

BOARD OF DIRECTORS REPORT

Yanbu National Petrochemical Company (YANSAB)

Annual Report 2025

2025



Custodian of the Two Holy Mosques
King Salman bin Abdulaziz Al Saud



His Royal Highness
Prince Mohammed bin Salman bin Abdulaziz Al Saud
Crown Prince, Prime Minister of Saudi Arabia

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BOARD OF DIRECTORS REPORT



Eng. Abdulrahman A. Shamsaddin
Chairman of the Board of Directors



Eng. Sameeh S. Al-Sahafi
Vice Chairman of the Board



Mr. Ibrahim M. Al-Saif
Board Member



Mr. Khalid I. Al-Rabiah
Board Member



Eng. Abdullah S. Al-Arifi
Board Member



Mr. Abdullah A. Al-Sinan
Board Member



Eng. Awad M. Al-Maker
Board Member

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ABOUT THIS REPORT

The Board of Directors (the Board) of Yanbu National Petrochemical Company (YANSAB or the company) is pleased to present the Annual Report for the fiscal year ended on December 31, 2025, prepared in accordance with the disclosure requirements of the Companies Law of the Kingdom of Saudi Arabia, YANSAB's Bylaws, Companies Law issued by the Ministry of Commerce and Corporate Governance Regulations, Rules on the Offer of Securities and Continuing Obligations, and regulatory rules and Implementing Regulation of the Companies Law for Listed Joint Stock Companies issued by the Capital Market Authority (CMA).



This report provides an overview of YANSAB's key activities, performance, and achievements, alongside its future plans and ongoing efforts to enhance performance, grow shareholder equity and support the growth of the national petrochemical industry.

Additionally, the report highlights YANSAB's contributions to the areas of Environment, Society and Corporate Governance (ESG) for the fiscal year concluding on December 31, 2025.

The Board is honored to extend sincere gratitude to the Custodian of the Two Holy Mosques, His Royal Highness the Crown Prince, and the Government for their support to economic sectors in realizing Saudi Vision 2030 (Thriving Economy), and particularly their unwavering support for the industrial sector in the Kingdom.

The Board also acknowledges its appreciation for YANSAB's workforce and their dedicated efforts, along with the support provided by all stakeholders, including shareholders, customers, suppliers, and the entire work community.



OVERVIEW OF YANSAB

Yanbu National Petrochemical Company (YANSAB) is a Saudi joint-stock company established in 2006 in Yanbu Industrial City. YANSAB has a fully paid-up authorized capital of SAR 5,625 million, with Saudi Basic Industries Corporation (SABIC) holding a 51% stake, while private sector investors and individuals own the remaining 49%.

YANSAB operates its industrial complex with an annual production capacity exceeding four million tons of diverse products. Under a formal marketing agreement, YANSAB markets its entire production through SABIC, which manages marketing and shipping operations to local, regional, and global markets. This process is facilitated through a joint committee dedicated to analyzing market trends, forecasting future prices, evaluating product costs, and determining minimum acceptable net prices, thereby ensuring balanced and effective marketing decisions.

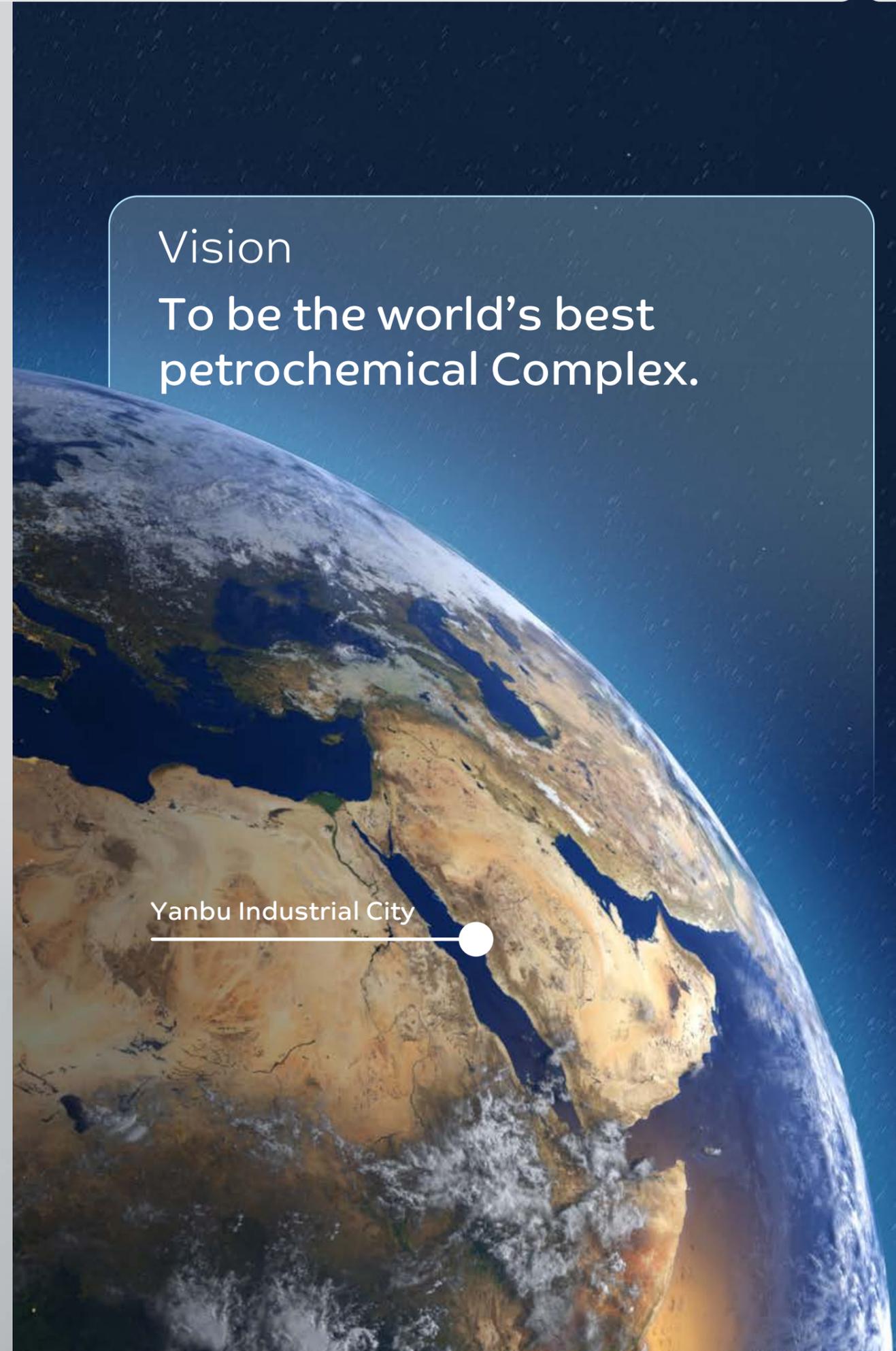
By leveraging this integrated operating model, YANSAB contributes to strengthening the value chain of the Kingdom of Saudi Arabia petrochemical sector while meeting the demands of local, regional, and international markets. Furthermore, this is achieved through a continuous focus on operational efficiency, excellence in performance, and the realization of long-term sustainable results.



Vision

To be the world's best petrochemical Complex.

Yanbu Industrial City



OUR JOURNEY

we focus on enhancing our competitive capabilities by optimizing asset management and complying with international standards. We achieve this through innovation and the incorporation of AI and digital transformation technologies in our manufacturing processes to increase operational efficiency and strengthen our ability to fulfill market requirements. Sustainability is a core element of our strategy. We adopt the best environmental, social and governance (ESG) practices to enhance sustainability for shareholders and society in the long term.



2006



OUR PRODUCTS



Polypropylene



Linear low-density polyethylene



High-density polyethylene



Ethylene



Ethylene glycol



Butene



Propylene



Gasoline, toluene, and xylene



Segments We Serve



Packaging



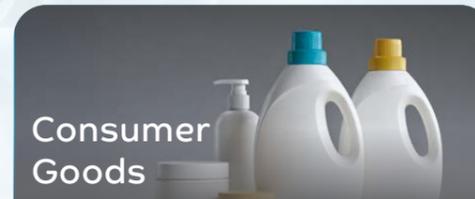
End-Use Industries
Flexible and rigid packaging, films, containers



Construction



End-Use Industries
Pipes, insulation materials, construction-grade plastics



Consumer Goods



End-Use Industries
Household items, appliances, personal care packaging



Automotive



End-Use Industries
Interior and exterior parts, cooling systems, polyester components



Textiles



End-Use Industries
Polyester fiber and fabric manufacturing



Paints and Coatings



End-Use Industries
Industrial chemicals, solvents, resins



Chemicals and Solvents



End-Use Industries
Downstream chemical manufacturing

CHAIRMAN'S MESSAGE



Eng.
Abdulrahman A. Shamsaddin
Chairman of the Board of Directors

Dear shareholders,

In 2025, the global petrochemical landscape witnessed persistent margin compression, driven by a decelerating global recovery and heightened geopolitical uncertainties. These factors, coupled with supply-demand imbalances, significantly impacted pricing benchmarks and operational utilization rates. Nevertheless, YANSAB successfully maintained a stable performance trajectory, underpinned by its operational resilience, robust governance framework, and the agility to navigate an increasingly complex market environment.

YANSAB remained steadfast in executing its strategic roadmap aimed at bolstering competitiveness and fostering sustainable growth. This was achieved by optimizing operational efficiencies, enhancing asset readiness, and accelerating the adoption of digital innovation to drive long-term value creation. Furthermore, our comprehensive risk management programs played a pivotal role in foresight and proactive mitigation, ensuring that YANSAB maintained its performance stability and a formidable financial position.

In alignment with the Paris Agreement and the Kingdom's 2060 ambition for carbon neutrality under the Saudi Green Initiative, YANSAB is committed to a 20% reduction in greenhouse gas emissions by 2030 relative to 2018 levels. Our strategy addresses both direct and indirect emissions across all production facilities.

Moreover, we are actively evaluating pathways to achieve full carbon neutrality by 2050, consistent with our national and international sustainability pledges.

Within the framework of robust governance, the Board of Directors continued to provide effective oversight through its specialized committees. These committees focused on monitoring strategic execution, refining risk controls, and empowering digital and operational transformations, all aimed at maximizing shareholder equity and ensuring long-term business continuity.

Human Capital remains the cornerstone of our progress. We continue to prioritize the development and empowerment of our workforce, fostering a culture of innovation and continuous improvement. Such investments are critical to enhancing our performance efficiency and sustaining YANSAB's competitive edge.

Building upon decades of accumulated expertise, YANSAB continues to solidify its stature as a reliable and operationally disciplined petrochemical complex. This legacy is built on firm foundations that have enabled us to stabilize operations, augment production capacities, and achieve meaningful milestones in digital transformation and sustainability.

our comprehensive risk management programs played a pivotal role in foresight and proactive mitigation, ensuring that YANSAB maintained its performance stability and a formidable financial position.

Looking ahead, we move into the next phase with absolute confidence, anchored by a clear strategy that bolsters operational resilience, drives sustainable growth and catalyzes innovation. This strategic focus enhances YANSAB's readiness to meet evolving market demands and strengthens our competitive edge, while remaining steadfast in our commitment to creating sustainable value for our shareholders and supporting the objectives of Saudi Vision 2030.

On behalf of the YANSAB Board of Directors, I extend our profound gratitude to the Custodian of the Two Holy Mosques, His Royal Highness the Crown Prince, and the Government for their unwavering support of the national industrial sector. We also convey our appreciation to the Ministry of Energy, the Royal Commission for Jubail and Yanbu, and all legislative and regulatory bodies for their continuous empowerment of the business ecosystem in the Kingdom of Saudi Arabia.

We also highly value the cooperation of our partners, suppliers, customers and shareholders. Their trust and engagement have been pivotal in enhancing YANSAB's performance and supporting its journey toward a future defined by heightened efficiency, reliability, and sustainability.

In conclusion, I express my sincere appreciation to the Board members, the Executive Management, and the entire YANSAB Employees for their dedication and tireless efforts in achieving another year of significant success and accomplishment.

CEO'S MESSAGE



Eng.
Wazen M. Al-Solami
CEO

In 2025, the petrochemical markets faced continuous headwinds, driven by a global decline in demand coupled with the entry of new production capacities, which led to a compression of prices and profit margins.

Throughout the year, petrochemical product prices maintained a downward trajectory, impacted by weak demand in several end-use sectors and high inventory levels among consumers. Furthermore, global operational rates remained below historical averages, placing additional pressure on revenues and net profits.

Against this backdrop, the year represented not only a period of market challenge, but a defining chapter in YANSAB's journey in which ambition, discipline, and collective commitment came together to elevate performance without compromising safety, integrity, or long-term value.

Despite these challenges, YANSAB delivered a robust performance, underpinned by its operational resilience and agility in adapting to market dynamics. This success was further bolstered by the adoption of advanced risk management and decision-making methodologies, this disciplined execution translated a clear strategic intent into tangible outcomes, reinforcing confidence in the Company's operating model and resilience. YANSAB recorded an EBITDA of \$ 1,060 million. These results are attributed to higher production 11% and sales quantity 10%, exceptional plant reliability, and rigorous cost discipline, all of which contributed to a steady performance during the year.

In 2025, YANSAB sustained its distinguished safety record, maintaining a Total Recordable Incident Rate (TRIR) of zero. This achievement reflects a deeply rooted culture of prevention, operational discipline, and proactive behavior, which enhances asset reliability and business continuity.

Additionally, we launched our 2030 Process Safety Strategy, aimed at elevating proactive risk awareness and advancing protective practices. This integrated approach ensures a safe.

YANSAB continued to bolster operational reliability and efficiency through digital transformation initiatives. These technologies facilitated real-time asset monitoring, accelerated response times, and enhanced proactive maintenance effectiveness, leading to high levels of operational performance.

Simultaneously, the launch of the Operational Resilience Program (ORP) reinforced system reliability and business continuity. These integrated efforts have collectively enhanced YANSAB's operational resilience, transforming market challenges into opportunities that sustain performance and heighten competitiveness in a dynamic market environment.

YANSAB also remained committed to the requirements of the Saudi Energy Efficiency Center (SEEC), successfully achieving the second-cycle targets for 2025—a reflection of its robust consumption monitoring systems and high compliance standards. The Company closed the year with a strong SEEC credit. Our efforts also extended to expanding recycling initiatives, reducing industrial waste, and improving water quality through advanced treatment systems.

Moreover, YANSAB adopted innovative practices to drive economic value, most notably the «Waste to Wealth» initiative, which optimized the utilization of by-products and enhanced process efficiency. Environmental performance advanced significantly, with waste disposal reduction, waste converted into value, and waste streams rendered recyclable, strengthening the Company's contribution to the circular economy. This approach has enabled YANSAB to provide more sustainable solutions while reducing its environmental footprint.

Human capital remains the fundamental pillar of YANSAB's success and long-term sustainability. In 2025, we focused on fostering an empowering work environment that prioritizes employee enablement, skill development, and innovation through specialized training programs and effective knowledge-sharing platforms across various departments and operational units. This cultural transformation was reflected in exceptional engagement outcomes, with 97% employee participation in the annual engagement survey, where 85% of survey dimensions exceeding global benchmarks, and all dimensions improving year-on-year these represent the strongest employee survey results in YANSAB's history.

YANSAB achieved several prestigious milestones in 2025, reflecting its operational excellence and ongoing journey of innovation. Notably, YANSAB secured first place in the Operational Excellence Award across all SABIC companies—an accomplishment that underscores the reliability of our operations and disciplined performance across all production units. In parallel, YANSAB was honored with the SABIC Award for Manufacturing Excellence, recognizing consistent value creation and operational leadership.

YANSAB also attained the Operation Clean Sweep® certification under the Gulf Petrochemicals and Chemicals Association (GPCA) initiatives. This certificate honors YANSAB's excellence and commitment to implementing the highest standards in preventing plastic resin loss, reflecting its leadership in sustainable and responsible operational practices.

On the innovation front, YANSAB continued to develop new value-added products within its polymer portfolio, including innovative grades that meet evolving market demands and support future growth. The registration of three new patents during the year further reflects a growing culture of creativity, continuous improvement, and institutionalized innovation. This progress underscores our ability to transform technical knowledge and operational expertise into sustainable value that strengthens our competitive position. YANSAB continues to fulfill its corporate social responsibility through a clear methodology centered on sustainability and community development. We actively support initiatives that enhance health, education, and quality of life, alongside promoting environmental awareness and empowering various social segments. These efforts solidify YANSAB's role as a responsible and active partner, contributing to sustainable value and deepening our positive social impact in alignment with the Kingdom's aspirations and The Saudi Vision 2030.

Furthermore, YANSAB strives to reinforce its role in achieving the Kingdom's targets within the Saudi Green Initiative and Net Zero goals by improving energy efficiency, developing sustainable solutions, reducing emissions, and instilling responsible resource management practices.

Strong governance will continue to underpin this journey, building on the successful restructuring of the Company's risk management framework.

This vision propels YANSAB toward a more competitive future by empowering our teams, stimulating innovation, and improving operational resilience, financial discipline, and cost optimization. It affirms that when safety, people, performance, and sustainability advance together, excellence becomes repeatable. This integration across our operational units reflects our steadfast commitment to achieving sustainable value.

In conclusion, I wish to express my sincere gratitude and appreciation to the YANSAB workforce for their dedication and commitment, and to our shareholders and partners for their continued trust and cooperation. This year stands not as a peak, but as a foundation for the next phase of YANSAB's journey. Together, we will advance toward strengthening YANSAB's position as a leading petrochemical complex characterized by efficiency, reliability, and sustainability, contributing to our vision: **“To be the World's Best Petrochemical Complex”**.

SHAREHOLDER INFORMATION

Ownership Structure

YANSAB is a Saudi joint stock company listed on the Saudi Exchange (Tadawul) since February 2006. YANSAB is 51% owned by SABIC and 49% owned by the private sector and individuals. Foreign shareholder ownership in YANSAB reached approximately 9.2%, representing nearly 18.78% of the free-float shares.

The following table illustrates the shareholding percentage categorized by investor type:



SHARE PERFORMANCE

YANSAB's share price opened the year 2025 at ₪ 37.80 and reached its annual peak at ₪ 39.05, while the lowest recorded price was ₪ 26.80. Throughout the year, the stock maintained active trading within Tadawul Main Market (TASI), with an overall performance that reflected the broader decline observed across the Saudi equity market.

By the end of the year, the stock closed at ₪ 27.48, recording a 27.3% decrease compared to its opening price at the beginning of 2025.

During 2025, the trading volume of YANSAB's shares reached approximately 116 million shares, with a total traded value reached around ₪ 4 billion. This robust trading activity reflects sustained investor interest and confidence in YANSAB's solid financial position and stable operational performance.

Opening price	Highest price During the year	Lowest price During the year	Closing price at year-end	Number of shares traded	Annual trading value
₪ 37.80	₪ 39.05	₪ 26.80	₪ 27.48	116 million shares	₪ 4 billion

Five-Year Overview and Dividend Performance	2025	2024	2023	2022	2021
Number of Shares (Million)	562.5	562.5	562.5	562.5	562.5
Year-End Share Price	27.48	37.80	38.05	41.60	68.70
Annual High	39.05	43.00	49.55	75.50	86.70
Annual Low	26.80	35.85	36.35	38.85	61.80
Annual Volatility	12.25	7.15	13.20	36.65	24.70
Market Capitalization at Year-End (Million ₪)	15,458	21,262	21,403	23,400	38,644
Declared Dividends Per Share (₪)	2.00	2.00	1.75	2.75	3.00
Total Dividends (Million ₪)	1,125	1,125	984.37	1,546.87	1,687.50

Shareholding Structure

SABIC	51%
Foreign	9.2%
Others	39.8%

Dividend Distribution

YANSAB’s Dividend Policy falls within the jurisdiction of its General Assembly, based on the Board of Directors’ recommendation. The Dividend Distribution Policy of YANSAB stipulates the following: This policy aims to define the criteria governing the distribution of dividends in a manner that achieves a balance between sustainable dividend payouts to investors and enhancing the ability of YANSAB to achieve its business development objectives. This is conducted in accordance with the provisions of YANSAB Bylaws, the Companies Law, the Capital Market Law, and their respective Implementing Regulations.

In light of the provisions governing dividend distributions as set forth in the Companies Law, the Corporate Governance Regulations, the Bylaws of YANSAB, and the Implementing Regulations for Listed Joint Stock Companies, dividends shall be distributed according to the following principles and rules:

1. The General Assembly of YANSAB, based on the recommendation of the Board of Directors, shall have the authority to approve dividend distributions.
2. YANSAB may distribute interim dividends to its shareholders on a semi-annual or quarterly basis after fulfilling the statutory requirements. The General Assembly may authorize the Board of Directors to do so in accordance with the controls issued by the Capital Market Authority (CMA). The General Assembly may also set aside any amount from the funds of YANSAB available for cash distributions as a general reserve, for social purposes for the employees of YANSAB—or its subsidiaries—or for other purposes related to YANSAB as the Board deems in the best interest of YANSAB. YANSAB shall disclose to CMA and the public immediately and without delay upon the decision to distribute interim dividends.
3. Adherence to the restrictions stipulated in applicable laws, internal regulations, and agreements executed with debt instrument holders, financing Sukuk holders, creditors, and other lending entities, in addition to other legal and statutory considerations, any restrictions imposed on dividend distributions, and any other matters the Board of Directors of YANSAB deems significant when declaring dividends.
4. Consideration of the requirements for growth plans, future expansions, investment opportunities, and the needs of YANSAB, as well as cash and capital flow requirements, solvency ratios, and other financial metrics. This includes ensuring a balance between self-financing and external funding sources. Accordingly, the Board of Directors shall propose to the Ordinary General Assembly the retention of a percentage of profits for these purposes.
5. Dividend distribution depends on several criteria, including net realized profits, the availability and adequacy of cash flows, the financial position of YANSAB, market conditions, the general economic climate, and other relevant factors.

In alignment with best practices, YANSAB announced an amendment to its methodology for disclosing Board of Directors’ decisions regarding interim dividend distributions, subject to authorization by the Ordinary General Assembly, starting from 2025.

