projects and create a financing product to acquire non-performing assets to be used by investors interested in purchasing existing (non-performing) projects. SIDF also launched several initiatives in cooperation with several entities working in the field to find appropriate solutions for reoperating and developing these factories.

## Fifth: Certificates and Technical Awards

As a culmination of its successful journey, SIDF has received several distinguished certificates and Technical Awards, reflecting its excellence in integrated professional performance with the ultimate goal of achieving its strategic objective to become the key enabler of the national industry sector in order to stimulate the diverse industrial landscape and place the Kingdom's position among the best major industrial countries in the world. Below are some of the certificates and awards recognizing SIDF's excellence:





 <p>Integration level in government digital transformation (Qiyas)</p>	 <p>Steve Gold Awards for Innovation in Applications and Information in the Middle East and North Africa (MENA)</p>	 <p>Authorized service provider for the National Center for Digital Certification.</p>
 <p>IDC Award for Excellence and Creativity in Digital Innovation</p>	 <p>100% maturity level at Government Services Observatory</p>	 <p>Certificate of National Overall Reference Architecture (NORA) Level 3</p>
  <p>SAP Initial Certificate of Customer Center of Expertise (CCoE)</p>	 <p>Choosing the Information Technology strategy from best practices in Saudi Arabia</p>	

