

Human Capital & Culture

Performance Management Framework

Purpose

The purpose of this framework is to establish a unified, transparent, and continuous performance management process that drives accountability, motivates talent, and aligns individual efforts with the strategic objectives of B&S Investments. As a multi-sector Saudi-rooted holding group with international ambitions, our performance framework ensures that employees are evaluated fairly, supported consistently, and recognized for meaningful contributions across all business units.

Scope

This framework applies to all full-time employees, including executive leadership, managers, and staff at all levels across B&S Investments and its subsidiaries in Saudi Arabia and abroad. Contractual and project-based personnel may be assessed through alternative performance models but are still subject to role-specific expectations.

Policy Statement

B&S Investments is committed to fostering a performance-driven culture where success is measured not just by outcomes, but by alignment to values, collaborative behaviors, and long-term impact. The performance management framework is based on the following principles:

- **Goal Clarity:** Every employee must understand what success looks like in their role
- **Regular Feedback:** Performance is shaped by timely, constructive, and actionable feedback
- **Development Focus:** The process promotes learning, growth, and career progression
- **Objectivity & Fairness:** Evaluations are based on measurable results and observable behavior
- **Two-Way Engagement:** Employees are active participants in their development, not passive recipients

Performance management is not an annual event, but a continuous, strategic dialogue between employees and managers..

Roles & Responsibilities

Role	Responsibility
Board of Directors	Endorses the strategic alignment of performance systems with corporate goals
Group CEO & Business Unit CEOs	Lead by example in performance communication and link performance to business KPIs
Chief People Officer (CPO)	Owns the performance management strategy, platform, and reporting analytics
HR Business Partners	Support managers in goal setting, coaching, performance reviews, and calibration processes
Line Managers	Set expectations, track performance, deliver feedback, and guide career development
Employees	Take ownership of their performance, seek feedback, and pursue growth opportunities

Procedures & Implementation

1. Goal Setting (Start of Year / Upon Hiring)

- All employees must have SMART goals (Specific, Measurable, Achievable, Relevant, Time-bound)

- Goals are aligned with business unit objectives and strategic priorities (e.g., customer satisfaction, innovation, efficiency, ESG)
- %70–60 of goals are functional/technical, and %40–30 are behavioral (based on leadership competencies or core values)
- Goals are input into the HRMS platform and approved by direct managers and HR

2. Performance Check-Ins (Quarterly)

- Managers conduct quarterly one-on-one meetings to review progress, clarify blockers, and reset priorities
- Discussions include:
 - Goal achievement status
 - Behavior and values alignment
 - Collaboration and cross-functional contributions
 - Learning needs and wellbeing

These check-ins are logged in the performance system and are mandatory for all people managers.

3. Mid-Year & Annual Reviews

- **Mid-Year Review (optional but recommended):** Light-touch review to document progress and adjust goals
- **Annual Review:** Formal evaluation conducted in Q4 using the following components:
 - Self-assessment
 - Manager review
 - -360degree input (for selected roles)
 - Evidence-based scoring of goals and behaviors
- Each employee receives a composite performance rating on a -5point scale:
 - Exceeds Expectations
 - Strong Performer
 - Meets Expectations
 - Needs Improvement
 - Unsatisfactory

4. Calibration & Moderation

- HR leads calibration sessions at department and group level to ensure fairness and reduce bias
- Managers must justify ratings with data, project results, and behavioral examples
- Calibration outcomes may adjust individual ratings to maintain distribution integrity and reward equity

5. Performance-Linked Actions

- **Rewards:** Performance directly impacts eligibility for bonuses, salary adjustments, and promotions
- **Development:** Outcomes feed into Individual Development Plans (IDPs), learning tracks, and coaching priorities
- **Talent Identification:** High performers may enter talent pipelines for succession planning or strategic projects
- **Corrective Action:** Consistently poor performance triggers a Performance Improvement Plan (PIP)

6. Performance Improvement Plans (PIP)

- PIPs are initiated when employees fail to meet key goals or behavior standards despite support
- PIP duration: 30 to 90 days with documented goals, support mechanisms, and progress tracking
- Failure to improve within the PIP period may result in reassignment or termination

Monitoring & Review

This framework is reviewed annually by the Chief People Officer in consultation with business leaders and HR teams. The review includes:

- Alignment with evolving strategy and workforce structure
- Feedback from managers and employees
- HR analytics on rating distribution, engagement, and retention
- Legal and cultural requirements in each operating market

Continuous improvement efforts may include digital system upgrades, reviewer training, and updates to competencies or scoring models.

Associated Documents

- Goal-Setting Toolkit
- Behavioral Competency Dictionary
- Performance Rating Definitions
- Quarterly Check-In Template
- Annual Review Form (Self + Manager)
- Calibration Guide for People Managers
- Individual Development Plan (IDP) Template
- Performance Improvement Plan (PIP) Template
- Rewards & Recognition Policy
- Promotion Guidelines
- Talent Review & Succession Planning Framework