Under this amendment, the Board of Directors’ decisions to distribute interim dividends will be disclosed as follows:

1. The announcement of interim dividends for the first half of the year will be made following the approval of the interim financial results for the second quarter of the same fiscal year.

2. The announcement of interim dividends for the second half of the year will be made following the approval of the annual financial results for the same fiscal year.

This step reflects the Board of Directors’ commitment to maximizing investment value for shareholders in a manner consistent with the financial performance of YANSAB.

The following table illustrates the dividend percentages and the total dividends distributed to shareholders for the first half of the fiscal year ended December 31, 2025 (all amounts in thousands ₪):

Dividend Period (From 2025)	Dividends distributed for the year	Dividends proposed to be distributed at the end of the year	Due date	Distribution Date
First Half	10%	562.500	24/08/2025	11/09/2025
Second Half	10%	562.500	17/02/2026	08/03/2026

YANSAB is committed to ensuring the timely payment of dividends to its shareholders. Accordingly, YANSAB regularly reminds shareholders of the importance of updating their personal information and linking their bank accounts to their investment portfolios to ensure the seamless receipt of dividends without delay.



INVESTOR RELATIONS

Shareholder Communication and YANSAB Disclosures

YANSAB adheres to the fundamental principles governing shareholder rights, ensuring the equitable and timely disclosure of relevant information. Throughout the year, YANSAB provides comprehensive details on its operational performance and strategic activities via its Annual Report and the General Assembly meetings. Furthermore, YANSAB proactively apprises shareholders and investors of any significant developments that may influence its financial standing.

These disclosures are facilitated through the official website of the Saudi Exchange (Tadawul) and YANSAB website. Such measures are designed to guarantee that all stakeholders have equal access to information, thereby enabling them to make well-informed investment decisions based on accurate and punctual data.

Moreover, YANSAB is dedicated to upholding all policies and procedures pertaining to the disclosure of financial statements and performance reports, in full compliance with the statutory transparency and disclosure requirements, as well as all applicable regulatory frameworks. In accordance with transparency regulations, YANSAB consistently reports specific events, core developments, and financial statements on Tadawul's website. During the fiscal year ended December 31, 2025, YANSAB has published nine (9) regulatory announcements, as detailed below:

No.	Publishing date	Announcement Theme
1.	02 January 2025	Yanbu National Petrochemical Company (YANSAB) announces reception of official notification to increase feedstock price.
2.	24 February 2025	Yanbu National Petrochemical Company (YANSAB) announces annual financial results for the period ending on 31/12/2024.
3.	27 February 2025	The Board of Directors of Yanbu National Petrochemical Company (YANSAB) invites shareholders to participate and vote in the General Assembly Meeting (first meeting) through modern technology means.
4.	23 March 2025	Yanbu National Petrochemical Company (YANSAB) announces results of the Ordinary General Assembly Meeting (first meeting).
5.	24 April 2025	Yanbu National Petrochemical Company (YANSAB) announces Interim Financial Results for the period ending on 31/03/2025 (three months).
6.	27 July 2025	Yanbu National Petrochemical Company (YANSAB) announces Interim Financial Results for the period ending on 30/06/2025 (six months).
7.	27 July 2025	Yanbu National Petrochemical Company (YANSAB) announces the Board of Directors' decision to distribute interim cash dividends to shareholders for the first half of 2025.
8.	26 October 2025	Yanbu National Petrochemical Company (YANSAB) announces Interim Financial Results for the period ending on 30/09/2025 (nine months).
9.	09 November 2025	Yanbu National Petrochemical Company (YANSAB) announces the opening of the nomination period for the Board of Directors' membership for the next term.

Actions Taken By The Board To Inform Its Members, Especially Non-Executives, Of Shareholders' Suggestions And Comments Regarding YANSAB And Its Performance

The Bylaws of YANSAB guarantee all share-related rights to shareholders. YANSAB receives all shareholder suggestions and observations via the dedicated Investor Relations email, telephone communications, or through General Assembly meetings. A summary of these suggestions and observations, if any, is subsequently reported to the Board of Directors. Furthermore, the Board of Directors' Internal Regulations of YANSAB mandate that Board members attend General Assembly meetings to listen to, and discuss, shareholder suggestions and comments.

YANSAB is committed to fostering proactive communication and cooperation with all capital market participants, including corporate and individual investors, as well as financial analysts. This commitment was demonstrated through organizing and participating in numerous meetings, workshops and conferences. During the year, YANSAB engaged with more than 500 investors and analysts throughout 2025, while the Ordinary General Assembly meeting was attended by over 722 shareholders, representing 63% of the total capital.

YANSAB maintains a specialized Investor Relations department that reports directly to the General Manager of Finance, Production Planning, and the Board Secretary. The team members are holders of the Certified Investor Relations Officer (CIRO) designation and possess extensive expertise across various disciplines, including investor relations and corporate governance.

Shareholders' Registers

The following table delineates the number of shareholder registers requested by YANSAB during the fiscal year ended December 31, 2025, including the respective dates and the underlying purposes for each request:

No.	Register Date	Reason for Request
1.	02 January 2025	Corporate Processes
2.	27 February 2025	Profits File
3.	02 March 2025	Corporate Processes
4.	20 March 2025	The Ordinary General Assembly
5.	26 August 2025	Profits File
6.	02 November 2025	Corporate Processes
7.	11 December 2025	Corporate Processes

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STRATEGIC REVIEW

Our Strategy

YANSAB has established a well-defined forward-looking strategy aimed at sustaining growth within the value-added petrochemical industry. This strategy focuses on maximizing the value of YANSAB's assets and shareholder equity, while maintaining the highest standards of safety, quality, and sustainability. YANSAB remains fully committed to all relevant industry standards and regulations to achieve leadership and reinforce partnerships with all stakeholders, both locally and globally. Furthermore, YANSAB is dedicated to growing shareholder equity without compromising its corporate social responsibility.

YANSAB is committed to upholding the highest standards of safety, quality, and sustainability, while adhering to all relevant industrial regulations and standards.

Furthermore, the strategic approach of YANSAB is anchored in a robust framework designed to bolster its competitive position within the petrochemical industry and drive sustainable value creation.

YANSAB's strategy is centered on driving operational excellence, cost efficiency, and maximizing sustainable long-term value, supported by digital transformation and human capabilities development. YANSAB seeks to optimize industrial asset performance, increasing operational resilience, and enhancing competitiveness amidst petrochemical market volatility.

By adopting this integrated approach, YANSAB continues to enhance its market position by providing reliable products and efficient, sustainable performance, while remaining committed to creating long-term value for its shareholders.

YANSAB's strategy is based on the following lines:



Throughout the year, YANSAB has been keen to implement its strategy through four key pillars:



OUR BUSINESS MODEL

YANSAB's business model focuses on converting its industrial and operational resources into sustainable value through operational excellence across its plants. YANSAB manages its operations, strengthens plant operational reliability, enhances financial discipline, and ensures adaptability to market volatility.

Despite the challenges facing the petrochemical industry, such as product price volatility and rising costs of certain feedstock, YANSAB remains committed to maximize value by optimizing its assets, continuously enhancing operational efficiency, strengthening plant's reliability, and optimizing the production and sales mix to be aligned with evolving market conditions.

YANSAB seeks to grow shareholders' equity and create added value through a number of key enablers, including:

- 

High asset reliability and operational.
- 

Extensive operational and technical expertise gained through years of continuous operation.
- 

Reaching high-return markets by leveraging SABIC's capabilities and strengths.
- 

Operational and financial discipline through enhanced process efficiency and cost control.
- 

A robust safety culture, as YANSAB sustained Total Recordable Incident Rate (TRIR) at zero.

YANSAB continues its efforts to turn challenges into opportunities through innovative initiatives, such as:

- Developing innovative grades with higher added value, enabling access new markets and contributing to improve margins.
- Improving the sales mix and enhancing operational resilience, enabling YANSAB to respond effectively to dynamic market conditions.
- The "Waste to Wealth" initiative, which improved use of by-products and industrial waste, improved resource efficiency and contributed to environmental protection.

In terms of human capital, YANSAB continues investing in its employee by empowering, developing their skills, and fostering a culture of continuous improvement and innovation, which supports sustainable performance and enhances operational readiness. These initiatives have led to several results, such as:

- Robust operational performance driven by high asset reliability and effective operational execution.
- Performance operational stability despite challenges and difficulties.
- Creating sustainable value for shareholders and stakeholders through an integrated governance framework.

This model is integrated with YANSAB's vision "To be the world's best petrochemical Complex". By prioritizing operational excellence, organizational agility, and sustainability, YANSAB establishes itself as a highly reliable entity. This framework ensures the resilience needed to navigate evolving conditions and the capacity to generate sustainable long-term value within a dynamic business landscape.



FUTURE PLANS

YANSAB adopts a proactive, resilient and responsive operational approach that strengthens its ability to anticipate risks, optimize asset performance and adapt to evolving market conditions.

Looking at the future, addressing financial sustainability and recovery is a central objective of YANSAB's strategic agenda and remains a top priority for the Board and management.

Our transformation program is therefore focused on restoring profitability through cost discipline, improved operational reliability, and enhanced asset performance, while maintaining safe and reliable operations. These initiatives and actions are supported by clear targets and continuous performance monitoring, reflecting our commitment to restoring financial recovery, resilience and shareholder value.

As part of its ongoing transformation, YANSAB is refining its management approach to bolster organizational agility, accelerate decision-making and improve responsiveness to operational and market shifts. This initiative aims to strengthen both operational and administrative flexibility through streamlined governance and enhanced alignment across production, maintenance, technical services, and Environment, Health, Safety, and Security (EHSS) functions.

Safety at YANSAB is a fundamental pillar, deeply ingrained as a culture and a daily practice in our field operations. With the consistent oversight and active engagement of executive management, YANSAB reinforces operational discipline and minimizes risk exposure.

Furthermore, YANSAB continues to advance its digital transformation programs through the integration of AI-powered analytics, predictive maintenance technologies, automation systems and unified data platforms, thereby enhancing efficiency, agility and overall readiness.

In parallel, YANSAB is dedicated to reinforcing financial discipline and sustaining efforts to optimize spending efficiency. This is achieved not only through improved resource utilization and advanced cost-management practices but also by prioritizing initiatives that bolster operational reliability and long-term value creation.

Moreover, sustainability stands as a core priority and a fundamental pillar, as YANSAB's operations are strictly aligned with key Environmental, Social, and Governance (ESG) standards and national environmental requirements. Consequently, the focus remains on optimizing resource efficiency and mitigating environmental.

Through this integrated approach, YANSAB strengthens its capabilities enhance resilience, and deliver sustainable long-term value to shareholders.

Packaging

- Flexible and rigid packaging
- films
- containers



RISK MANAGEMENT

YANSAB is committed to implementing robust risk management practices to ensure the safety of its employees and operations, maintain financial stability, and achieve its strategic objectives. Through its comprehensive Risk Management Strategy, YANSAB seeks to thoroughly identify and understand both current and future risks in order to mitigate their impact on performance while capitalizing on opportunities to enhance sustainable growth. This risk management strategy is applied across all operational activities of YANSAB.



Risk Management and Business Continuity Policy
YANSAB's risk-management and business-continuity policy is anchored in an integrated governance framework that ensures risks are effectively identified, assessed, mitigated, and managed. The policy is designed to strengthen organizational preparedness, enhance resilience, and sustain seamless operational continuity across all operating conditions.

Risk Management and Business Continuity Systems
YANSAB's risk-management system integrates principles of sound governance, efficient risk-management processes, strong infrastructure, and active employee engagement, fostering a culture of risk awareness throughout YANSAB.

YANSAB is committed to continuously enhancing its risk-management and business-continuity systems to protect stakeholder interests and deliver sustainable value.

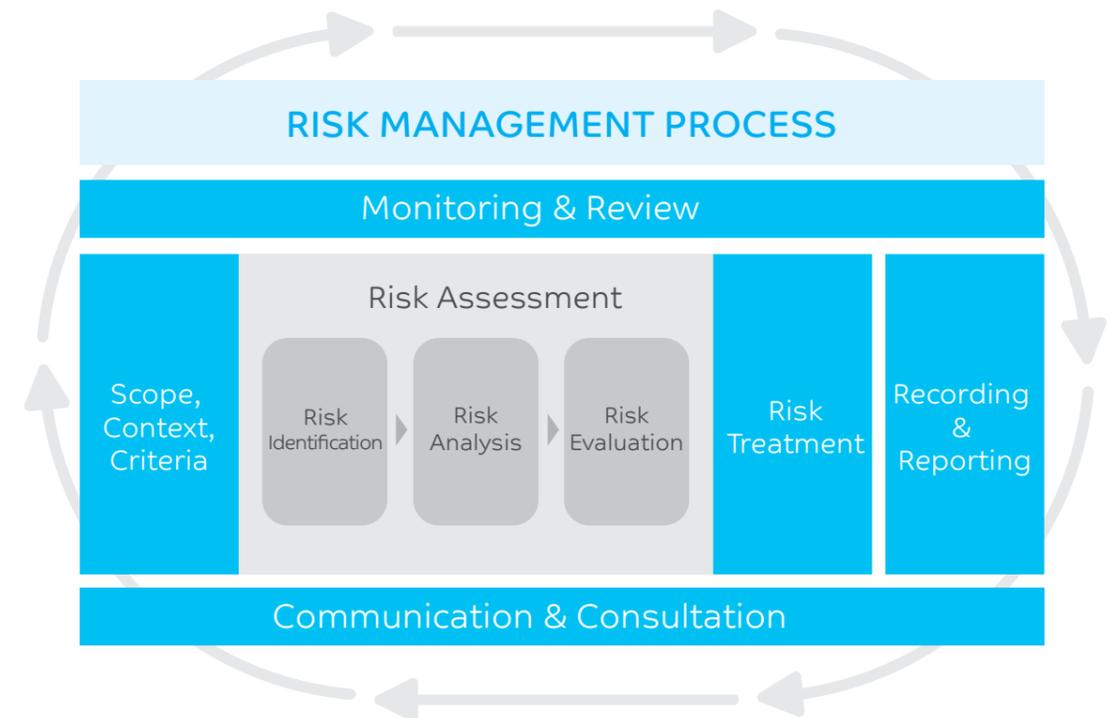
The Business Continuity Management (BCM) system acts as a protective shield, enabling YANSAB to detect potential threats and mitigate their impacts, thereby reducing operational risk and safeguarding critical operations. Furthermore, YANSAB is committed to conducting periodic workshops and reviews to update and refine its business continuity procedures across all departments.

Implementation of Strategy and Policies
The Executive Management is responsible for implementing YANSAB's risk-mitigation strategy and all related risk-management policies. The Board oversees this implementation, supported by the Risk Committee established under its purview.

Risk Culture and Excellence
YANSAB maintains a strict stance against any incidents or behaviors that could compromise safety, security, integrity, regulatory compliance, or environmental protection. YANSAB enforces a zero-tolerance approach toward safety violations, ethical breaches, regulatory non-compliance, and infringements of intellectual property rights.

YANSAB fosters a strong risk-aware culture in which all employees act as ambassadors of responsible risk behavior. Employees are expected to consistently apply risk-management principles in the execution of YANSAB's strategy. To reinforce this culture, YANSAB delivers continuous awareness initiatives, structured training programs, and clear procedural guidelines to enhance employee capability in identifying, assessing, and effectively managing risks.

These efforts instill a deep-seated awareness among all personnel and foster a disciplined, proactive risk-management environment. By doing so, they bolster organizational resilience, enhance operational reliability, and ensure the generation of long-term value for YANSAB.



RISKS

YANSAB fully recognizes that risks are an inherent part of its business environment; accordingly, it adopts a proactive methodology to identify, assess, and mitigate their potential impacts. In light of this, every investor should carefully consider the following risk factors. It is important to note that these may not encompass all risks that YANSAB might encounter. Additional risks, currently unknown to YANSAB or deemed immaterial at present, could also arise and adversely affect its operations, financial position, results, or cash flows.

YANSAB is exposed to a diverse range of risks, including strategic risks that may impact the achievement of its objectives, operational risks inherent to its business nature, financial risks affecting profitability and cash flows, and compliance risks associated with regulatory and legal requirements. Furthermore, YANSAB continuously monitors and responds to these risks with agility and effectiveness, thereby ensuring sustainable growth and the capacity to navigate future challenges.

The table below provides a concise overview of the risk categories that YANSAB generally faces or may encounter

Strategic Risks	Main Risks Relating to Business	Risks Related to EHS	Risks Relating to Projects Under Development
	Fluctuations in Oil, Gas, and Utility Prices	Risks Related To Climate Change	Digital Transformation Risks
Operational Risks	Global Market and Economic Conditions	Competitive Industries	The Cyclical Nature Of The Petrochemicals Industry
	Supply chain disruptions	Risks Resulting from the Outbreak of Global Pandemics or Epidemics	
	Risks Arising from Defective Products	Risks Arising from YANSAB's Non- Compliance with the Standards of the Saudi Energy Efficiency Center (SEEC)	
	Risks Associated with the Use of Information Technology	Human Capital Related Risks	Risks Arising from Pension Obligations
Financial Risks	Potential Financing Agreements	Customer Credit Risks	Foreign Exchange Rate Fluctuations
	Financial Instruments Risks	Risks Associated with Dividends	Insufficient Insurance Policies to Cover All Risks
Non Compliance Risks	Changes to Laws or Regulations or Non-Compliance with Any Laws and Regulations		Risks Resulting from Disputes and/or Litigation
	Risks Associated with the Use of Intellectual Property and Technology Licenses		Risks Arising from International Trade Controls

STRATEGIC RISKS

Main Risks Relating to Business

YANSAB is committed to maintaining high utilization rates to optimize the production capacities of its plants and safeguard profit margins. In the petrochemical sector, profitability is intrinsically linked to global demand, inventory levels, and capacity utilization rates; specifically, higher operating rates allow for the allocation of fixed costs over larger production volumes. Consequently, achieving maximum production levels remains a key driver of YANSAB's profitability. However, industry-wide overcapacity, particularly during periods of weakened demand, may necessitate production cuts, thereby narrowing YANSAB's profit margins, income, and cash flows.

YANSAB cannot predict EHSS legislation or regulations that will be enacted in the future, nor how existing or future EHSS laws or regulations will be administered or enforced. Therefore, YANSAB adopts a rigorous methodology for managing EHSS risks, taking into account the potential impacts of investments on YANSAB's operations, operating results, or financial stability.

Incidents related to YANSAB's products may involve severe damage to property, environment and health, which could negatively impact YANSAB's business performance. Additionally, the nature of YANSAB's operations in chemical production may involve risks related to the leakage, discharge, or any other forms of hazardous material emissions. There are also other risks associated with YANSAB's operations, the most prominent of which include:

YANSAB is exposed to several operational risks that impact capacity utilization rates, most notably:

- Maintenance and unscheduled outages (due to either equipment or human failure).
- Unavailability of skilled human resources.
- Decline of recovery rates lower than expected.
- Poor performance of contractors.
- Corrosion problems impacting plants and pipelines.
- Health and safety incidents that may be caused by third-party contractors.
- Exposure to natural hazards such as adverse weather events.

- Explosions occurring within YANSAB's production facilities or infrastructure.
- The Release of toxic gases into the atmosphere.
- The contamination of soil or watercourses.

Any failure to maintain high-capacity utilization rates would have a material and adverse effect on YANSAB's business, operational results, or financial position. To mitigate such impacts, YANSAB strives to implement cost-reduction measures and enhance the reliability of its plants, thereby ensuring production and sales continuity in alignment with the business plans approved by the Board of Directors.

Such risks or others could result in fires, explosions, severe pollution or other catastrophic circumstances, disrupting operations at YANSAB. Such incidents may result in significant liabilities through equipment failures or downtime, civil litigation, regulatory enforcement actions, or penalties. Furthermore, Damage to personnel, property, or equipment could lead to a decline in YANSAB's revenues and profits, along with incurring additional costs to replace or repair its assets. The severity of these impacts depends on the nature of the incident; moreover, YANSAB may not maintain full insurance coverage, or certain assets may remain uninsured.

Risks Related to EHSS

YANSAB is committed to complying with all relevant regulations and requirements related to the EHS, and security. These regulations and requirements establish the applicable standards for YANSAB's operations and outline the civil and legal liabilities for any violations, as well as the obligation to restore any damaged facilities. In addition, special provisions are applicable in environmentally sensitive areas of operation.

In light of this, YANSAB has developed a comprehensive strategy in the areas of EHSS aimed at enhancing employees' ability to accurately identify related risks and develop appropriate plans to mitigate their impacts. Additionally, YANSAB implements an effective operations management system that contributes to achieving outstanding and sustainable performance in the fields of EHSS.

Risks Relating to Projects Under Development

YANSAB operates a number of projects under development, or that are in their early planning stages (such as investing in new production plants or enhancing and modernizing existing plants). Additionally, it may also be executing additional capital projects within the reporting period. Each of these projects are susceptible to a number of risks during development, including:

- Exceeding the allocated investment budget.
- Delaying project launch or non-completion.
- Contractor or subcontractor shortcomings or failure to meet contractual obligations.
- Excessive equipment budgets or deficits.
- Malfunction or damage of equipment or technical resources.
- Operational disruptions.
- Difficulties with connecting relevant initial or final project facilities.
- Untimely shortages of essential raw materials when commencing commercial operations.
- Issues related to operational launches and readiness challenges.
- Issues with effective operational integration and operational cost increases.
- Unpredicted liabilities, changes in policies, and shifts to market conditions.
- Difficulties achieving expected efficiencies, cooperation and savings in costs.

In the event that any of these risks materialize, the overall profitability of the respective project will be adversely affected. Furthermore, should any new project fail to achieve expected performance or profitability levels, it could have a material and adverse effect on YANSAB's overall business, operating results, or financial position.

Fluctuations in Oil, Gas, and Utility Prices

YANSAB's financial results are significantly affected by the margin between product selling prices and raw material purchase prices. The Ministry of Energy is responsible for determining raw material prices, while petrochemical product selling prices depend on the type of product and the location of the customers. Therefore, fluctuations in the prices of oil, gas, and other commodities significantly impact the performance of YANSAB's operations.

Petrochemical product prices generally fluctuate in tandem with changes in oil prices, although this sometimes involves time lags or deviations depending on regional market dynamics. Therefore, during periods of rising oil prices, manufacturing companies may not be able to fully pass on cost increases to their customers, which could negatively impact margins.

Risks Related To Climate Change

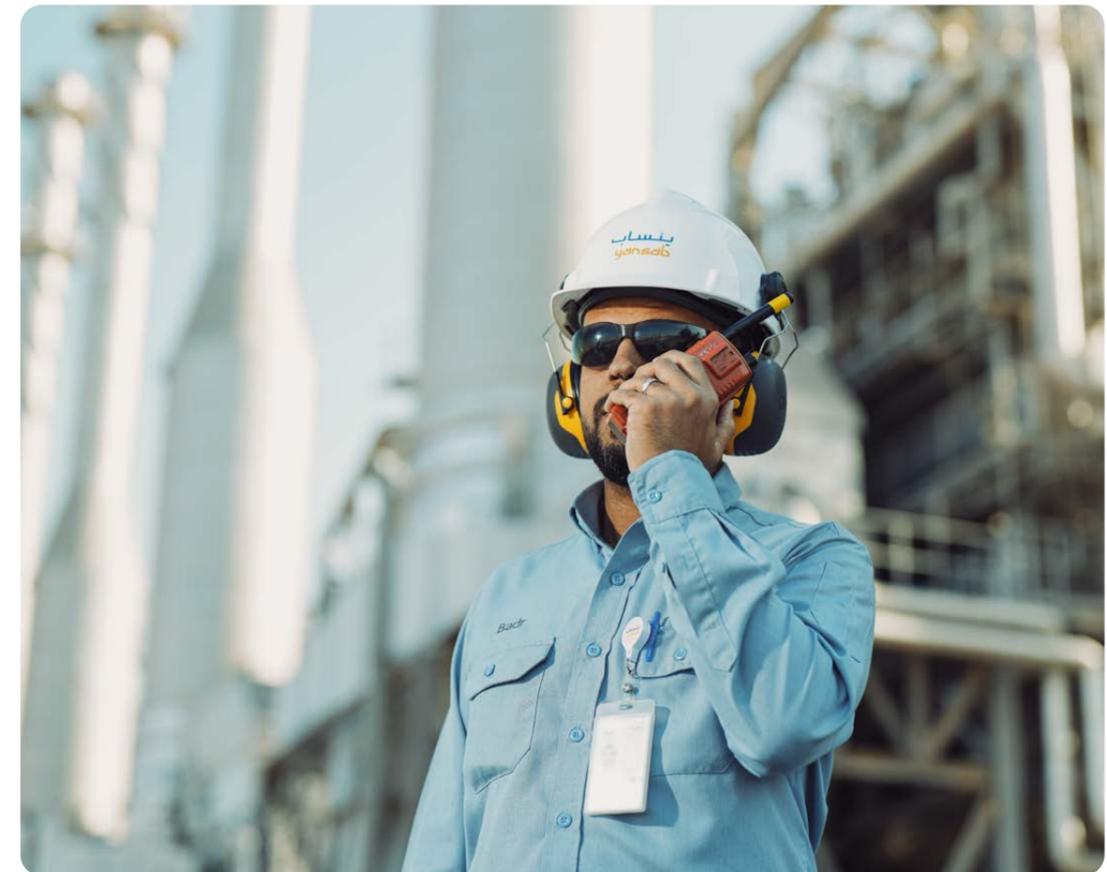
There is no doubt that climate change represents a significant challenge threatening the global economy and negatively impacting companies and financial institutions. Climate related risks may lead to stricter environmental regulations, increased compliance costs, and shifts in customer preferences and product demand patterns. Moreover, the growing transition toward clean energy poses competitive challenges, necessitating sustainable strategies to reduce emissions and enhance operational efficiency. Furthermore, any delay by YANSAB in adapting to these changes could have a material and adverse effect on its operational results and financial position.

Digital Transformation Risks

The petrochemical sector is experiencing a rapid transformation towards leveraging the potential of digital transformation, artificial intelligence, and robotics, which entail significant risks that YANSAB may face. These include cybersecurity risks and the costs associated with adapting to this change. Dependence on digital transformation may lead to technical malfunctions, which could result in disruptions to YANSAB's operational and production processes. This, in turn, could have a material and adverse effect on its operations and financial position.

Automotive

- Interior and exterior parts
- cooling systems
- polyester components



OPERATIONAL RISKS

Global Market and Economic Conditions

YANSAB's performance is significantly influenced by global economic conditions, as its products are used as intermediates in manufacturing industries. Periods of economic slowdown, market volatility, reduced commercial activity, and declining consumer confidence can negatively impact the demand for petrochemical and plastic products.

The past few years have witnessed significant global economic fluctuations that have impacted various sectors reliant on YANSAB's products, including consumer goods, packaging, and industrial commodities. Consequently, YANSAB is unable to predict adverse economic trends or their subsequent impact on market demand and profitability. Such downturns in the economic climate, or prolonged periods of instability, could lead to a decline in industrial output and reduced demand for YANSAB's products worldwide.

Competitive Industries

YANSAB operates within a highly competitive landscape across various global markets and sectors. Some competitors possess a competitive advantage, particularly those that are larger and more vertically integrated—whether in upstream production, downstream production, or both. Nevertheless, YANSAB leverages distinct capabilities that enable it to compete effectively; specifically, these include the availability of raw materials and the adoption of cutting-edge manufacturing technologies that enhance operational efficiency.

The Cyclical Nature Of The Petrochemicals Industry

The petrochemical industry experiences economic cycles characterized by periods of expansion and contraction, which influence supply, demand, and prices. These cycles result in fluctuations in the prices of raw materials and products, leading to periods of high profit margins followed by periods of increased supply, lower prices, and reduced profit margins.

YANSAB cannot accurately predict the timing or duration of these economic cycles. Furthermore, transportation costs and challenges associated with exporting products may negatively impact YANSAB's competitiveness. These factors are exacerbated by rising transportation costs, escalating geopolitical tensions, or natural disasters, particularly for hazardous products that require special handling, thereby adversely affecting operations and profitability.

To address these challenges, YANSAB leverages the marketing strategy and capabilities of SABIC "the primary marketer" under the Marketing Agreement. By doing so, YANSAB conducts real-time, in-depth market analyses and obtains valuable data that facilitate forecasting the future of the petrochemical sector. Consequently, YANSAB takes proactive and well-considered steps to mitigate industry-related risks by evolving its business model and developing a flexible product portfolio capable of adapting to cyclical changes.

Supply Chain Related Risks

YANSAB's operations rely on the shipping and transportation of products and materials by sea and land. Under the existing Marketing Agreement, SABIC manages these logistical operations, aiming to maximize cost-efficiency in the distribution of finished products. Any issue affecting cargo transportation (e.g., dangerous conditions, natural disasters, labor market, or insurance etc.) could reduce YANSAB's competitive advantage compared to regional producers. In addition, concerns surrounding supply chains – such as supplier continuity, material shortages, energy crises, unexpected logistical obstacles, and the absence of price stability – pose challenges that may hinder YANSAB's ability to deliver its products or services at satisfactory profit margins.

Therefore, YANSAB continuously works to enhance service levels and improve cost effectiveness by efficiently managing raw material inventory and leveraging the extensive capabilities of SABIC's global network – as per the Marketing Agreement – to collaborate with its strategic partners in the logistics sector.

Risks Resulting from the Outbreak of Global Pandemics or Epidemics

The risks resulting from the outbreak of epidemics or global pandemics pose a significant threat, as they may lead to business disruptions due to the measures implemented by governments in response. Consequently, such events can have severe consequences on YANSAB's business continuity.

Risks Arising from Defective Products

Several products are developed through highly complex technical and manufacturing processes. Therefore, there are potential risks that some products may be defective. These risks are increased when customers incorporate YANSAB products into consumer products, which are then sold to consumers. Although YANSAB defines its liability to its customers for product defects under the purchase and sale agreements, through coordination with SABIC as per the Marketing Agreement, laws in a number of countries impose a strict liability on the manufacturer or importer of the products, which cannot be limited.

Defects in products manufactured by YANSAB may result in significant costs, including expenses related to the recovery of end-use products, inventory write-offs, loss of sales, and claims for damages. In addition, the occurrence of such defects may lead to claims related to product liability and warranty, as well as reputational damage, which could adversely affect YANSAB's operations and financial position.

Risks Arising from YANSAB's Non-Compliance with the Standards of the Saudi Energy Efficiency Center (SEEC)

Failure to comply with the requirements of SEEC, such as not providing energy consumption data or work plans, may lead to severe consequences. These include actions by the Ministry of Commerce, the Ministry of Energy, and the Ministry of Industry and Mineral Resources, such as suspending industrial services, revoking or refusing to renew industrial licenses, imposing fines by the Capital Market Authority (CMA), or withdrawing licenses by regulatory bodies like the Saudi Standards, Metrology and Quality Organization (SASO) and the Royal Commission for Jubail and Yanbu. As a result, non-compliance with these requirements may hinder the efficient operation of YANSAB and impede its ability to meet the required regulatory standards.

Risks Associated with the Use of Information Technology

YANSAB relies on information technology (IT) systems for its day-to-day operations, making it vulnerable to various risks, such as cyber-attacks, data breaches, technical failures, and the obsolescence of operating systems. Breaches of confidentiality, loss of data, or manipulation of data in any form could disrupt business operations, cause financial losses, and damage YANSAB's reputation. Although YANSAB maintains backup systems, there is no guarantee that they will always function efficiently. Therefore, the possibility of a successful cyberattack remains, which could have a significant impact on YANSAB's operations and financial performance.

Human Capital Related Risks

YANSAB's success lies in its ability to attract and retain highly skilled employees. The competition for top talent is intense, and the loss of qualified personnel or difficulty in recruiting new talents could negatively impact operations. Therefore, offering competitive compensation and benefits is essential to ensuring workforce stability and achieving the desired growth.

Risks Arising from Pension Obligations

The pension plans and retirement obligations at YANSAB are based on precise assumptions related to factors such as discount rates, salary trends, and healthcare costs. Therefore, any inaccuracies in these assumptions or adverse changes in economic conditions could lead to a significant increase in YANSAB's retirement liabilities, which may hinder its financial stability and limit its operational flexibility.

FINANCIAL RISKS

Potential Financing Agreements

Additional financing agreements or restrictive pledges constitute a significant risk that hinders YANSAB's ability to direct cash flows toward its operations or expansion projects. In addition, high debt levels may limit the resources allocated for financing capital expenditures or may increase the costs due to increased interest rates or refinancing risks. A funding shortfall could lead to delays in project implementation or a reduction in their scope, thereby adversely impacting YANSAB's profitability and competitive standing.

Customer Credit Risks

According to the Marketing Agreement, YANSAB sells its products to SABIC that, in turn, provides these products to a variety of customers. In doing so, this exposes YANSAB to the risk of non-payment, especially during economic recession or amid crises affecting various sectors. Although credit sales policies help mitigate such risks, the risk of nonpayment, whether from customers or SABIC, could adversely affect YANSAB's financial position.

Foreign Exchange Rate Fluctuations

YANSAB is vulnerable to foreign exchange rate risks due to transactions conducted in currencies other than the Saudi Riyal, primarily EUR, GBP and JPY. Although the Saudi Riyal's peg to the US Dollar limits exposure to fluctuations in the US Dollar, sudden changes in exchange rates may impact YANSAB's business and affect its financial results.

Financial Instruments Risks

YANSAB's financial statements include notes regarding YANSAB's exposure to risks arising from financial instruments. Although there are no outstanding loans or hedge contracts entered into by YANSAB during 2025, fluctuations in the financial markets may cause significant harm to YANSAB's financial performance.

Risks Associated with Dividends

YANSAB's dividend policy is subject to change at the discretion of the Board of Directors, based on various factors such as profits, cash flows, financial obligations and market conditions. However, any reduction in dividend distribution may adversely impact investor confidence in YANSAB and reflect a negative image of its performance in the market.

Insufficient Insurance Policies to Cover All Risks

YANSAB's operations involve risks inherent to the nature of its business, including fires, explosions, pipeline ruptures, chemical spills, equipment breakdowns and environmental risks, in addition to external threats such as war, terrorism and natural disasters. These risks may cause personal injuries, significant property damage, environmental pollution, suspension of operations or imposing legal penalties.

As such, YANSAB provides insurance coverage in amounts consistent with industry practices, including insurance policies that cover property damage, business interruption and third-party liability. However, this insurance coverage may not be sufficient to cover all losses or liabilities that YANSAB may incur. In addition, YANSAB may face lawsuits that exceed the coverage limits or may suffer losses not covered by the insurance, which could result in severe consequences for YANSAB's financial performance. In this context, it is worth noting that the continued availability of insurance coverage for YANSAB or its ability to bear the costs of such coverage in the future cannot be guaranteed. If YANSAB suffered large uninsured losses, then business, operating results or financial position might be adversely affected substantially.

NON-COMPLIANCE RISKS

Changes to Laws or Regulations or Non-Compliance with Any Laws and Regulations

YANSAB's petrochemicals products are subject to a variety of laws and government regulations relating to the use, discharge, release and disposal of toxic or hazardous materials used by such businesses. Compliance with these laws and regulations can be costly. In addition, failure to abide by such laws and regulations may result in the imposition of fines, product recall, or prohibition of their development, distribution and sale. Moreover, the enactment of new regulations or amendments to the current regulations involves risk of increased operating costs incurred by YANSAB or may restrict its ability to supply materials and access its target markets, adversely affecting YANSAB's profitability.

Risks Resulting from Disputes and/or Litigation

YANSAB is subject to risks related to the legal and regulatory actions, including those related to product liability, competition, tax legislation and environmental regulations. Such disputes may result in imposing significant financial penalties, fines or settlements, resulting in YANSAB incurring substantial financial losses. In addition, investigating legal or regulatory violations could harm YANSAB's reputation and disrupt its operations.

Risks Associated with the Use of Intellectual Property and Technology Licenses

YANSAB depends on a wide range of intellectual property to support its businesses and has obtained licenses for certain technologies used in its manufacturing facilities. Therefore, any dispute related to such licenses or the termination of any of them could limit YANSAB's ability to produce certain products, requiring YANSAB to resort to alternative technologies that may be less effective or more costly. In addition, prohibiting YANSAB to have access to vital intellectual property rights could adversely affect production and profitability.

Seeking to manage the risks associated with this aspect, YANSAB places great emphasis on raising awareness among its employees of the importance of intellectual property and technology licenses, and provides them with comprehensive training programs to enable them to effectively handle related issues.

Risks Arising from International Trade Controls

YANSAB exports products to countries that have adopted trade defense instruments such as anti-dumping and anti-subsidy laws and regulations. Non-compliance with these regulations may result in imposing additional charges on YANSAB or restrictions that hinder the movement of its trade. Moreover, import duties may be imposed by some governments at their own discretion. YANSAB anticipates that these challenges will intensify in the future, potentially limiting its ability to compete effectively in global markets.



BUSINESS PERFORMANCE

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HIGHLIGHTS OF THE YEAR

- Launched Process Safety Strategy


- Total Recordable Incident Rata TRIR ZERO


- Certification Operation Clean Sweep®





BUSINESS ENVIRONMENT

Global Economy

In 2025, the global economy continued to undergo a moderate slowdown, despite signs of a gradual recovery in several key markets. However, persistent protectionist policies—including elevated tariffs and trade restrictions—coupled with ongoing supply chain tensions, continued to adversely affect global trade flows and investment sentiment across multiple regions.

The Manufacturing Purchasing Managers' Index (PMI) indicated a limited improvement in industrial activity, supported by relative demand stability; nevertheless, the pace of recovery remained uneven. Furthermore, growth in the United States continued to lag behind Asian markets. Overall, global industrial activity remained below historical averages, weighed down by high logistical costs, investor caution, and sustained geopolitical uncertainty.

This economic context, persisting since 2023, has created a more cautious operating environment for manufacturing and petrochemical producers, thereby prompting companies to intensify their focus on cost optimization, inventory management effectiveness, and operational resilience.

Global Petrochemical Markets

Global petrochemical markets continued to face margin pressures throughout 2025, driven by oversupply, sluggish demand across key end-use sectors—such as packaging, consumer goods, and industrial materials—and declining global operating rates. Although some Asian markets recorded limited improvements, global utilization levels remained below historical averages, consequently exerting downward pressure on prices and profitability.

YANSAB Product Markets

Prices for YANSAB's polymer and chemical products remained under pressure throughout 2025 compared to historical ranges, primarily due to sluggish demand across various end-use applications and elevated inventory levels among certain customers. Furthermore, intense price competition was driven by the introduction of additional global production capacities.

Nevertheless, YANSAB successfully mitigated a portion of this impact by optimizing its product mix, enhancing marketing agility, and strategically directing sales toward more resilient, higher-margin markets.

Feedstock Markets

Feedstock markets in 2025 witnessed noticeable price volatility, requiring high levels of operational agility and production planning. YANSAB effectively navigated these fluctuations by optimizing its production and sales mix to maximize value and sustain margins.

This was achieved through YANSAB robust plant reliability and operational flexibility. As a result, YANSAB was able to leverage available feedstock, optimize cost-efficiency, and ensure consistent operational performance despite fluctuating market conditions.



FINANCIAL AND BUSINESS PERFORMANCE

EBITDA

₹ 1,060 million

Sales Volumes

10%



Production Volumes

11%



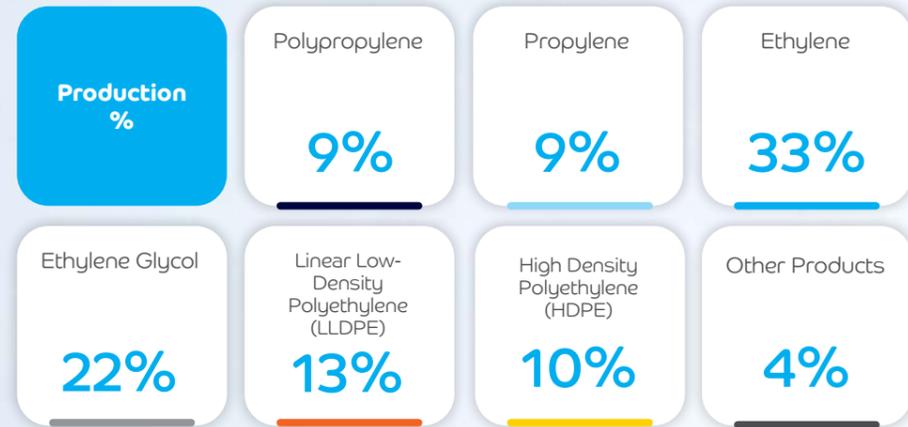
Income Statement (in thousand ₹)

Statements	2025	2024	2023	2022	2021
Sales	5,601,167	6,160,538	4,532,731	7,024,050	7,499,273
Cost of Sales	(4,954,739)	(5,206,452)	(4,586,096)	(6,053,628)	(5,253,405)
Gross Profit	646,428	954,086	(53,365)	970,422	2,245,868
Net Profit	79,098	420,334	(485,144)	414,145	1,531,299

Balance Sheet (in thousand ₹)

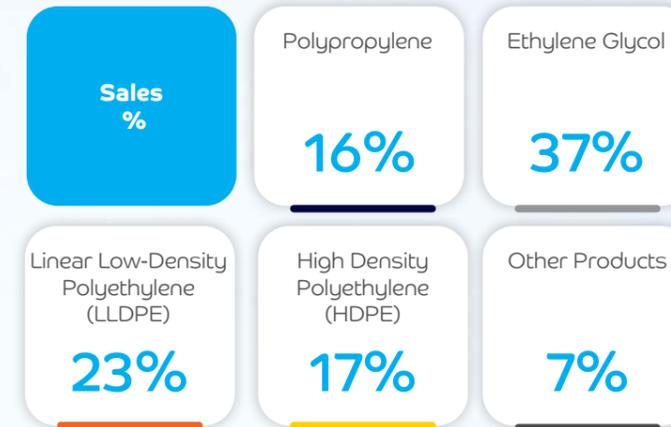
Statements	2025	2024	2023	2022	2021
Current Assets	5,266,584	5,680,299	5,393,903	6,958,810	7,666,605
Non-Current Assets	7,993,040	8,443,876	9,387,983	9,720,781	10,494,305
Total Assets	13,259,624	14,124,175	14,781,886	16,679,591	18,160,910
Current Liabilities	1,422,924	1,855,467	1,859,455	1,649,008	1,886,025
Non-Current Liabilities	1,087,855	1,032,049	1,021,438	979,730	1,232,494
Shareholders' Equity	10,748,845	11,236,659	11,900,993	14,050,853	15,042,391
Total Liabilities and Shareholders' Equity	13,259,624	14,124,175	14,781,886	16,679,591	18,160,910

In 2025, production volumes reached 4,010 thousand metric tons (kmt), an increase of 11% compared to 2024 production, which stood at 3,625 thousand metric tons.



Note: Other products include Butene-1, MTBE, and TXB (Toluene Xylene Benzene) mix.

Sales volume in 2025 reached 2,354 thousand metric tons (kmt), compared to 2,136 thousand metric tons in 2024, representing an increase of 10%



Note: Other products include Butene-1, MTBE, and TXB (Toluene Xylene Benzene) mix.

Geographical Distribution of Revenues



Explanation of any material differences in operating outcomes (in thousand ₪)

Item	2025	2024	Changes	Percentage of Change
Sales	5,601,167	6,160,538	(559,371)	-9%
Cost of Sales	(4,954,739)	(5,206,452)	251,713	-5%
Gross Profit	646,428	954,086	(307,658)	-32%
Other Operating Revenues	32,920	21,735	11,185	51%
Other Operating Expenses	(615,942)	(572,088)	(43,854)	8%
Operating Profit	63,406	403,733	(340,327)	-84%

Investments or Reserves for the Benefit of YANSAB's Employees

The following table shows the investments or reserves established by YANSAB for the benefit of its employees as of December 31, 2025, compared to the previous year (in thousand ₪)

Item	2025	2024
End of Service Gratuity	873,452	840,768
Savings Program	151,851	136,681
Loans and Home Ownership	284,216	336,349
Retirement Program and Other Benefits	126,070	96,314
Total	1,435,589	1,410,112

Construction

- Pipes
- insulation materials
- construction -grade plastics



Paid and Outstanding Statutory Payments

The following table shows the value of paid and outstanding statutory payments in 2025 with their details and reasons (in thousand ₪)

Item	Paid	Outstanding Up to Fiscal Year End	Brief Description	Reasons
Zakat	92,684	94,545	What is paid or charged to the fiscal year pursuant to the regulatory provisions of Saudi Arabia's Zakat, Tax and Customs Authority (ZATCA).	The sums due during 2026 will be paid according to the statutory time limit.
General Organization for Social Insurance	67,154	5,575	What is paid or charged to the fiscal year pursuant to the regulatory provisions of Saudi Arabia's Zakat, Tax and Customs Authority (ZATCA).	The sums due during 2026 will be paid according to the statutory time limit.
Total	159,838	100,120		



MANUFACTURING PERFORMANCE

Operations and Maintenance

YANSAB continuously strives to enhance maintenance efficiency through the adoption of digital transformation programs. These enhancements have contributed to elevating plant reliability and increasing production continuity and operational performance.

Furthermore, specific qualitative initiatives were implemented to boost performance, resulting in an optimized turnaround cycle, reduced downtime, and mitigated operational risks. YANSAB adopts a comprehensive Preventive Maintenance (PM) strategy for all equipment and facilities, where scheduled maintenance and repair programs are regularly monitored and tracked. This approach facilitates a rapid response to potential malfunctions, minimizes interruptions, and enhances process safety, thereby enabling YANSAB to avert operational and environmental risks.

Operations Optimization

YANSAB continued to implement continuous and sustainable improvements in its operational processes to reduce variable costs and enhance efficiency. These included the development of Advanced Process Control (APC) systems and Real-Time Optimization (RTO), which led to increased production and elevated operational efficiency.

These initiatives contributed to achieving a better balance between production and market demand, resulting in tangible improvements in operational performance, productivity, and efficiency. Furthermore, advanced process optimizations have improved resource and energy efficiency, reduced fuel consumption, and bolstered operational reliability. These efforts also ensured process continuity during major maintenance periods, supporting optimal asset utilization and fostering innovation in maintenance practices.

Profitability Management

Profitability management has been significantly enhanced through the Smart Planning Hub, a platform that provides real-time insights into product performance, the product mixes across different grades, and profitability margins. This enables YANSAB to achieve operational flexibility, respond more effectively to dynamic market conditions, and informed decision-making. By integrating financial, operational, and market inputs into a unified analytical environment, this platform has enhanced option assessment, supported the identification of the optimal production mix, improved margins, and enabled YANSAB to respond efficiently to market volatility.

Other Initiatives to Increase Revenue

In 2025, YANSAB developed revenue-generating initiatives through innovation, including enhancing operational integration. These initiatives focused on fully leveraging existing assets, optimizing available capacities, converting certain operational by-products, and recycling some waste to mitigate environmental impact while generating economically valuable returns. Several of these initiatives have already generated revenue, while YANSAB continues to implement further initiatives aimed at enhancing commercial performance and revenue growth in line with YANSAB's long-term strategic objectives.

Inventory Management Improvement

Improving inventory management has enhanced operational efficiency throughout the year by supporting continuous supply, reducing inventory holding costs, and increasing flexibility across various stages of the value chain.

Asset Engineering and Reliability Management

YANSAB strives to enhance reliability to optimize the overall performance of its assets and establish the principle of high production rates. The company implements plans and mechanisms that support these goals in alignment with its vision and strategy. In addition, YANSAB utilizes a robust asset management system to enhance asset life cycles, reduce operating costs, and maximize revenues. The Company employs advanced methodologies such as Reliability-Centered Maintenance (RCM), Risk-Based Inspection (RBI), Reliability Instrumented System (RIS), and Root Cause Analysis (RCA). These tools play a role in minimizing downtime and preventing disruptions in production operations.

YANSAB achieved significant improvements in reliability during 2025 by addressing its operational challenges through innovative solutions that reduced malfunctions.

Furthermore, YANSAB continued to implement enhancements to bolster plant reliability, contributing to reduced energy consumption.

YANSAB maintained its role as a trusted technical partner among national industrial entities by supporting problem-solving efforts, exchanging expertise, and participating in cross-company mutual learning initiatives. In 2025, YANSAB continued to strengthen its presence by participating in the Middle East Corrosion Conference (MECC), a premier regional forum for discussing advancements in materials, asset integrity, and corrosion management.

This participation underscored YANSAB knowledge sharing, innovation, and collaboration with petrochemical peers, further cementing its role in contributing to operational excellence and technical advancement within the industry.



DIGITAL TRANSFORMATION

At YANSAB, digital transformation is a key enabler across all operations, driving operational efficiency to ensure sustainability, enhance performance, and inform decision-making.

By integrating advanced technologies into production systems and operations, YANSAB enables seamless workflows, real-time data access, and optimized resource utilization. This digital transformation fosters innovation, enhances performance, and sustains a competitive advantage in a rapidly evolving sector, ultimately contributing to continued success and business growth.

In 2025, YANSAB continued to advance its digital transformation initiatives to bolster operational reliability, enhance efficiency, and support data-driven decision-making across all manufacturing units. YANSAB expanded the deployment of AI-powered analytics, automated monitoring tools, and predictive

maintenance technologies to proactively identify anomalies and mitigate unplanned downtime. These digital solutions contributed to reducing operational costs, stabilizing asset performance, and fostering a safer working environment at YANSAB.

To support early detection of equipment conditions, YANSAB enhanced its “Asset Care” approach by integrating advanced digital inspection tools and automated alerts that enable maintenance teams to address emerging issues before they escalate. Additionally, updates to the digital permit-to-work system accelerated workflow and reinforced compliance with EHSS standards.

- Predictive Maintenance**: Icon showing a checklist and a pencil.
- Enhancing Safety Protocol Monitoring**: Icon showing a camera or sensor.
- Data-Driven Decision-Making**: Icon showing a network of nodes and lines.
- Sustainability & Energy Efficiency Enhancements**: Icon showing a hand holding a globe.
- Advanced Energy Modeling**: Icon showing a sun, a wind turbine, and a battery.
- Electrical System Reliability**: Icon showing a lightning bolt and a checkmark.

Key digital transformation achievements in 2025 include the following:

Predictive Maintenance
Leveraging real-time monitoring and analytics to reduce downtime, enhance asset performance, and optimize maintenance cycles.

Enhancing Safety Protocol Monitoring
Expanding the deployment of digital platforms for continuous monitoring of equipment and processes, thereby supporting safer operations and enabling the early detection of any abnormal events.

Data-Driven Decision-Making
Enhancing centralized data platforms that optimize decisions related to performance, production, resource utilization, and process improvement.

Sustainability & Energy Efficiency Enhancements
YANSAB continues to meet the targets and requirements of the Saudi Energy Efficiency Center (SEEC) by integrating digital platforms for Energy and EHSS (Environment, Health, Safety, and Security) performance across all plants. This has improved transparency, enhanced reporting accuracy, and supported compliance with national sustainability standards.

Furthermore, YANSAB is transitioning to electronic data entry, minimizing manual input unless necessary. This shift has improved data accuracy, reduced operational burden, and increased the speed and reliability of sustainability data verification, creating a comprehensive overview that enables better forecasting, resource planning, and more effective decision-making.

Advanced Energy Modeling
YANSAB has introduced a digital energy simulation system enhanced for key equipment, allowing for predictive efficiency tracking and early identification of abnormal consumption patterns. This has optimized energy use and bolstered long-term sustainability performance.

Electrical System Reliability
YANSAB completed the full automation of fault detection within its power systems. This advancement facilitates real-time monitoring of power quality, ensures the early detection of disturbances, and minimizes operational interruptions.

Furthermore, YANSAB conducted operational resilience workshops focused on identifying and assessing risks arising from potential process and asset disruptions. Based on these findings, resilience strategies were developed to mitigate identified risks. This initiative contributes to detecting malfunctions or potential hazards through historical reviews and benchmarking, thereby enhancing operational reliability and safety.

This strategic approach has improved operational performance, heightened equipment efficiency, and resulted in superior operational output. Moreover, the exchange of lessons learned and best practices across internal teams has accelerated capability development and strengthened operational practices.

Collectively, these integrated enhancements form a more resilient and reliable operational platform, bolstering YANSAB’s ability to adapt to shifting conditions, optimize performance, and advance its digital transformation journey toward more efficient and sustainable operations.



QUALITY

YANSAB conducts periodic reviews of its quality systems to ensure compliance with approved international standards.

Furthermore, YANSAB successfully cleared all external audits conducted for its following management systems:

 <p>Energy Management System (ISO:50001)</p>	 <p>Quality Management Systems (ISO:9001-2015)</p>	 <p>Business Continuity Management System (ISO:22301)</p>	 <p>Information Security Management Systems (ISO:27001)</p>	 <p>Asset Management System (ISO:55001)</p>
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YANSAB conducted a comprehensive review of its Operational Management System (OMS). Additionally, regular self-audits are performed to ensure the effectiveness and optimization of all procedures. These audits aim to verify the OMS's functionality, address any deficiencies if found, and drive continuous development and improvement.

These operations are sustained by ongoing initiatives to enhance Lean and Six Sigma training programs and projects, fostering a culture of operational efficiency, process improvement, and quality excellence. YANSAB annual targets are set in direct alignment with operational objectives and are subject to periodic reviews, while professional certification and awareness programs further bolster employee capabilities. The continuous refinement of the Management System, coupled with lessons learned from internal and external audits, ensures that YANSAB maintains the highest standards of performance, compliance, and operational integrity.

TAHSEEN Committee

The TAHSEEN Committee works towards the continuous improvement of YANSAB, overseeing the application of quality principles across all operations in accordance with Business Management System (BMS) standards and enhancing operational efficiency throughout all facilities.

Collaboration for Innovation

Partnerships and collaborations across various sectors are a fundamental pillar of YANSAB innovation strategy. Partnerships with local and international universities and scientific institutions contribute to accelerating access to and adoption of advanced technologies while fostering innovative solutions. Through these partnerships, YANSAB is able to:

- Acquire new knowledge and technical competencies.
- Support key projects and expand organizational capabilities.
- Create new opportunities that catalyze business growth.
- Increase production efficiency while improving cost performance.
- Develop its talent base and foster creative, forward-thinking mindsets.

Chemicals and Solvents

- Downstream chemical manufacturing



CYBERSECURITY

YANSAB places cybersecurity at the top of its priorities by complying with government regulations, including the National Cybersecurity Authority (NCA-ECC) and Operational Technology Cybersecurity Controls (NCA-OTCC), and by strengthening its cybersecurity governance framework, policies and procedures.

YANSAB completed the fourth phase of the Operational Technology Cybersecurity Enhancement Project and obtained recertification of its Information Security Management Systems (ISO:27001). Moreover, the Company adheres to best practices, established procedures and the continuous development of its employees by offering online trainings and awareness programs.

As part of its keenness to raise community awareness, YANSAB has provided cybersecurity awareness programs for employees, their family members and others, equipping them with the necessary skills to identify and protect against potential threats.

YANSAB will continue to strengthen its cybersecurity controls, explore technical solutions, enhance management processes and systems and develop human capabilities and awareness to safeguard the company and its operations from trending cyber threats.

At the same time, we continue to explore opportunities and leverage artificial intelligence tools, working to integrate cyber defence operations with other technologies to protect YANSAB from advanced cyberattacks, particularly considering the rapid acceleration and development of artificial intelligence.



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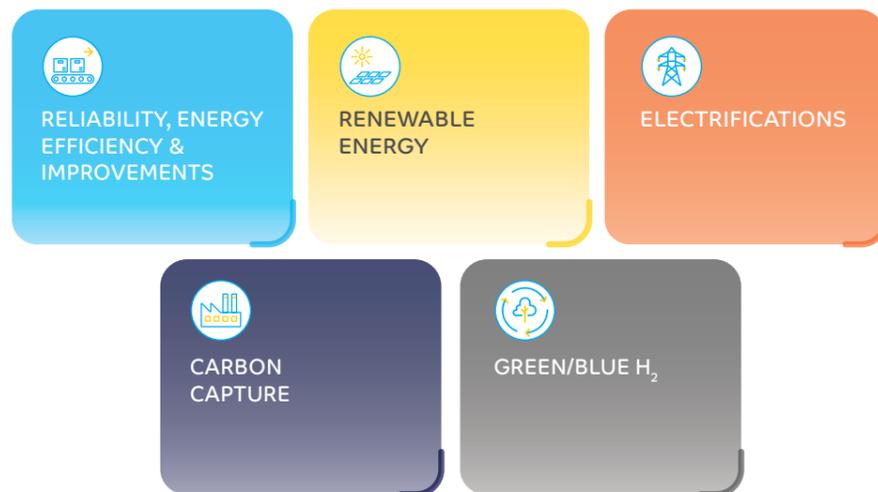
SUSTAINABILITY PERFORMANCE

YANSAB has embraced several sustainability principles as part of a comprehensive strategy focused on enhancing the operational efficiency of its factories, optimizing the consumption of natural resources, and reducing gas emissions. These principles are closely aligned with the Company’s safety, security, environmental, and quality policies.

Climate change and energy efficiency

YANSAB places energy efficiency at the core of its business, aligning its approach with the regulatory frameworks established by the Saudi Energy Efficiency Center (SEEC), the Ministry of Energy, the Royal Commission for Jubail and Yanbu (RCJY) and the Saudi Electricity Regulatory Authority (SERA). This framework is further strengthened by the Energy Management System (ISO:50001), which YANSAB has implemented to ensure systematic monitoring, performance tracking, and continuous improvement across all manufacturing assets.

In practice, this means executing SEEC’s Second Cycle (2020–2025) objectives, advancing the Kingdom’s broader sustainability priorities, and embedding efficiency improvements that directly reduce energy consumption and emissions.



Governance and oversight are structured across multiple levels. The Executive Management Team, working through EHSS and Sustainability reporting, tracks progress against decarbonization plans and ensures operational initiatives remain aligned with SEEC requirements. Energy performance indicators are reviewed at both the plant and corporate strategy levels, with reports consistently updated within the sustainability database.

Through this integrated system, every efficiency initiative – whether technical upgrades, process improvements, or operational practices – supports YANSAB’s broader objectives of enhancing reliability, strengthening environmental stewardship, and maintaining compliance with national and international expectations.



Our long-term sustainability and carbon neutrality (CN) strategy spans 2025-2035 and is structured around three primary themes:

1. Energy Efficiency
2. Hydrocarbon Waste Elimination
3. Scope 2 (Indirect Emission) Reduction

YANSAB’s energy efficiency strategy is focused on optimizing energy performance through operational excellence, technology upgrades, and renewable integration. Guided by the Carbon Neutrality Roadmap and SEEC’s third energy-efficiency cycle, the Company continues to implement initiatives that enhance process reliability, reduce consumption, and minimize greenhouse gas emissions.

In alignment with Saudi Vision 2030 and national energy transition trends, YANSAB is working toward achieving a significant reduction in Indirect Emissions (Scope 2) by 2035. This objective is pursued through enhanced operational efficiency and the steady integration of low-carbon alternative energy inputs.

YANSAB continued to bolster energy performance across its production facilities by deploying advanced energy management systems and adopting modern efficiency-enhancing technologies. These efforts contributed to optimized resource utilization, reduced emissions.

Operational Optimization

In 2025, YANSAB implemented a series of targeted operational enhancements that bolstered efficiency. A new low-pressure steam system improved boiler performance and reduced fuel gas consumption, while optimization initiatives in key utilities minimized reliance on external steam, achieving significant energy savings. Additionally, YANSAB upgraded its power generation systems to optimize voltage levels without increasing fuel consumption, contributing to a reduction in indirect emissions. Furthermore, the optimization and integration of site-wide steam and power flows generated further efficiency gains, supporting operations.

Strategic Innovation and Collaboration

YANSAB continued to drive innovation programs through targeted partnerships and forward-looking studies focused on long-term impact solutions. Collaborative efforts advanced pilot initiatives in Carbon Capture and Utilization (CCU), expanded the electrification of certain process units, and explored new opportunities for waste heat recovery.

In parallel, YANSAB initiated feasibility studies for integrating renewable electricity. Meanwhile, the long-term decarbonization roadmap remains a primary focus, with ongoing research into the potential role of Green and Blue Hydrogen in future operations.

YANSAB boasts a cadre of engineers who hold the Certified Energy Manager (CEM) credential—a professional certification granted to experts after completing intensive training and evaluation focused on industrial energy management. This has bolstered YANSAB’s internal technical expertise and enabled the implementation of advanced energy optimization solutions. Furthermore, workshops were held to raise awareness regarding efficiency and SEEC compliance, fostering a culture of ‘Energy Ownership’ across all operational levels.

Future Outlook

Building on the milestones achieved in 2025, YANSAB will continue to execute its carbon neutrality roadmap toward 2050 by accelerating the adoption of renewable energy and electrification initiatives. YANSAB aims to transition successful CCU pilot projects into large-scale industrial applications and achieve further reductions in energy intensity. This ensures alignment with both global climate goals and Saudi Vision 2030.

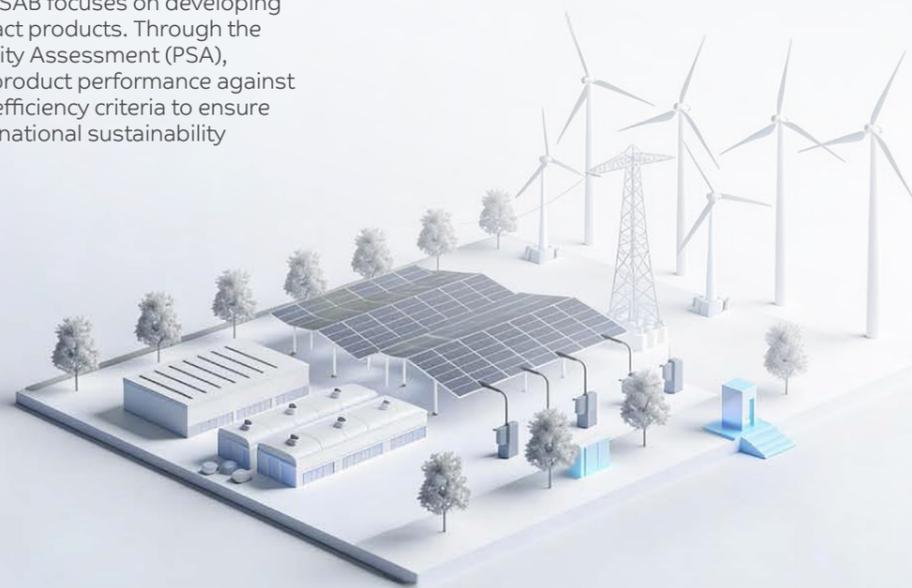
CIRCULAR ECONOMY AND SUSTAINABILITY SOLUTIONS

YANSAB’s approach to the circular economy and sustainability is built on innovation, resource efficiency, and responsible manufacturing. YANSAB integrates sustainability across all production stages and solution designs that optimize natural resource utilization, minimize waste, and reduce emissions.

YANSAB works on waste reduction, resource recovery, and material reuse. Furthermore, YANSAB holds the International Sustainability and Carbon Certification (ISCC+) within its Trucircle™ portfolio. This certification enables the production and sale of circular and bio-circular polymers in alignment with global standards, as the principles of resource recovery and reuse are integrated into YANSAB’s value chain.

Additionally, YANSAB collaborates with industry partners and customers to expand the use of recyclable, driving circular production technologies and reducing the life-cycle emissions of these products. This continuous improvement supports YANSAB’s innovation and product development.

The strategy of YANSAB focuses on developing innovative, low-impact products. Through the Portfolio Sustainability Assessment (PSA), YANSAB evaluates product performance against environmental and efficiency criteria to ensure alignment with international sustainability standards.



Implemented circular economy initiatives to recycle process waste as an internal energy source and repurpose by-products through external partnerships.

Applied circular economy principles across all production and supply stages using bio-based feedstocks, biodegradable products, and recycled materials.

Embedded innovation across operations by exploring emerging low-carbon technologies to sustain long-term competitiveness and environmental performance.

SUSTAINABLE ECOSYSTEMS

Resource Efficiency – Water and Waste

YANSAB integrates its operations to optimize resource efficiency, minimize waste, conserve water, and ensure strict compliance within an operational framework that supports safe and sustainable processes. Its waste management procedures reinforce this approach, ensuring proper treatment, segregation, and disposal of materials through a dedicated storage and treatment system that facilitates recycling and recovery wherever feasible.

YANSAB continues to make progress in its circular economy programs through initiatives that enhance material recovery, achieve optimal resource utilization, and improve water efficiency across its operations. The «Waste-to-Wealth» initiative has played a significant role, where by-products are processed and converted into resources of economic value. Furthermore, YANSAB introduces initiatives aimed at reducing the flaring of associated gases through recycling, striving to achieve «Zero Routine Flaring» and the optimal utilization of all resources and production inputs.

Additional enhancements in water recycling and reuse, coupled with broader improvements in operational efficiency and energy performance, further strengthen YANSAB’s commitment to sustainability. Together, these integrated measures demonstrate a consistent and forward-looking approach to environmental stewardship, the circular economy, and the continuous reduction of YANSAB’s environmental footprint.

Under its resource efficiency program, YANSAB achieved significant progress in reducing water and material losses by implementing targeted operational enhancements and stringent process controls. Water-use efficiency underwent substantial improvement, surpassing set targets and reflecting YANSAB’s sustained advancement in water conservation and responsible resource management.

Material loss reduction performance improved significantly, driven by heightened operational reliability, enhanced monitoring, and rigorous operational discipline.

Furthermore, YANSAB implemented a strategic vehicle movement plan within its complex, enhancing site safety and minimizing pollution risks.

A definitive milestone for YANSAB in 2025 was obtaining the Operation Clean Sweep® (OCS) certification, marking it as the first entity in the Middle East and Africa to receive this accolade. This certification highlights the comprehensive approach adopted by YANSAB to prevent pellet loss and champion circular economy practices.

Throughout 2025, YANSAB launched several high-impact water and waste management initiatives aimed at optimizing resource use and supporting circularity. These programs included enhancing wastewater piping networks, maintaining and cleaning industrial wastewater retention and treatment facilities, and executing projects to maximize wastewater reuse and treatment capacities to advanced levels.



Certification (Operation Clean Sweep®)

WORKFORCE AND COMMUNITY

YANSAB is dedicated to establishing fruitful and long-term partnerships with its employees, surrounding communities, relevant bodies, and stakeholders involve, recognizing that these partnerships are vital to creating an integrated and comprehensive system capable of adapting to changes.

In line with its commitment to achieving its sustainability goals and the ambitious KSA Vision 2030, YANSAB strategies are based on achieving ESG goals through adopting an approach based on innovation, integrity, and sustainability in all aspects of business. YANSAB realizes the importance of developing human competencies and establishing mutual trust with all stakeholders, while ensuring the implementation of the highest accountability and transparency levels in all operations to achieve added and sustainable value.

Employment and Workforce Management
YANSAB's approach to recruitment and talent management is anchored in a policy framework that prioritizes equity, employee empowerment, and continuous development. In implementing its Code of Conduct, YANSAB upholds the highest standards of transparency, integrity, and equal opportunity across all hiring practices. Furthermore, human capital initiatives focus on employee development, engagement, and safety through programs designed to foster diversity and inclusion while building leadership capabilities at every level.

YANSAB regards its employees as its most valuable asset. Consequently, it is committed to providing a positive and motivating work environment that fosters professional growth and employee satisfaction. This commitment is reflected in policies that ensure ethical recruitment, non-discrimination, fair compensation, and safe working conditions. Simultaneously, YANSAB works to instill a culture of discipline and efficiency through specialized training programs focused on performance improvement and operational best practices, thereby enhancing overall quality and efficiency.

YANSAB prioritizes localization (Saudization) and the development of national talent, maintaining high Saudization levels across all roles. Significant resources are dedicated to training and skill development to meet evolving industry requirements. These structured programs to help leadership development, technical capacity building, career progression, and employee rewards. Employees are provided with equal opportunities for growth, enabling them to contribute effectively and participate fully in YANSAB's success. YANSAB also prioritizes employee safety through comprehensive initiatives in health, security, and safety, alongside promoting well-being to sustain productivity and long-term talent retention. Together, these integrated measures form a comprehensive system that elevates employee performance standards.



YANSAB focused on enhancing technical capabilities, operational readiness, and continuous learning. Employees participated in advanced programs covering risk management, business continuity, operational resilience, and specialized technical courses, alongside methodology workshops that foster knowledge diversity and expertise sharing. Innovative initiatives, such as the «Ibtikar» (Innovation) initiative, value realization oversight, the Knowledge Club, and expert-led lectures, have significantly contributed to problem-solving, awareness-raising, and knowledge exchange. Furthermore, career-path-linked programs—including the joint professional track, career coaching, YANSAB Talents, skill development and leadership programs (Toastmasters), and business-goal-oriented workshops—have reinforced a culture of continuous learning within YANSAB, bolstering professional development, leadership readiness, and alignment with strategic priorities.



Key Training Programs

Mentorship program

This program contributes to fostering professional growth by facilitating knowledge transfer between experienced employees (Mentors or Career Development Advisors) and those seeking to advance their career paths (Mentees). To date, more than 100 employees have participated in structured mentoring relationships aimed at:

Sharing institutional knowledge

Strengthening organizational culture and belonging

Developing leadership and personal skills

Supporting career progression and continuity of learning

“Jadeer” Program

The program targets Front-Line Employees, including operators and technicians, with over 140 participants. It supports the development of operational and technical skills, enhancing their capabilities to ensure safe and efficient plant performance.

Leadership and Development Programs

YANSAB is committed to reinforcing a strong leadership culture within its operational environment. More than 60 leaders participated in 2025 leadership development programs designed to enhance decision-making, safety performance, operational reliability, and workplace communication.

Early Development Program

The Early Development Program (EDP) represents a strategic investment by YANSAB in the potential of fresh graduates. The program provides them with an opportunity to enhance their practical experience and develop professional skills through a specialized On-the-Job Training (OJT) curriculum tailored to their academic backgrounds. This initiative aims to ensure that new graduates acquire the highest levels of competency and readiness to effectively contribute to the workplace.

“TADARRUJ” Program

TADARRUJ” program prepares and develops new high school graduates to work in frontline operational and maintenance roles. In 2025, YANSAB welcomed over 75 trainees for hands-on industrial training to equip them for specialized work environments.

SABIC Scholarship Program

YANSAB participates in the SABIC Scholarship Program, which aims to support outstanding Saudi students in pursuing their undergraduate studies both within the Kingdom and abroad, specializing in scientific and engineering disciplines. Through its adoption of this program, YANSAB seeks to prepare a cadre of highly qualified national talents, equipped with the academic excellence necessary to drive future growth.

Knowledge Club

The Knowledge Club has bolstered employee engagement through a platform led by YANSAB professionals and subject matter experts, offering a diverse range of lectures across various fields of technical, professional, and personal development. More than 50 knowledge sessions were held throughout the year, attracting over 1,000 participants and reinforcing a culture of learning, collaboration, and innovation across the organization.

Cooperative Training

The company annually welcomes male and female students from various academic disciplines and provides them with a guided, hands-on learning environment that enables them to participate in daily tasks and interact with experts and specialists. The Cooperative Training Program at YANSAB is distinguished by its focus on providing trainees with the opportunity to develop their skills in multiple areas, including problem solving, teamwork, time management, and adherence to quality and safety standards. Trainees receive support and guidance from experienced supervisors who monitor their progress and provide continuous support.

Digital Learning

Digital learning enables employees to access knowledge anytime and anywhere. YANSAB partners with global learning platforms providing access to over 2,500 digital training courses. This enhances self-learning, engagement, and continuous skills development.

Technical Papers

Employees have contributed more than 15 technical and scientific papers, reflecting strong professional expertise, innovation, and the company’s commitment to knowledge sharing and continuous improvement.



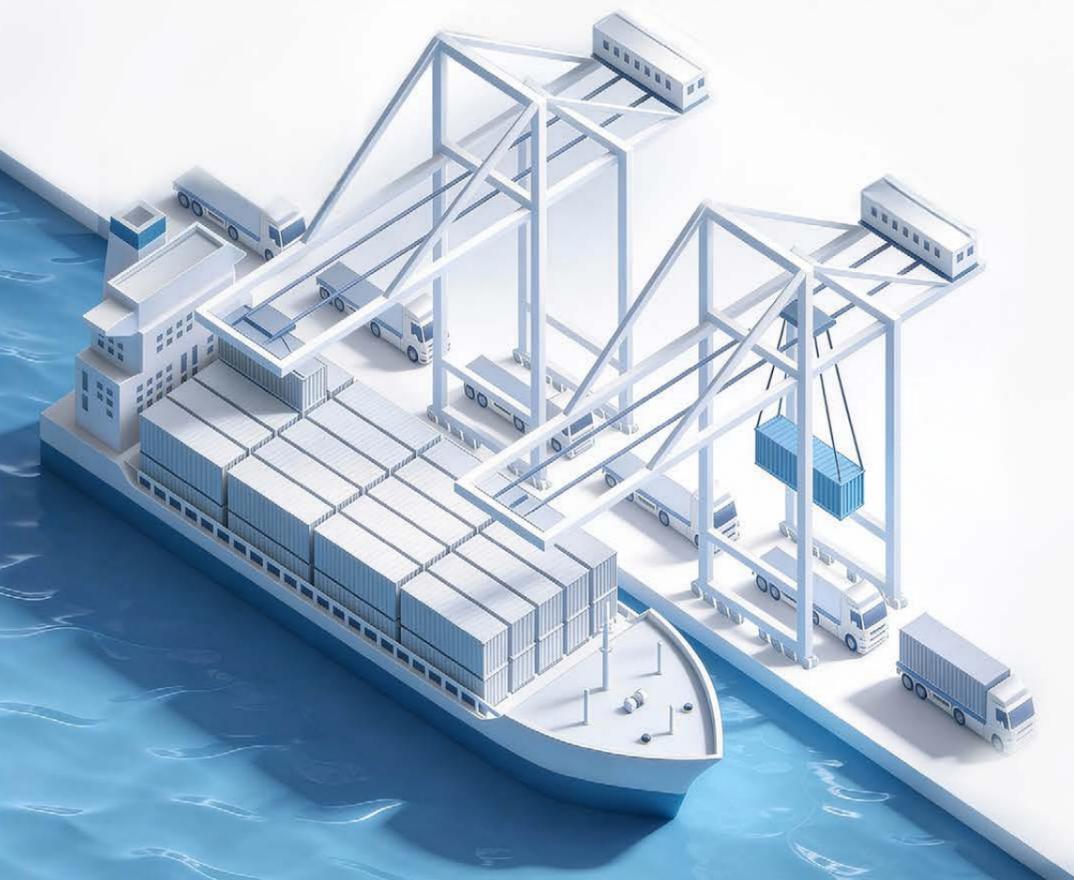
SUPPLY CHAIN

YANSAB fully recognizes the vital role supply chain management plays in maintaining its competitiveness and supporting its customers.

YANSAB's supply chain management strategy centers on operational excellence, safety, and strengthening supplier partnerships, aiming to ensure seamless operations and the implementation of sustainable best practices. Under a Marketing Agreement, YANSAB markets all its products through SABIC, which in turn handles the marketing and distribution of these products across local, regional, and global markets. This is managed through a joint committee responsible for reviewing market trends, price forecasts, and product costs, as well as approving the minimum netback price. All sales are issued through SABIC's supply chain, where the SAP-Ariba SLP program ensures supplier qualification and compliance with procurement and supply chain management standards. This comprehensive approach supports operational efficiency and reliability, reinforcing YANSAB's commitment to quality, reliability, and compliance with international standards.

Supply chain management policies rely on the Supplier Lifecycle Performance (SLP) program to ensure that suppliers adhere to the highest procurement standards and meet supply chain requirements.

Nevertheless, global supply chains continue to face pressing challenges, including increasing geopolitical tensions, raw material shortages, production capacity issues, and rising costs. Added to these are other factors impacting the global economic landscape, such as high inflation rates, supply and demand fluctuations, container shortages, and frequent logistics disruptions. Despite these hindering circumstances and challenges, YANSAB maintains its relentless focus on mitigating potential risks and ensuring high-efficiency supply chain continuity, aiming to preserve optimal operational efficiency and enhance the value provided to stakeholders.



ETHICS AND COMPLIANCE

The YANSAB Code of Ethics serves as the fundamental pillar upon which YANSAB's business practices are built, ensuring operations are conducted with integrity and in adherence to the ethical standards, guiding the course of its daily activities. Grounded in its core values and guided by the provisions of the Code of Ethics, YANSAB reaffirms its unwavering commitment to ethical practices in all dealings and relationships with employees, customers, suppliers, contractors, and all other stakeholders.

YANSAB is dedicated to complying with applicable laws and regulations, as well as maintaining ethical and fair practices in all commercial transactions across both public and private sectors. Within this framework, YANSAB provides specialized awareness and training programs focused on anti-bribery and anti-corruption as part of its comprehensive Ethics and Compliance program.

Furthermore, YANSAB believes in the importance of constructive cooperation with government entities, seeking through such collaboration to adhere to systems, policies, and regulations that contribute to achieving growth and sustainable development goals. Structured and effective engagement programs further strengthen these relationships, reinforcing YANSAB's commitment to ethical excellence and creating a positive impact on all stakeholders.

Employees are required to abide by the Code, which serves as a guide to ethical business conduct in all interactions. YANSAB employees annually acknowledge their understanding of the Code and complete training on relevant policies periodically. YANSAB also conducts in-person and virtual training to strengthen collective awareness of compliance and nurture a culture of integrity. Employees and other stakeholders are encouraged to report any integrity concerns in confidence through various channels. YANSAB's non-retaliation policy protects individuals who raise concerns in good faith or participate in investigations.

While our employees adhere to our Code of Ethics, our suppliers are bound by YANSAB's Supplier Code of Conduct, and temporary and contract workers are required to comply with our Temporary Worker Code of Conduct. Both documents mirror the same ethical standards outlined in YANSAB's own Code of Ethics.

We perform Due Diligence on third parties, including customers, suppliers, distributors, and contract personnel. The automation of key tasks, such as supplier registration and onboarding, has fortified this process, enabling us to assess and mitigate risks throughout the supply chain. We adopt a collaborative approach with our partners to foster awareness, utilizing specialized e-learning compliance programs for third-party business partners to enhance their understanding of core concepts and regulatory requirements.

CORPORATE SOCIAL RESPONSIBILITY

YANSAB's Corporate Social Responsibility (CSR) strategy reflects its commitment to fostering long-term, value-driven relationships with its employees, local communities, and partners. Based on the sustainability and community engagement framework, the CSR policy focuses on implementing initiatives with measurable social, cultural, and educational value.

In alignment with Saudi Vision 2030, YANSAB integrates corporate social responsibility into its overall sustainability goals, promoting social cohesion, enhancing health and safety, supporting development, and preserving cultural heritage. The CSR Committee oversees the implementation of these initiatives to ensure that all programs align with YANSAB's values of motivation, engagement, creativity, and achievement.



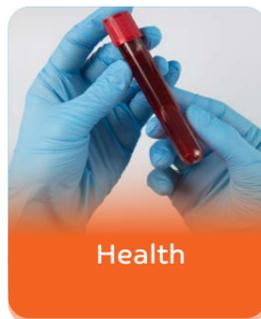
Community quality of life



Environmental protection



Education and training



Health

YANSAB's 2025 CSR calendar brought together community service, cultural celebration, and employee engagement through a broad mix of programs focused on health, education, social wellbeing.

Community Programs

A series of events—including the YANSAB Winter Camp, Founding Day celebrations, and National Day—have contributed to strengthening a shared identity and fostering communication links between employees and their families. Additionally, Ramadan activities, the annual Iftar, and Eid Al-Fitr and Eid Al-Adha celebrations have reinforced an atmosphere of connection and participation between employees and the community. Regular meetings and the « Spirit Your Summer » event have also provided a friendly environment for dialogue and engagement among employees, building a more interactive and cohesive work environment.

Health and Safety Initiatives

Blood donation drives have contributed to volunteer work and raised levels of awareness and solidarity by providing aid to those in need and supporting public health services. Furthermore, personal safety initiatives, such as heat exhaustion prevention and safe driving programs, have enhanced the awareness of both employees and the community.

Education and Development

The summer program for high school students provided direct practical experience in fields such as sustainability, innovation, and leadership, contributing to youth development and supporting the building of future competencies. Additionally, high school visits bolstered outreach efforts by introducing younger students to YANSAB's operations, engineering pathways, and essential safety practices.



Enhancing Employee Engagement and Recognition

Internal initiatives at YANSAB—such as the YANSAB Olympics and the Service Award Celebration—play a key role in fostering a culture of belonging and loyalty. These programs reaffirm that YANSAB celebrates the dedication of its employees, values their contributions, and strengthens team spirit and performance. Furthermore, effective Communication initiatives with executive management such as onboarding programs for new hires along with regular meetings between employees and leadership and the annual work environment assessment, have enabled employees to share their views and feedback. These channels support management's ability to act on insights received, contributing to continuous workplace improvement. In addition, site-visit programs, ongoing engagement by the CEO, and periodic visits by Board members have further strengthened connectivity across the organization and reinforced alignment with YANSAB's vision and values.

Support Madinah Autism Center

Through its social responsibility policy, YANSAB seeks to establish strong and lasting relationships with the community in which it operates by focusing on the areas of community development, education, training,

and health. YANSAB continued its contribution and support to the "Tamkeen Comprehensive Center for Autism" in Madinah, one of the initiatives of the Madinah Autism Association (Tamako) to enhance its role in serving people with disabilities and people with autism, helping them integrate into education and society, and increasing their opportunities in the labor market.

This step comes within the framework of our commitment to human health as one of the pillars of our social responsibility strategy, one of the objectives of Saudi Vision 2030, and a continuation of our programs that focused on supporting and developing institutional initiatives aimed at achieving a positive and sustainable impact in terms of increasing the efficiency of ways to deal with autism.

This support will play a crucial role in advancing the Center's programs and capabilities across key areas, including diagnosis, early intervention, treatment planning, vocational rehabilitation, and the delivery of advisory services. Furthermore, it will enhance community awareness about autism, promote research and studies in the field, and enable the attraction and training of specialized professionals, leveraging the latest and most effective global best practices.

The Center provides specialized programs encompassing physical therapy, occupational therapy, sensory integration, speech and language therapy, and the development of daily living, social, and behavioral skills tailored to beneficiary's environments. It also offers accommodation, healthcare, and personalized physical care services.

Charity Fund (Berr)

In acknowledgment of the significance of charitable work and community support, our employees actively contribute to the SABIC Employees' Charity Fund («Berr») in collaboration with their colleagues at SABIC and its subsidiaries. This fund supports underprivileged families across our beloved homeland through an integrated approach that diversifies its programs and broadens the scope of its initiatives to address the needs of individuals and families. The impact of these efforts is evident in both pastoral and developmental contributions, encompassing areas such as family support, housing assistance, rehabilitation and training programs, healthcare services, social welfare, and other community-focused initiatives. These programs have played a crucial role in enhancing the living conditions of beneficiaries, instilling hope, and empowering them to build their capacity for productive and meaningful contributions to society.



ENVIRONMENT, HEALTH, SAFETY, AND SECURITY (EHSS)

YANSAB is committed to the laws and regulations related to Environment, Health, Safety, and Security (EHSS) applicable to its operations. These regulations define various standards governing specific aspects of quality in EHSS and impose civil and legal penalties, as well as other liabilities, in the event of exceeding these standards. Furthermore, they establish—in certain cases—obligations to remediate existing and former facilities and sites where operations have been or are being conducted, and special provisions are applied in operation areas that are environmentally affected.

YANSAB places Environment, Health, Safety, and Security (EHSS) at the core of its business strategy, recognizing it as essential to long-term success and sustainability. Its integrated approach emphasizes fostering a culture of safety, environmental stewardship, and regulatory compliance through robust policies, employee training, and performance monitoring. The Company aligns its EHSS management systems with international standards, supported by proactive performance indicators and continuous improvement programs that protect people, assets, and the environment while ensuring operational reliability and sustainable growth. YANSAB pays great attention to the health, safety, and well-being of all its employees, considering these challenges as priorities and core values. Accordingly, YANSAB is committed to continuous improvement and constant upgrading of programs and initiatives that contribute to achieving the highest occupational safety standards in a responsible and effective manner while constantly striving to avoid any injuries or illnesses among employees and contractors.

Safety of work procedures at YANSAB is based on adopting an integrated approach of three main pillars, which are:

- Developing the competencies and professional capabilities of workers.
- Effective risk management.
- Full preparedness for emergencies.

Consumer Goods

- Household items
- appliances
- personal care packaging



PROCESS SAFETY 2030 STRATEGY

Process Safety 2030 Strategy Framework

Process Safety 2030 Strategy developed based on CCPS 4-Risk Based Process Safety (RBPS) Pillars as follows:



to process safety, and continuous improvement, which supports the protection of individuals and assets and ensures sustainability.



In 2025, YANSAB achieved a distinguished safety record, recording zero recordable injuries and zero process safety incidents. With YANSAB sites consistently ranked among the highest in EHS system advancement, exceeding the annual average. This reflects a comprehensive health and safety strategy built on leadership commitment, robust risk management, process safety, emergency readiness, employee engagement, and the strategic use of technology. Based on the commitment to the Process Safety 2030 Strategy, YANSAB developed its proactive approach to hazard identification, operational discipline, and continuous learning to embed operational excellence across all plants. YANSAB maintained full crisis management readiness by conducting periodic emergency drills, with response teams achieving ideal results in preparedness, supported by field facility upgrades. Improvements in critical infrastructure and safety ensured operational resilience under all conditions, as these enhancements included regular periodic assessments of safety equipment and devices. The year 2025 was full of opportunities, leveraging the EHSS stewardship program to maintain excellence in these fields, identify operational risks, and continuously improve emergency response and technology deployment.

The following key EHSS strategies have been emphasized to enhance their development and excellence, as follows:

- Leadership Commitment, Governance, and Compliance.
- Robust Risk and Process Safety Management Implementation.
- Develop and Maintain Emergency Preparedness and Response.
- Strong EHSS Culture, Learnings and Workforce Engagement.
- Technology Deployment to drive continuous improvement toward EHSS Excellence.

In addition to the above, YANSAB reaffirms its deep commitment to Environment, Health, Safety, and Security (EHSS) by identifying focus areas that form the basis of its ongoing EHSS management journey, as follows:

1. Core EHSS focus areas and long-term strategies related to "Continuous Vigilance and Proactive Risk Awareness."
2. Governance of safety practices for employees and contractors in matters relating to EHSS.
3. Process safety and risk mitigation through the use of innovative solutions.

These areas are built upon our continuous efforts to enhance EHSS performance, leveraging the significant successes achieved to date. These areas are not separate initiatives; rather, they represent interconnected pillars. Integrating them into all our activities ensures the protection of lives, the preservation of our assets, and the strengthening of stakeholder trust.

"I encourage every leader, employee, and partner to embrace these priorities, actively contribute, and model the behaviors that will shape a resilient, high-performing, and sustainable future.

Safety is a collective responsibility, and it is not just part of our business—it is at the heart of our success. Let us lead with purpose and deliver excellence, together."

Wazen Alsolami – Company President



EHSS Digital Indicators Platform

We all recognize the critical importance of data visibility in enabling sound, data-driven decision-making at all levels, proactively managing risks, and fostering a culture of strict compliance and commitment to EHSS.

The YANSAB digital platform provides the opportunity to monitor EHSS indicators, aiming to offer a comprehensive, real-time overview and instantaneous analytics. The platform features KPIs that provide vital information on Environment, Health, Safety, and Security performance.

2025 Major EHSS Highlights & Events

RPA Deployment & Data mining

- Advanced Data Analysis Technology is used proactively for instantaneously monitor of Environment Wastewater Spec across sites.
- Development of Industrial Hygiene Dashboard to monitor the compliance to IH processes and medical surveillance program.
- Development of a comprehensive EHSS monitoring platform and instantaneously updates of data sources.

Ear-fit Noise Isolation Technology Testing

- Used to confirm right hearing PPEs and wearing technique.

On-site EHSS Operations Review Meeting

- The meeting is conducted remotely via a digital platform, engaging all YANSAB employees in reviewing critical EHSS events, extracting lessons learned, and discussing proper response protocols. This enhances communication, fosters EHSS dialogue, and elevates proactive awareness.
- Over 1,500 personnel attended these meetings.

Confined Space Simulator

- Started the Confined Space Qualification program to uplift employee's knowledge through practical & interactive learning experience for Confined Space activities through advance simulator.

Professional EHSS induction courses for new personnel

- This initiative aims to enhance safety levels for contractors and new employees by improving their knowledge of EHSS standards and overcoming language barriers through EHSS briefings and best practices delivered in multiple languages.

Environment Regulatory Compliance

- Fugitive Emissions Monitoring Survey (FEMS)
- Groundwater Sampling Analysis (GW)
- Fence Line Noise Monitoring (Noise)

Digital Inspection and Testing System

- This system contributes to providing smart solutions and digitizing inspection processes for various safety-related equipment, ensuring their readiness and the reliability of key units.

Traffic Control Improvement

- Installation of CCTV surveillance systems for 24/7 monitoring of movement within YANSAB.
- Monitor drivers' behaviors, pedestrian crossing walking way and crowded intersections in different time.
- Create a foundation for the future digital solutions such as (smart system and automated alert notifications by utilizing AI)

High-Learning Value Incidents (SHAREK Platform)

- 21 High-Learning Value Events (Internal & External) shared among SHAREK EHSS communication.

EHSS Qualification, Awareness and Training

- Prompting EHSS Qualifications across the site.
- Conducted 8 Site-wide Campaigns for PS & EHSS as part of HATHIR program on Psychological Safety, Energy Isolation, Human Behavior intervention, Your Mind is Matter and others.
- Delivered more than 13,800 EHSS Awareness manhours & more than 8,700 Unified Work Permit, LOTO Training, Fire Watch, & Defensive Driving manhours.

High Consequence Risk Scenarios (HCRS)

- This risk management tool represents a critical step in strengthening the process risk management framework by ensuring a structured approach to prioritize process safety scenarios that could lead to catastrophic consequences.

Participations and Contributions in EHSS



YANSAB participated for the collaboration work & knowledge exchange with the General Authority for the Care & Management of Alharamain

Multiple engagement and site tours conducted along with workshop for knowledge exchange regarding Occupational Health & Safety.

YANSAB hosted for Associate Program

The objective is to build capabilities and enhance their knowledge of the best practices in the Chemical Industry with prime focus on EHSS. The program was consisting of workshops, knowledge exchange on different aspect of EHSS, Quality, Production, Sustainability, along with field walkthroughs.



YANSAB participated to showcasing one of EHSS Technology Solution which is Smart Helmet in 2025 SABIC STM Conference

Smart Helmet utilizes a certified AR/VR attachment approved for hazardous plant environments, aimed at mitigating EHSS risks within the workplace. There are several added values of implementing this technology which are SME Consultation, SME Walkthrough, SOP Reference for Frontliner.

YANSAB employees delivered advanced training programs in operations safety, environment, health, and security. These programs targeted frontline employees across a group of companies.

Emergency Response Transformation Journey

YANSAB achieved full crisis management readiness and completed its entire EHSS training schedule and crew preparedness. This reflects robust readiness and high emergency response capabilities across all YANSAB facilities.

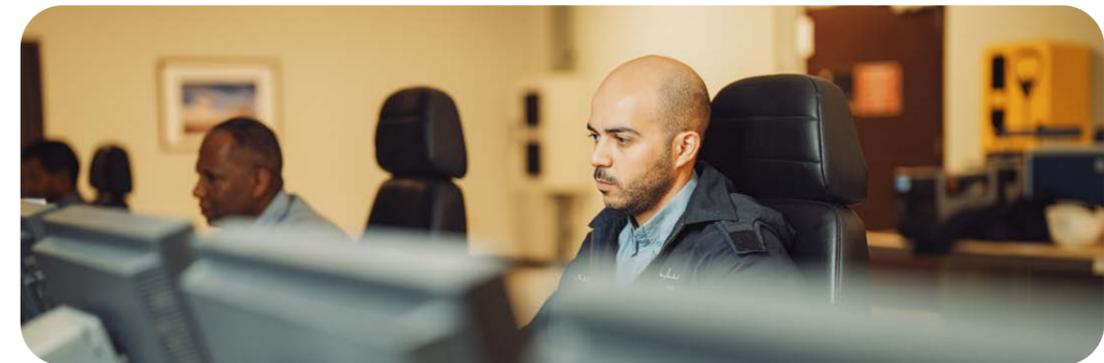


To create a future where competency, technology, and Operational efficiency undelaying solid infrastructure converge to build a stronger, more resilient Fire & Emergency Response Team



Full Revamp of YANSAB Contractor Management Program

This Program aims to enhance the EHSS performance of partners by strengthening on-site monitoring and compliance. It ensures the deployment of qualified personnel, guarantees their safety, protects asset integrity, and drives continuous improvement through the Integrated Excellence Management System.



Environmental Protection

YANSAB is committed to limiting its environmental footprint through effective and integrated management of greenhouse gas emissions, improving air quality, and preserving water resources. Therefore, the environmental performance strategy adopted by YANSAB is based on three main pillars:

- Reducing emissions
- Improving air quality
- preserving water resources

Through careful and continuous monitoring, implementation of targeted initiatives aimed at reducing emissions, and full compliance with international standards, YANSAB strives to enhance environmental sustainability and achieve a balance between its operational goals and environmental commitments. This approach reflects YANSAB vision of conducting its business responsibly, reducing its environmental footprint, and contributing to the achievement of global environmental goals effectively.

In line with its efforts to manage waste effectively and sustainably, YANSAB designated a dedicated waste storage area to ensure safe handling of waste and explore recycling opportunities for any recyclable materials.

Product Stewardship

Our mission is to build a strong product stewardship culture that delivers business value across the global supply chain by providing safe and sustainable solutions. Management Approach

YANSAB strives to ensure the safety of its products throughout their life cycles by adopting Responsible Care® Product Safety Code management practices, maintaining robust product stewardship programs, and fostering a culture of continuous improvement. Through comprehensive systems and procedures, we support growth by proactively driving product safety and performance and supporting responsible innovation.

The Company obtained the Clean Sweep® certification from the Gulf Petrochemicals and Chemicals Association (GPCA), reflecting its commitment to applying the highest standards and best practices aimed at preventing the loss of plastic materials and promoting responsible handling. This achievement underscores YANSAB's dedication to implementing sustainable and responsible operational practices.

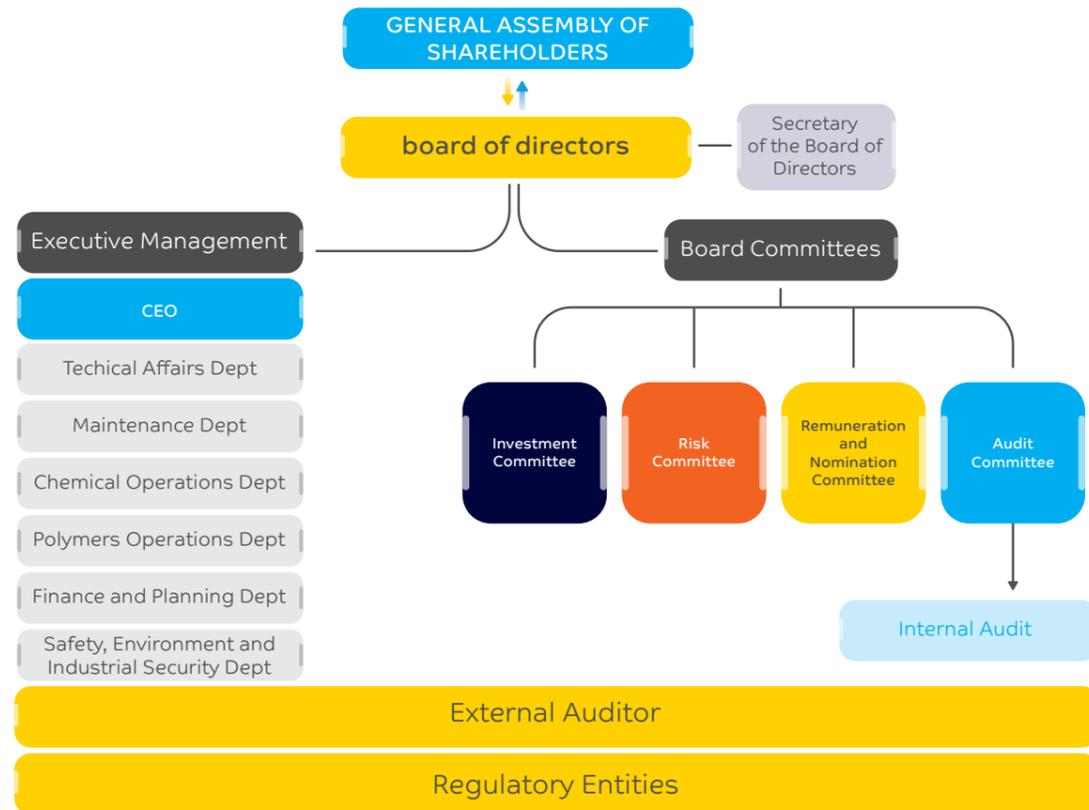
CORPORATE GOVERNANCE

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CORPORATE GOVERNANCE

Governance Framework

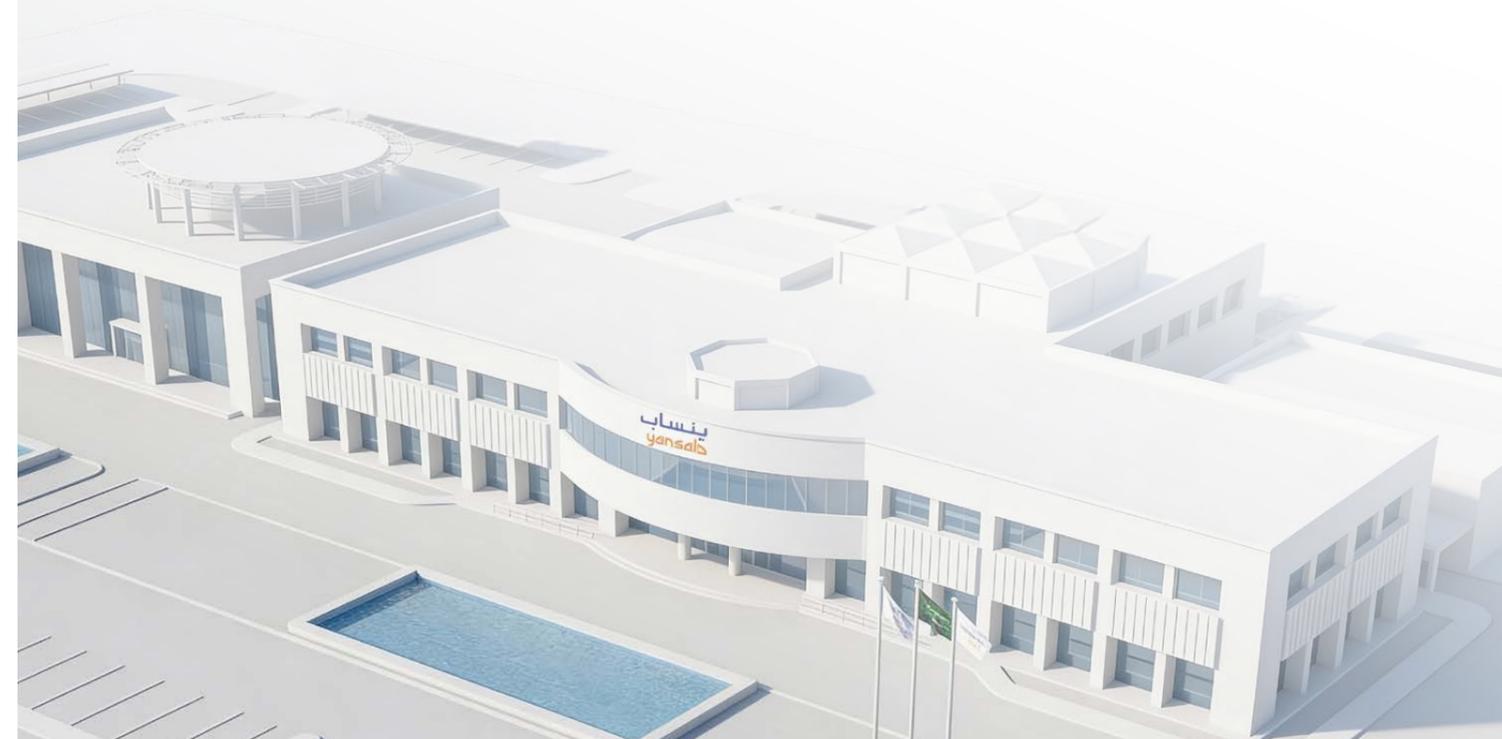
A robust and integrated governance approach drives YANSAB's sustained growth. Accountability, purposeful strategic oversight and adherence to global practices enable the Company to maintain responsible decision-making, and earn and retain stakeholder trust. YANSAB has established a robust corporate governance framework founded on a comprehensive set of regulations and policies that define the roles, responsibilities, and decision-making processes across YANSAB. This framework ensures that all actions and decisions are implemented in accordance with principles of transparency, accountability, and performance excellence, while maintaining compliance with applicable laws and regulatory standards. The Board of Directors oversees the effective implementation of governance principles, ensuring adherence to best practices and alignment with leading standards in control and compliance. This oversight safeguards the rights and interests of employees, shareholders, investors, and all stakeholders.



Sustainability governance

YANSAB's Board of Directors holds the ultimate responsibility for defining the Company's strategic direction and ensuring its long-term success and sustainability. The Board sets the governance framework, approves key policies, and oversees executive management to ensure alignment with the Company's vision, priorities, and strategic objectives. The Board's specialized committees support this oversight role by monitoring key regulatory, operational, and strategic matters including safety, compliance, risk management, sustainability, and stakeholder protection. These committees operate according to structured action plans, providing periodic reports and recommendations to the Board. This supports the Board in making timely decisions characterized by a high level of institutional maturity.

Executive management is responsible for implementing the policies and programs approved by the Board, developing the necessary procedures to translate them into actionable plans, and managing day-to-day operations to achieve targeted results efficiently and effectively. Management also tracks performance indicators and provides periodic updates to the Board and its committees, along with recommendations aimed at enhancing operational performance and ensuring continuous improvement. Together, the Board and executive management regularly review progress, assess performance, and ensure that initiatives remain aligned with YANSAB's strategic priorities and leading governance practices — reinforcing shareholder trust and supporting the Company's long-term sustainability.



BOARD OF DIRECTORS

● Audit Committee ● Risk Committee
● Remuneration and Nominations committee ● Investment Committee



Eng. Abdulrahman A. Shamsaddin
Chairman of the Board of Directors



Mr. Khalid I. Al-Rabiah
Board Member



Eng. Abdullah S. Al-Arifi
Board Member



Eng. Sameeh S. Al-Sahafi
Vice Chairman of the Board



Mr. Ibrahim M. Al-Saif
Board Member



Mr. Abdullah A. Al-Sinan
Board Member



ENG. Awad M. Al-Maker
Board Member



BOARD OF DIRECTORS

Current and Former Positions, Academic Qualifications and Experiences of Board and Committees Members:



Eng. Abdulrahman A. Shamsaddin
Chairman
Chairman of Investment Committee

- Current position**
Executive Vice President, Manufacturing at SABIC
- Former Positions and Work Experience**
- CEO of SABIC Agri-Nutrients
 - Executive Vice President, Shared Services at SABIC
 - Vice President of Internal Audit at SABIC
 - General Manager of Risk Management at SABIC
 - General Manager of Continuous Improvement at SABIC
 - General Manager of Manufacturing Services at SABIC
 - Manager of Maintenance Projects Management at SABIC
 - Operations General Manager at (IBN RUSHD)
 - Engineering Processing Manager at (SAMREF)
 - Manager of Project Management at (SAMREF)
 - Manager of Maintenance Management at (SAMREF)
 - Supervisor of Inspection Department at (SAMREF)
 - Materials Technical Engineer at (SAMREF)

Eng. Abdulrahman was a Member of SABIC Risk Management Executive Committee, Secretary of SABIC Risk and Compliance Committee, Member of their Finance Leadership team, and leader of many global projects and initiatives. He was also responsible to the Audit Committee of the Board of Directors for the internal audit management of the company. Eng. Abdulrahman Ahmed Shamsaddin is experienced in operations and administration, safety of work procedures, efficiency of performance, reliability, engineering, project management, maintenance, and operations at refineries and petrochemical plants. He has participated in several leadership missions.

He was a member of strategy and governance framework teams and was one of the first graduates of SABIC Leadership Challenge program. He has a B.Sc. in Applied Mechanical Engineering.

MEMBERSHIPS OF DIRECTORS IN AND OUTSIDE SAUDI ARABIA

Former Memberships	Current Memberships
<ul style="list-style-type: none"> • Gulf Petrochemical Industries Company (GPIC) • Marafiq Company • Maaden Phosphate Company 	<ul style="list-style-type: none"> • YANSAB's Chairman of the Board.



Eng. Sameeh S. Al-Sahaf
Vice Chairman
Member of Investment Committee

- Current position**
President of Saudi Kayan Petrochemical Company (SAUDI KAYAN)
- Former Positions and Work Experience**
- President of Saudi Yanbu Petrochemical Company (YANPET)
 - CEO of (IBN RUSHD)
 - CEO of (YANSAB)
 - Executive Manager - Chemical Operations. (YANSAB)
 - General Manager of Technical Affairs (YANSAB)
 - Senior Manager of Reliability (YANSAB)
 - Project planning (SAMREF)
- Electrical maintenance (SAMREF)
Department of Electrical and Technical Engineering (SAMREF)
- He also managed the strategic transformation sector. He is well experienced in project planning, technical affairs, maintenance, technology, and operations in petrochemical companies.
- Eng. Sameeh holds a Bachelor's Degree in Power Engineering and Electric motors

MEMBERSHIPS OF DIRECTORS IN AND OUTSIDE SAUDI ARABIA

Former Memberships	Current Memberships
N/A	<ul style="list-style-type: none"> • Yanbu National Petrochemical Company (YANSAB)



Mr. Ibrahim M. Al-Saif
Board Member
Chairman of Audit Committee

- Current position**
Board Member of Al BARRAK Industrial Group
- Former Positions and Work Experience**
- Assistant Governor for Investment, General Organization for Social Insurance (GOSI).
 - General Manager of Financial Investments, (GOSI).
- Mr. Ibrahim is experienced in the fields of investment, economy, establishment of companies, and membership of company boards and committees. He is a member of many international associations and groups in the fields of investment and economy.
- He has a Master's and Bachelor's Degree in Economics.

MEMBERSHIPS OF DIRECTORS IN AND OUTSIDE SAUDI ARABIA

Former Memberships	Current Memberships
<ul style="list-style-type: none"> • Safco company • Bank Al Jazira • Samba Financial Group • Etihad Etisalat (Mobily) • Dur Hospitality • Gulf Tourism Company • Rajhi Steel. 	<ul style="list-style-type: none"> • Yanbu National Petrochemical Company (YANSAB) • Al Barrak Industrial Group, and KnowledgeNet Co.

Mr. Khalid I. Al-Rabiah



Board Member
Chairman of Risk Committee
Member of Investment Committee

Current position

- Founder and Chairman of KIR Consulting, a business and financial advisory
- Chairman of the Board Audit Committee at Acwapower
- Board member and Chairman of the Board Audit and Risk Committee at Miahona Co.
- Board member and Chairman of the Board Audit Committee and member of the NRC at The Southern Province Cement Co.
- Board member, Executive Committee member, and Audit Committee member at SPIMACO ADDWAIEH
- Chairman of the Board at The Arab Company for Drug Industry and Medical Appliances (ACDIMA), Jordan
- Board and Chairman of the Board Audit Committee at Abdullah Al Othaim Investment Co.
- Board member and Chairman of the Executive Committee at Al Abdulkareem Holding
- Chairman of the Board Audit and Risk Committee at Saudi Tabreed
- Chairman of the Executive Committee at AlDowyan Holding

- Board member and Chairman of the Audit Committee at The Charitable Society for Patient Care in the Eastern Province (Tarabot)

Former Positions and Work Experience

- Chairman of the Board of Directors of the Saudi Exchange (Tadawul)
- CEO of Methanol Chemicals Company (Chemanol)
- Vice President for Finance, Saudi Arabian Amiantit
- Consultant at the Ministry of Industry and Mineral Resources
- Board and Audit Committee member at The Tunisian Saudi Bank (TSB), Tunisia, appointed by the Ministry of Finance, Saudi Arabia.
- Board and Chairman of the Board Audit Committee at East Pipes Integrated Co. for Industry (EPIC), (Public JSCo.)

Mr. Khalid has extensive experience in the fields of strategic and financial planning and business development. He holds a Bachelor's Degree in Accounting from Ohio's University of Toledo, USA.

MEMBERSHIPS OF DIRECTORS IN AND OUTSIDE SAUDI ARABIA

Former Memberships

- Saudi Exchange (Tadawul)
- Al Jazeera Support Services Company
- Al Sharq Integrated Pipes Company for Industry
- Tunisian Saudi Bank

Current Memberships

- Yanbu National Petrochemical Company (YANSAB)
- Al Dowayan Holding Company
- International Water and Energy Company (ACWAPOWER)
- Saudi Pharmaceutical Industries & Medical Appliances Corporation (SPIMACO)
- Southern Province Cement Company
- The Arab Company for Drug Industry & Medical Appliances (ACDIMA)
- Al Abdulkarim Holding Company and The Arab Company for Drug Industry & Medical Appliances (ACDIMA).

Mr. Abdullah A. Al-Sinan



Board Member
Member of Audit Committee
Member of Investment Committee

Current position

General Manager for Mergers and Acquisitions (M&A) at Saudi Basic Industries Corporation (SABIC)

Former Positions and Work Experience

- General Manager of Investment Planning and Business Intelligence at SABIC
- Vice President of Finance at Gulf Coast Project in the USA (Joint Project with ExxonMobil)
- Executive Director of the Expansion Projects in China

- Executive Director, Global Investment Planning and Business Development
- Senior Manager, Planning, Supply, and Economy Dept.

Mr. Abdullah is highly experienced in supply chains, investment planning, and expansion projects in petrochemical companies.

He has a Master's degree in Business Administration and a Bachelor's degree in Quantitative Methods.

MEMBERSHIPS OF DIRECTORS IN AND OUTSIDE SAUDI ARABIA

Former Memberships

N/A

Current Memberships

- Yanbu National Petrochemical Company (YANSAB)
- SABIC FUJIAN
- Sinopec Tianjin Company

Eng. Abdullah S. Al-Arif



Board Member
Member of the Remuneration
and Nomination Committee

Current position

Vice President of SABIC Sector Affairs

Former Positions and Work Experience

- VP Local Content at SABIC
- Specialty Chemicals Department Manager - SABIC
- Commercial Manager of SABIC ExxonMobil Project in the Gulf of Mexico in Houston - SABIC.
- Several Leadership positions in Polymers Marketing as well as Development of Petrochemical Product Applications

Eng. Abdullah possesses vast experience in polymer marketing, development of applications of polyethylene, polypropylene and other plastic products worldwide, development of product and marketing plans and strategies, driving localization programs, and supporting SABIC's local content.

He holds a Bachelor's degree in Chemical Engineering.

MEMBERSHIPS OF DIRECTORS IN AND OUTSIDE SAUDI ARABIA

Former Memberships

- Ibn Rushd
- Green Community Company.

Current Memberships

- Yanbu National Petrochemical Company (YANSAB)
- NUSANED Fund 2
- NUSANED Investment Company.

Eng. Awad M. Al-Maker



Board Member
Chairman of the Remuneration
and Nomination Committee
Risk Committee Member

Current position

Retired

Former Positions and Work Experience

- Executive Vice President, Shared Services - SABIC
- Executive Vice President, Technology and Innovation - SABIC
- Executive Vice President, Global Manufacturing - SABIC
- Vice President of Yanbu Manufacturing Sector - SABIC

- President of IBN RUSHD Company
- General Manager of Manufacturing - KEMYA

Eng. Awad possesses expansive experience in petrochemical companies' boards, operations, processes, projects, manufacturing, innovation, planning, and strategies.

He holds a Bachelor's Degree in Chemical Engineering. He successfully completed several leadership programs like the Executive Management Program at TUCK Business School.

MEMBERSHIPS OF DIRECTORS IN AND OUTSIDE SAUDI ARABIA

Former Memberships

- Saudi Kayan, Chairman of the Board of Al-Jubail Petrochemical Company - KEMYA
- Chairman of the Board of Saudi Yanbu Petrochemical Company - YANPET
- Chairman of the Board of National Methanol Company-Ibn Sina
- Chairman of the Board of Saudi Methacrylates Company - SAMAC
- Chairman of the Board of Scientific Design - USA.

Current Memberships

- Yanbu National Petrochemical Company (YANSAB)

Eng. Wazen M. Al-Solami



Member of Investment Committee
Secretary of the Remuneration
and Nomination Committee

Current position

President of Yanbu National Petrochemical Company (YANSAB)

- Project Leader – Instrumentation Engineers, SABIC.
- Machinery Maintenance Engineer – Ibn Rushd.

Former Positions and Work Experience

- Executive Director of Digital Manufacturing - SABIC
- Executive Director of Technical Affairs - YANSAB
- Senior Manager – Asset Engineering, YANSAB
- Senior Manager – Polyethylene Operation, YANSAB
- Senior Manager – Quality and Laboratory, YANSAB.
- Director – Analysis Department, YANSAB.
- Team Leader – Operation & Construction, Farabi Petrochemicals.
- Senior Controller Engineer – Farabi Petrochemicals.

Eng. Wazen has extensive experience in corporate strategy, growth, operation, projects, plant construction, pre-commissioning, digitization, transformation, quality, maintenance, and technology in Oil & Gas. He holds a Bachelor's degree in Electrical Engineering. He completed several specialized courses in finance, management, and leadership

Mr. Al-Waleed F. Al-Senani



Member of the Remuneration
and Nomination Committee

Current position

Deputy Minister of Education for Legal Affairs and Policies

Former Positions and Work Experience

General Director of Corporate Governance at the Saudi Basic Industries Corporation (SABIC)
Executive Director, Corporate Governance – SABIC
A Board Member and Chairman of the Audit and Risk Committee at the National Industrial Gases Company (GAS)
Various roles at the Capital Market Authority,

including Director of Corporate Governance and Director of Risk Management

Mr. Alwaleed Al-Sanani has extensive experience in corporate governance and risk management. Mr. Alwaleed holds bachelor's and master's degrees in accounting and has completed several leadership programs at Harvard Business School, MIT Sloan School of Management, IMD Business School, and INSEAD.

Dr. Ahmad A. Al-Meghames



Member of Audit
Committee

Current position

CEO of Saudi Organization for Chartered and Professional Accountants (SOCPA)

- Assistant Professor - King Saud University
- Lecturer - King Saud University.

Former Positions and Work Experience

- Board Member and Chairman of the Audit Committee at the National Shipping Company of Saudi Arabia (Bahri)
- A member of the Audit Committee at Saudi Telecom Company
- A Board of Trustees member at the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI)
- Vice Chairman of the Developing Nations Professional Accountancy Organizations Committee of the International Federation of Accountants

Dr. Ahmed holds a Ph.D. in Business Administration with a specialization in Accounting, a Master's degree in Business Administration specializing in Accounting, and a Bachelor's degree in Accounting. Additionally, he holds a Fellowship from SOCPA

Mr. Abdulrahman N. Muammar



Risk Committee Member

Current position

General Manager of Risk and Data Management at the Saudi Basic Industries Corporation (SABIC)

Mr. Abdulrahman has extensive experience in risk management, business continuity, insurance, and finance. He has completed several specialized programs in auditing, risk management, and business continuity.

Former Positions and Work Experience

- Executive Director – Risk Management - SABIC
- Senior Director – Risk Management - SABIC
- Business Continuity Management Specialist - SABIC
- Global Insurance Management - SABIC

BOARD RESPONSIBILITIES

YANSAB's Board of Directors is entrusted with defining and reviewing YANSAB's key policies, processes, and strategic direction. The Board sets YANSAB's primary objectives, approves strategic and business plans, and endorses the annual budgets to ensure alignment with long-term goals. Board members are responsible for ensuring that adequate financial and human resources are available to support the effective execution of these plans. Furthermore, the Board assumes full responsibility for determining YANSAB's optimal capital structure, approving capital expenditures, and making decisions regarding asset acquisition and disposal. In addition, it oversees the establishment, implementation, and ongoing monitoring of robust internal control systems to safeguard the company's assets and uphold good governance.

The table below presents the names of the current Board members along with their respective membership categories:

YANSAB's Board of Directors

Name	Membership Category	Member Position
Eng. Abdulrahman A. Shamsaddin	Non-Executive	Chairman
Eng. Sameeh S. Al-Sahafi	Non-Executive	Vice Chairman
Mr. Ibrahim M. Al-Saif	Independent	Board Member
Mr. Khalid I. Al-Rabiah	Independent	Board Member
Eng. Abdullah S. Al-Arifi	Non-Executive	Board Member
Mr. Abdullah A. Al-Sinan	Non-Executive	Board Member
Eng. Awad M. Al-Maker	Independent	Board Member

Board structure and composition

YANSAB's Board of Directors comprises seven members who collectively bring the diverse expertise and experience necessary to guide and oversee the company's operations effectively. In accordance with Article 17 of YANSAB's Bylaw, "The company is governed by a Board of seven (7) members elected by the Ordinary General Assembly for a three-year term".

During the 15th Ordinary General Assembly held on 7 March 2023, members of the Board were appointed for the sixth session, covering the period from 16 March 2023 to 15 March 2026. The election was conducted through a cumulative voting process.



Nomination and Selection

The opening of nominations for Board of Directors membership is formally announced, and candidates are evaluated objectively. The shortlist is then determined in accordance with the principles and criteria set forth in the YANSAB Board Membership Policy and the governing instructions for board nominations. Based on the recommendation of the Remuneration and Nomination Committee (RNC), the Board nominates candidates for election by way of cumulative voting at General Assembly for a three-year term or for the remaining duration of the Board's current term. The current Board term expires on March 15, 2026. A new Board will be elected to start a new Board term (March 16, 2026 – March 15, 2029).

Board Independence

YANSAB maintains a clear separation between the roles of the Chairman of the Board and the CEO; the Chairman holds no executive responsibilities. Independent members constitute more than one-third of the Board (42.86%), while non-executive members represent the majority (57.14%). Each year, the YANSAB Board — through RNC — reviews and verifies the independence of its independent members to identify any relationships or circumstances that may affect their independence. YANSAB adheres to the independence requirements set out under Article (19) of the CMA's Corporate Governance Regulations.

The absence of conflicts of interest among Board and committee members is also verified annually, in accordance with YANSAB's Conflict of Interest policy, which is aligned with applicable laws and regulations. The policy establishes clear principles for avoiding conflicts of interest and outlines the measures to be taken in the event of any conflict, in accordance with the regulations and instructions issued by the relevant authorities. This is further supported by periodic monitoring of any actual or potential conflicts. It applies to Board members, committees, executive management, employees, and shareholders. All of the directors sit on the Board in their personal capacity, enabling them to exercise independent judgment and decision-making.

Board Performance Assessment

Based on the recommendations of the RNC, the Board establishes a structured framework to assess its performance and that of its sub-committees. An internal assessment process for the year 2025 was conducted under the supervision of the RNC, encompassing a comprehensive review of the roles, responsibilities, and effectiveness of the Board and its committees.

The assessment focused on identifying key strengths and areas for improvement, with actionable recommendations proposed to enhance overall performance, the assessment results are being considered for the creation of an action plan as part of the Board's continuous improvement process. This process ensures that the Board continues to operate efficiently and in alignment with YANSAB's strategic objectives and best interests.

Board Induction, Training & Development, and Information Flow

Upon appointment, YANSAB's Board Members undergo a comprehensive induction program designed to familiarize them with YANSAB's operations, strategy, and governance framework. The orientation covers YANSAB's business activities, strategic direction, future objectives, organizational structure, financial and operational performance, as well as the roles, duties, and rights of the Board and its sub-committees.

Based on the recommendation of the Nomination and Remuneration Committee, the Board approved a comprehensive framework to assess its performance and that of its committees for 2025. The assessment —overseen by RNC— includes a detailed review of the roles, responsibilities, competencies, and effectiveness of the Board and its committees, enabling the identification of strengths and areas for improvement and supporting recommendations that enhance performance in line with YANSAB's long-term strategic priorities.

In 2025, YANSAB also conducted a dedicated training program for Board members focusing on trends in the petrochemicals market sector, regulatory developments, and the responsible use of artificial intelligence—balancing risk and innovation. This program aims to equip Board members with up-to-date insights relevant to the petrochemical industry.

Furthermore, the Board and its committees receive regular updates on legal, governance, and accounting developments, in addition to circulars issued by regulatory authorities.

BOARD MEETINGS

The Board of Directors held six (6) meetings during the fiscal year ending on December 31, 2025, the table below presents Board members' attendance at the Board and General Assembly meetings:

Attendance Record for 2025

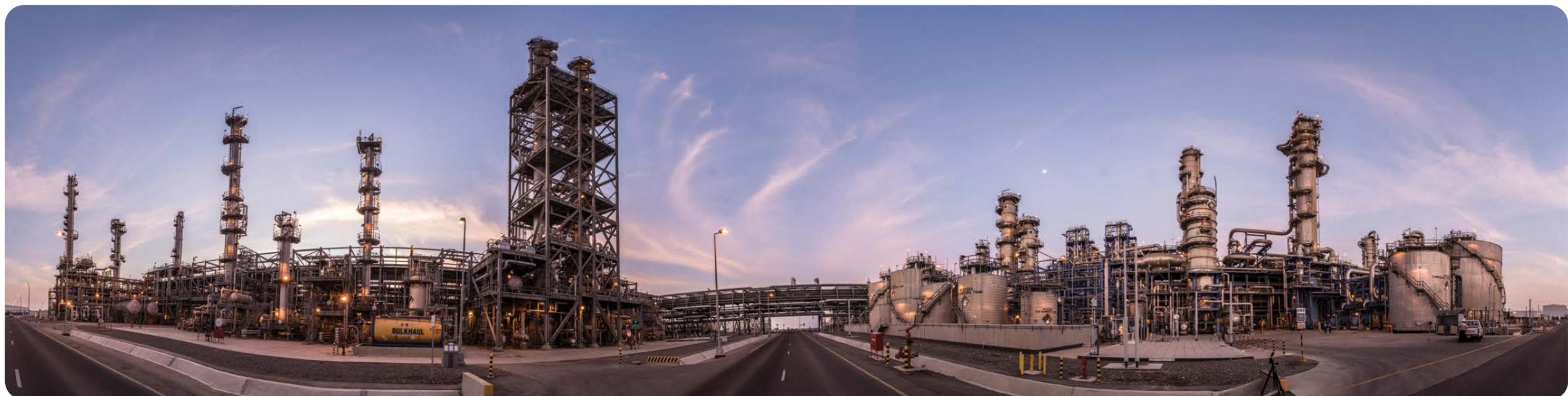
Member Name	1st Meeting 24 Feb	2nd Meeting 20 March	3rd Meeting 25 May	4th Meeting 24 July	5th Meeting 7 August	6th Meeting 28 December	The Ordinary General Assembly, 20 March
Eng. Abdulrahman A. Shamsaddin	●	●	●	●	●	●	●
Eng. Sameeh S. Al-Sahafi	—	●	●	●	●	●	●
Mr. Ibrahim M. Al-Saif	●	●	●	●	●	●	●
Mr. Khalid I. Al-Rabiah	●	●	●	●	●	●	●
Eng. Abdullah S. Al-Arifi	●	●	●	●	●	●	●
Mr. Abdullah A. Al-Sinan	●	●	●	●	●	●	●
Eng. Awad M. Al-Maker	●	—	●	●	●	●	●

● Attended — Not Attend

BOARD COMMITTEES

The Board of Directors holds the ultimate responsibility for overseeing the Company and guiding its strategic direction in alignment with leading governance practices. In fulfilling this role, the Board established several specialized committees and recommended the formation of the Audit Committee to the Extraordinary General Assembly held on 7 March 2023. These committees serve as an essential extension of the Board's work, providing structured analysis of key matters, supporting the development of policies and programs, and offering recommendations that benefit from the diverse expertise of Board members—thereby enhancing the quality of decision-making and strengthening governance efficiency in accordance with the charters of these committees.

Each committee oversees specific areas of the Board's delegated responsibilities in accordance with regulatory requirements and best governance practices. The committees are provided with the necessary resources to perform their duties and are authorized to seek independent professional advice when needed. The Board remains responsible for regularly reviewing the performance of its committees and evaluating their adherence to assigned duties, ensuring they continue to operate effectively and provide meaningful support to YANSAB's oversight and decision-making processes.



AUDIT COMMITTEE (BAC)

In light of the relevant provisions contained in the rules governing audit committees as set forth in the corporate governance regulations issued by the Capital Market Authority, YANSAB's Audit Committee reviews the Company's financial statements and announcements related to its financial performance. It provides opinions on whether the Annual Report and other financial statements are prepared in accordance with regulatory requirements, as well as studies the financial and accounting policies used and defines the best way to prepare and present them.

Responsibilities

The Audit Committee studies and reviews internal and financial controls and risk management systems and ensures their effectiveness through periodic reporting to the Internal Audit Department (or to External Auditors) on its adequacy, follow-ups on the implementation of recommendations, and corrective actions to observations contained in any audit report. The Audit Committee also prepares a report for the Board of Directors with opinions on the adequacy of systems, recommendations to redress substantial issues, and any other recommendations for developing systems and other works that fall within the scope of its competence.

The Committee held five (5) meetings during the fiscal year ended 31 December 2025, during which it was verified that there was no conflict of interest affecting their impartiality, on the dates and details listed below:

Attendance Record for 2025

BAC Members	Membership	1st Meeting 23 Jan	2nd Meeting 23 Feb	3rd Meeting 24 April	4th Meeting 24 July	5th Meeting 23 October
Mr. Ibrahim M. Al-Saif	Committee Chairman	●	●	●	●	●
Mr. Abdullah A. Al-Sinan	Member	●	●	●	●	●
Dr. Ahmad A. Al-Meghames	Member	●	●	●	●	●
Eng. Mohammed R. Al-Harbi	Secretary-General	●	●	●	●	●

● Attended — Not Attend

BAC Deliberations

The key topics discussed by the Committee during its meetings included; the review of the financial statements for the year 2024, and the quarterly financial statements for the year 2025; the approval of the internal audit plan for the year 2025; the review of the external auditor's observations and follow-up on the implementation of corrective and actions reviewing and approving the external auditors scope of audit; in addition to the review of internal and external regulatory reports.

The Committee also reviewed and recommended that the Board approve the following matters: the Board of Directors' Report for the year 2024; the appointment of the external auditor and the determination of their fees; the review of the

The Audit Committee supervises and oversees the performance of YANSAB's Internal Audit Department and verifies its effectiveness in carrying out assigned duties and responsibilities. It provides recommendations to the Board to appoint or dismiss auditors, and determine their fees after assessing their performance, independence, scope of work, and terms of employment. The Committee reviews the external auditor's plans and works and verifies compliance with all statutory standards governing its activities. It studies any report issued by a regulator on compliance and ensures that the company undertakes necessary measures to address any observations, if any. Further, the Audit Committee ensures that YANSAB abides by all relevant laws, regulations, policies, and regulatory instructions. It also reviews proposed contracts and transactions with relevant parties and provides informed opinions regarding them, to the Board. The Audit Committee consists of three members, none of whom are members of YANSAB's executive management, and are completely independent of all YANSAB's daily activities.

Audit Committee Charter and the updated Internal Audit Charter; the review of the Master Authority Schedule (MAS); the review of the Internal Control Over Financial Reporting (ICFR) system; related-party agreements in accordance with the updated Transfer Pricing Bylaws; and the updated contracts with related parties.

External Auditor

The Ordinary General Assembly of YANSAB, held on March 20, 2025, approved the appointment of PwC to examine, review, and audit the financial statements for the next four years, starting from the second quarter of 2025 until the first quarter of 2029, for a total fee of 2,512,000 (two million five hundred and twelve thousand Saudi Riyals), excluding VAT.

REMUNERATION AND NOMINATIONS COMMITTEE (RNC)

In light of the rules governing the Remuneration and Nomination Committee (RNC) within the Corporate Governance Regulations issued by the Capital Market Authority (CMA), the RNC is responsible for preparing the remuneration policy for Board members, its sub-committees, and senior executives at YANSAB, and submitting the required recommendations to the Board of Directors. The RNC periodically reviews the remuneration policy to ensure its alignment with potential changes in relevant laws and regulations. It also reviews YANSAB's strategic objectives and the skills and expertise suitable for Board and executive management membership, submitting its recommendations regarding appropriate remuneration to the Board. Furthermore, the RNC prepares an annual report on all such remunerations.

Responsibilities

The Remuneration and Nomination Committee (RNC) defines the policies and standards for Board membership and submits its recommendations to the Board for approval by YANSAB's Ordinary General Assembly. Regarding Board nominations, the RNC prepares descriptions of the required capabilities and qualifications, examines any cases of conflict of interest with YANSAB, and

provides necessary recommendations. It periodically reviews the skills required for Board membership, evaluates the Board's structure, and establishes procedures for filling vacancies. Additionally, the RNC annually verifies the independence of independent members and assesses any conflicts of interest should a member wish to join the board of another company.

The RNC submits recommendations to the Board regarding policies and criteria for appointing senior executives, defining and periodically reviewing their skills to ensure ongoing suitability. It also prepares job descriptions for senior executives and develops succession planning procedures for executive vacancies, reviewing them regularly. Furthermore, the RNC provides the Board and its committees with regular updates on legal, governance, and accounting developments, as well as circulars issued by competent authorities.

The RNC recommends to the Board the establishment of an induction program for new Board members, covering YANSAB's activities, business nature, and financial and legal aspects. It also provides recommendations for various Board training programs, including macro developments in the petrochemical market.

During the fiscal year ended 31 December 2025, the Remunerations and Nominations committee held four (4) meetings to review and deliberate on matters under its purview. The below table present the composition of the BNNC and the details on meeting attendance:

Attendance Record for 2025

RNC MEMBERS	Membership	1st Meeting 29 Jan	2nd Meeting 18 March	3rd Meeting 24 June	4th Meeting 25 December
Eng. Awad M. Al-Maker	Committee Chairman	●	●	●	●
Eng. Abdullah S. Al-Arifi	Member	●	●	●	●
Mr. Al-Waleed F. Al-Senani	Member	●	●	●	●
Eng. Wazen M. Al-Salami	Secretary-General	●	●	●	●

● Attended — Not Attend

RNC Deliberations

The most prominent topics and discussions deliberated by the RNC during its meetings included: reviewing the performance of the Board of Directors and its committees, evaluating their effectiveness and the independence of their members, and the annual training program. The RNC also reviewed nomination procedures, received nomination applications, and relevant governance documents, providing its recommendations to the Board. Additionally, it submitted recommendations regarding the remuneration of Board members, committee members, and senior executives.

RISK COMMITTEE (BRC)

In light of the relevant provisions contained in the rules governing risk committees as set forth in the corporate governance regulations issued by the Capital Market Authority and in YANSAB's Risk Committee charter, the Risk Committee works with the company's Executive Management to develop and uphold comprehensive policies for risk management. These policies are commensurate with the nature of YANSAB's business and activities, as well as the company's goals and strategies, and recommendations for any changes in these policies are sent to the Board of Directors for approval.

Responsibilities

The Risk Committee provides recommendations to the Board to determine acceptable levels of the risks to which YANSAB may be exposed, and how to maintain it. After Board approval, the Committee verifies that

YANSAB does not go beyond it, verifies the feasibility and success of business continuity, and identifies any risks that threaten this continuity. It also oversees the performance of YANSAB's risk management systems and assesses the effectiveness of these systems and other mechanisms for identifying, measuring, and monitoring risks that the company may be exposed to. The Risk Committee prepares detailed reports for the Board about any perceived risk exposure, proposed steps to manage or mitigate them, and the availability of adequate resources and systems for managing them. These measures are aimed at determining any deficiencies, and regularly re-evaluating the company's ability to take or be exposed to risks. The Committee periodically reviews the organizational structure of YANSAB's Risk Management department, considers any issues raised by the Audit Committee, and submits all recommendations to the Board of Directors.

During the fiscal year ended 31 December 2025, the Risk committee held three (3) meetings to review and deliberate on matters under its purview. The below table present the composition of the RC and the details on meeting attendance:

Attendance Record for 2025

BRC MEMBERS	Membership	1st Meeting 3 Feb	2nd Meeting 14 July	3rd Meeting 17 November
Mr. Khalid I. Al-Rabiah	Committee Chairman	●	●	●
Eng. Awad M. Al-Maker	Member	●	●	●
Mr. Abdulrahman N. Muammar	Member	●	●	●
Eng. Tariq S. Aldhahri	Secretary-General	●	●	●

● Attended — Not Attend

BRC Deliberations

The most prominent topics deliberated by BRC during its meetings included reviewing the Risk Committee policy and regulations, the business continuity management plan and testing, as well as the sustainability and energy efficiency program. The Committee also reviewed the comprehensive technical assessment report and proposed solutions to mitigate operational risks, in addition to updates on key risk indicators (KRIs) and the Risk Register.

INVESTMENT COMMITTEE (BIC)

In light of the rules stipulated in YANSAB's Investment Committee Charter and as approved by the Board of Directors, the Investment Committee regularly reviews the company's investment strategy and policies to ensure adaptation to any changes that may occur in the external environment in which YANSAB works; new legislations regulating business; changes in strategic objectives, or otherwise.

Responsibilities

The Investment Committee oversees YANSAB's investment activities, establishes appropriate processes for measuring and assessing investment performance, evaluates new investment opportunities proposed by the company's Executive Management, ensures that proposed investment opportunities comply with relevant laws, regulations, and instructions, ensures the availability of sufficient resources for investments, and studies the Executive Management's progress reports in respect of approved investment opportunities as well as any other competences assigned by the Board of Directors.

During the fiscal year ended 31 December 2025, the Investment committee held four (4) meetings to review and deliberate on matters under its purview. The below table present the composition of the BIC and the details on meeting attendance:

Attendance Record for 2025

BIC Members	Membership	1st Meeting 20 Feb	2nd Meeting 25 May	3rd Meeting 7 Aug	4th Meeting 28 Dec
Eng. Abdulrahman A. Shamsaddin	Committee Chairman	●	●	●	●
Eng. Sameeh S. Al-Sahafi	Member	●	●	●	●
Mr. Khalid I. Al-Rabiah	Member	●	●	●	●
Mr. Abdullah A. Al-Sinan	Member	●	●	●	●
Eng. Wazen M. Al-Solami	Member	●	●	●	●
Eng. Faisal S. Al-Dowairi	Secretary-General	●	●	●	●

● Attended — Not Attend

BIC Deliberations

The most prominent topics and discussions deliberated by BIC during its meetings included reviewing and evaluating potential investment and growth opportunities, analyzing available derivative investment options, and considering updates related to integration opportunities.

EXECUTIVE MANAGEMENT

The current and former positions, educational qualifications, and experience of YANSAB's senior executives:

**Eng. Wazen
M. Al-Solami**



President of Yanbu National
Petrochemical Company
(YANSAB)

Former Positions and Work Experience

- Executive Director of Digital Manufacturing - SABIC
- Executive Director of Technical Affairs - YANSAB
- Senior Manager – Asset Engineering, YANSAB
- Senior Manager – Polyethylene Operation, YANSAB
- Senior Manager – Quality and Laboratory, YANSAB.
- Director – Analysis Department, YANSAB.
- Team Leader – Operation & Construction, Farabi Petrochemicals.

- Senior Controller Engineer – Farabi Petrochemicals.
- Project Leader – Instrumentation Engineers, SABIC.
- Machinery Maintenance Engineer – Ibn Rushd.

Eng. Wazen has extensive experience in corporate strategy, growth, operation, projects, plant construction, pre-commissioning, digitization, transformation, quality, maintenance, and technology in Oil & Gas. He holds a Bachelor's degree in Electrical Engineering. He completed several specialized courses in finance, management, and leadership.

**Eng. Majed
H. Alahmadi**



GM - Chemical Operation

Former Positions and Work Experience

- Executive Manager of Operations, (IBN RUSHD).
- Sr. Manager of HES, YANSAB.
- Sr. Manager of HDPE Department, YANSAB.
- Chemicals Operations Manager, YANSAB.
- Operations Engineer, YANSAB.

Eng. Majed has experience in Operations and Process Engineering in petrochemical companies.

He holds a Bachelor's Degree in Chemical Engineering.

**Eng. Mohammed
H. Qandeel**



GM - Finance & Production
Planning, Board of Directors
Secretary

Former Positions and Work Experience

- Sr. Manager of Finance & Production Planning at Yanpet.
- Sr. Manager of Production Planning & Costing at Yanpet.
- Sr. Manager of Central Maintenance at Yanpet.
- Maintenance Planning Manager at GAS.
- Senior Project & Costing Engineer at GAS.

During his career with couple of SABIC subsidiaries & JV, Eng. Mohammed held several positions and gained extensive experience in the field of business planning, central maintenance, in addition of risk management, business continuity, and project management. He holds a Master's degree in project management with a Bachelor's degree in industrial engineering, he also has completed several specialized programs in finance, strategic planning and project management.

**Eng. Hosam
S. Alhujaili**



GM - Technical Affairs

Former Positions and Work Experience

- Sr. Manager of Assets Engineering, YANSAB
- Sr. Manager of Inspection, YANSAB.
- Sr. Manager of Periodic Maintenance, YANSAB.
- Maintenance Manager, Olefins plant, YANSAB.
- Maintenance Manager, HDPE plant, YANSAB.
- Fixed Equipment Inspection Engineer, YANSAB.
- Fixed Equipment Inspection Engineer, Saudi Aramco.

Eng. Hosam is experienced in maintenance and technical affairs in petrochemical companies. Hosam holds a Bachelor's Degree in Mechanical Engineering.

**Eng. Tariq
S. Aldhahri**



GM - Polymer Operation

Former Positions and Work Experience

- Sr. Manager of Central Maintenance & Planning – YANPET Company
- Sr. Manager of Polymers Maintenance – YANPET Company
- Manager of Utility Maintenance – YANPET Company
- Manager of the Instrumentation – YANPET Company
- Reliability Engineer – SABIC Innovative Plastics
- Reliability Engineer – YANPET Company

Eng. Tariq has experience in maintenance, reliability, and operations in petrochemical companies.

He holds a Bachelor's degree in Electrical Engineering.

**Eng. Faraj
M. Almoabadi**



GM - Maintenance

Former Positions and Work Experience

- Sr. Manager Polypropylene, YANSAB
- Sr. Manager Inspection, YANSAB
- Sr. Manager Chemical Maintenance
- Sr. Manager Polymer Maintenance
- Manager Maintenance, YANSAB

Eng. Faraj has diverse manufacturing experiences in Projects, maintenance, technical affairs and operation.

Faraj holds a Master Degree MBA and Bachelor's degree in Mechanical Engineering.



REMUNERATIONS OF BOARD MEMBERS AND EXECUTIVE MANAGEMENT

The Board shall, based on the recommendation of the Remuneration and Nomination Committee, determine the remunerations for Board Members, Board Committee Members, and Committee Members who are not members of the Board, and Senior Executives. The remunerations shall be determined in accordance with regulatory controls approved by the Board of Directors, the Remuneration Policy for Board Members and Board Committee Members and Senior Executives as approved by the General Assembly of YANSAB. The Member shall therefore be entitled to the remuneration granted thereto accordingly.

Remuneration Policy

In light of the provisions regulating the remuneration of board members and its committees stipulated in the Companies Law, the Corporate Governance Regulations, the regulatory controls and procedures issued in implementation of the Companies Law for listed joint-stock companies, and the Company's Bylaws, the remuneration of board members, its committees and senior executives shall be in accordance with the following principles and rules:

First: Board Members and Board Committee Members

- The Board shall, based on the recommendation of the Remuneration and Nomination Committee, determine the remunerations of Board Members and Board Committee Members, based on the following principles:
 - Remunerations shall be consistent with the company's strategic objectives and incentives for members to achieve those objectives and enhance the company's ability to develop and sustain its business
 - Remuneration shall be fair and commensurate with the member's competencies, the work and responsibilities that Board Members carries out and assumes, in addition to the objectives set by the Board of Directors to be achieved during the fiscal year.
 - Remuneration shall be on the recommendation of the Remuneration and Nominations Committee.
 - Remunerations shall be commensurate with the nature of the company's business and size as well as required skills and experience.
 - Remunerations shall be a means to attract Board Members with the required expertise and qualifications to enhance the company's ability to achieve its objectives.
- Board Members shall be paid an annual remuneration of ₪ 400,000 for Membership of the Board. The Board Chairman shall be paid an annual remuneration of ₪ 400,000, in addition to the remuneration set for Board Members.

- Board Members who participate in Board Committees (including the Audit Committee) shall be paid an annual remuneration of ₪ 200,000, whether the member participates in one or several committees.
- Members from outside the Board of Directors who participate in a Board Committee (including the Audit Committee) shall be paid an annual remuneration of ₪ 200,000, whether the member participates in one or several committees.
- The Chairman of each Board Committee (including the Audit Committee) shall be paid an annual remuneration of ₪ 50,000, whether he is the Chairman of one or several committees, in addition to the remuneration set for Board Members.
- The company is entitled to claim compensation from the competent authority for damage to its reputation and should take any compensation, or other costs incurred by the company, in the event:
 - A member is convicted of committing an act of disgrace, dishonesty, or forgery, or violating the laws and regulations of Saudi Arabia or any other country.
 - A member fails to carry out responsibilities and duties resulting in damage to the interest of the company.
- The company is entitled to claim the remuneration disbursed to the member in the event:
 - Membership is terminated, by a decision of the General Assembly, for a member's absence for three consecutive meetings or five separate meetings within one year during his membership term without a legitimate excuse acceptable to the Board. This member shall not be entitled to have any remuneration for the period following the last meeting he attended.
- The Company of the Audit Committee found that the remuneration paid to any of the Board Members is based on incorrect or misleading information presented to the General Assembly or included in the Board Report.

Second: Senior Executives

- The Board shall, based on the recommendation of the Remuneration and Nomination Committee, determine remunerations of Senior Executives, provided that these remunerations shall be:
 - Commensurate with YANSAB's strategic objectives and incentives for the Senior Executives to achieve such objectives and enhance the company's ability, business development, and sustainability.
 - Remunerations shall be commensurate with the nature of the company's business and size as well as required skills and experience.
 - Enabling YANSAB to attract senior executives with capabilities, skills, and qualifications required to enable the company to achieve its objectives.
 - Causing no conflict of interest which might adversely impact YANSAB's interest and ability to achieve its objectives.

Third: Clarification of the relationship between granted remunerations and applicable Remuneration Policy, and statement of any significant deviation from this Policy.

The Board shall, based on the recommendation of the Remuneration and Nomination Committee, determine the remunerations for Board Members, Board Committee Members, and Committee Members who are not members of the Board, and Senior Executives.

The remunerations shall be determined in accordance with regulatory controls approved by the Board of Directors, the Remuneration Policy for Board Members, and Board Committee Members and Senior Executives as approved by the General Assembly of the Company. The Member shall therefore be entitled to the remuneration granted thereto accordingly.

The following tables demonstrate the remunerations of board members, committee members, and senior executives:

A. Board Members Remunerations

Board Member Remuneration Paid During the Fiscal Year Ending on 31 December 2025 (ﷲ):

Specific Amount (1)	Fixed Remuneration						Variable Remuneration						Grand Total	Expense Allowance
	Session Attendance Allowance	Total Attendance Allowance for Board Meetings	In-kind Benefits	Remuneration for technical, administrative, and consultancy works	Remuneration of the Chairman of Board, Managing Director or Secretary of Board (in case the secretary is a member)	Total	Share of profits	Periodic Remuneration	Short-Term Incentive Plans	Long-Term Incentive Plans	Shares Awarded (value is entered)	Total		

First: Independent Members

Mr. Ibrahim M. Al-Saif	400,000	30,000	25,000	--	--	--	455,000	--	--	--	--	--	--	455,000
Mr. Khalid I. Al-Rabiah	400,000	30,000	35,000	--	--	--	465,000	--	--	--	--	--	--	465,000
Eng. Awad M. Al-Maker	400,000	25,000	35,000	--	--	--	460,000	--	--	--	--	--	--	460,000
Total	1,200,000	85,000	95,000	--	--	--	1,380,000	--	--	--	--	--	--	1,380,000

Second: Non-Executive Members

Eng. Abdulrahman A. Shamsaddin	800,000	30,000	20,000	--	--	--	850,000	--	--	--	--	--	--	850,000
Eng. Sameeh S. Al-Sahafi	400,000	25,000	20,000	--	--	--	445,000	--	--	--	--	--	--	445,000
Eng. Abdullah S. Al-Arifi	400,000	30,000	20,000	--	--	--	450,000	--	--	--	--	--	--	450,000
Mr. Abdullah A. Al-Sinan	400,000	30,000	45,000	--	--	--	475,000	--	--	--	--	--	--	475,000
Total	2,000,000	115,000	105,000	--	--	--	2,220,000	--	--	--	--	--	--	2,220,000

(1) The amount provided in the above table represents the annual bonus based on the duration of board membership for the fiscal year 2025.

B. Remunerations of Committee Members

Remuneration for Board committee Members for the Fiscal Year Ending on 31 December 2025 (amounts in ﷲ):

Member Name	Fixed Remuneration (Excluding Session Attendance Allowance) (1)	Session Attendance Allowance	Total
Audit Committee Members			
Mr. Ibrahim M. Al-Saif	250,000	25,000	275,000
Mr. Abdullah A. Al-Sinan	200,000	25,000	225,000
Dr. Ahmad A. Al-Meghames	200,000	25,000	225,000

REMUNERATION AND NOMINATIONS COMMITTEE MEMBERS

Eng. Awad M. Al-Maker	250,000	20,000	270,000
Eng. Abdullah S. Al-Arifi	200,000	20,000	220,000
Mr. Al-Waleed F. Al-Senani	200,000	20,000	220,000

Risk COMMITTEE MEMBERS

Mr. Khalid I. Al-Rabiah	250,000	15,000	265,000
Eng. Awad M. Al-Maker	Included in Remuneration and Nominations Committee	15,000	15,000
Mr. Abdulrahman N. Muammar	200,000	15,000	215,000

INVESTMENT COMMITTEE MEMBERS

Eng. Abdulrahman A. Shamsaddin	250,000	20,000	270,000
Eng. Sameeh S. Al-Sahafi	200,000	20,000	220,000
Mr. Abdullah A. Al-Sinan	Included in the Audit Committee	20,000	20,000
Mr. Khalid I. Al-Rabiah	Included in the Risk Committee	20,000	20,000
Eng. Wazen M. Al-Salami (2)	200,000	20,000	220,000

(1) The fixed remuneration in the table above represents the annual remuneration allocated for Committee membership for the year 2025.

C. Senior Executives Remunerations

Remunerations paid to YANSAB's Senior Executives, including the CEO and CFO, for the year ended 31 December 2025 (amounts in ﷲ):

	Fixed Remuneration			Variable Remuneration					Total remuneration of Board Executives Remuneration of Board Executives	Grand Total
	Salaries	Allowances	In-kind Benefits	Periodic Remuneration	Profits	Short-Term Incentive Plans	Long-Term Incentive Plans	Shares Awarded		
Five Senior Executives	3,596,223	1,876,892	590,745	6,063,860		1,000,865	559,321	1,560,186	1,464,270	9,088,316
Total	3,596,223	1,876,892	590,745	6,063,860		1,000,865	559,321	1,560,186	1,464,270	9,088,316

SHARE OWNERSHIP

The following is a description of any interest, contractual securities, and subscription rights belonging to YANSAB's Board members, senior executives, and their relatives in YANSAB's shares or debt instruments, as well as any change in such interest or rights during the fiscal year ended December 31, 2025:

First: Board Members

Description of interests, contractually based securities, and subscription rights of the issuer's directors, and their relatives in the shares or debt instruments of the issuer

Name	Beginning of year			End of year			Net Change	Percentage of Change
	No. of Shares	Debt	Ownership	No. of Shares	Debt	Ownership		
Eng. Abdulrahman A. Shamsaddin	-	-	-	-	-	-	-	-
Eng. Sameeh S. Al-Sahafi	-	-	-	-	-	-	-	-
Mr. Ibrahim M. Al-Saif	10,000	-	-	5,003	-	-	-4,997	-49.97%
Mr. Khalid I. Al-Rabiah	1	-	-	1	-	-	-	-
Eng. Abdullah S. Al-Arifi	-	-	-	-	-	-	-	-
Mr. Abdullah A. Al-Sinan	-	-	-	-	-	-	-	-
Eng. Awad M. Al-Maker	4,000	-	-	4,000	-	-	-	-

Second: Senior Executives

Description of interests, contractually based securities, and subscription rights of the issuer's directors, and their relatives in the shares or debt instruments of the issuer.

Name	Beginning of year			End of year			Net Change	Percentage of Change
	No. of Shares	Debt	Ownership	No. of Shares	Debt	Ownership		
Eng. Wazen M. Al-Salami	2,500	-	-	2,500	-	-	-	-
Eng. Mohammed H. Qandeel	650	-	-	650	-	-	-	-
Eng. Majed H. Alahmadi	25	-	-	25	-	-	-	-
Eng. Tariq S. Aldhahri	4,030	-	-	4,030	-	-	-	-
Eng. Hosam S. Alhujaili	-	-	-	-	-	-	-	-
Eng. Faraj M. Moabadi	-	-	-	-	-	-	-	-

Description of Transactions between YANSAB and a Related Party

SABIC and some of its affiliates market and sell YANSAB's products, supply its raw materials, and provide support in obtaining technical licenses, accessing shared services, and rendering administrative, technical, and legal expertise. Furthermore, they provide material handling services, raw materials, and various other services and contracts. Since 2021, YANSAB has been responsible for the management and operation of the Arabian Industrial Fibers Company (Ibn Rushd) plants and facilities. This enables YANSAB to optimize asset utilization, enhance spending efficiency, and attract national talent, in addition to managing vital services related to material handling and feedstock supply, which are considered intra-group activities.

INTERNAL AUDIT

Annual Review of Internal Control System

The Internal Audit Department conducted multiple reviews encompassing Business Continuity Management, the YANSAB Club (for YANSAB employees), analytical instruments, and compliance with corporate identity and its associated professional conduct. The scope further included monthly closing procedures, material balance, employee allowances, office facilities, Personal Protective Equipment (PPE), invoice management, and compliance, as well as fact-finding analysis and electrical system reliability. These reviews did not reveal any material weakness.

Enhancing the Efficiency of the Internal Audit Function

The Internal Audit Department is characterized by high professional competence and a specialized team with diverse expertise, enabling it to provide effective recommendations that enhance performance and solidify governance and compliance principles. Furthermore, it focuses on developing team capabilities and strengthening communication channels with the Audit Committee and Executive Management. The Internal Audit Department remains committed to implementing the best practices and approved professional standards, while continuously developing the technical skills of its members. This reflects YANSAB's dedication to establishing an effective control environment that contributes to achieving its strategic objectives and ensuring business sustainability.



BOARD OF DIRECTORS' DECLARATIONS

The Board of Directors of YANSAB declares the following:

1. Proper books of account have been maintained.
2. The internal control system has been established on a sound basis and effectively implemented.
3. There are no significant doubts concerning YANSAB's ability to continue its activity.
4. There are no debt instruments, conversion rights, or subscription rights under convertible debt instruments, contractual securities, warrants, or similar rights issued or granted by YANSAB.
5. There has been no redemption, purchase, or cancellation by YANSAB of any redeemable debt instruments.
6. None of the Board Members or Senior Executives waived any remuneration during the fiscal year ending on 31 December 2025.
7. None of YANSAB's shareholders waived dividends for the fiscal year ending on 31 December 2025.
8. YANSAB has not concluded any contracts with any Board Member, or Senior Executive, and there is no personal interest for any of them or any person related to any of them.
9. There are no competing businesses to YANSAB or any of its activities that any Board member is currently engaged in or has previously engaged in.

10. There is no penalty, retribution, precautionary measure, or precautionary restriction imposed on YANSAB by the Capital Market Authority (CMA), or from any other supervisory or regulatory authority, or judicial body, during the fiscal year ending on 31 December 2025.
11. There is no difference from the accounting standards approved by the Saudi Organization for Certified Public Accountants (SOCPA).
12. The independent auditor's report shows that the financial statements are presented with no material errors and in a fair manner, in all material respects and shows YANSAB financial position as at 31 December 2025, and there are no reservations about them.
13. No shareholders notified YANSAB of any changes in the ownership of shares during the fiscal year ending on 31 December 2025.
14. YANSAB acknowledges that it currently has no loans.
15. YANSAB implemented the requirements of the Corporate Governance Regulation issued by the Capital Market Authority (CMA), excluding the following paragraphs:

Article - Paragraph	Stipulation	Reasons for not applying
Article 39: The Assessment E	The Board shall carry out the necessary arrangements to obtain an assessment of its performance from a competent third party every three years.	The Article is indicative, as the current term of the Board of Directors is nearing its conclusion in March 2026. Therefore, conducting an external assessment at this stage may not yield the expected impact or the desired added value.
Article 51: Formation of Audit Committee D	Half of Audit Committee's members must be Independent Directors or from those on whom the issues affecting independence in Article (19) of this Regulation do not apply.	The Article is indicative, as Audit Committee members were elected by YANSAB ordinary general assembly in accordance with its Articles of Association and Audit Committee regulations approved by YANSAB general assembly. YANSAB confirms its keenness to follow the best governance practices and comply with all relevant laws and regulations.
Article 92: Formation of a Corporate Governance Committee	If the Board forms a corporate governance committee, it shall assign to it the competencies set under Article (91) of these Regulations. Such committee shall follow up on any matters relating to the application of governance, and shall provide the Board with its reports and recommendations at least annually.	In accordance with Article (47) of Corporate Governance Regulations stipulating that the Board of Directors shall form specialized committees based on YANSAB's need, circumstances and situations, enabling it to effectively perform its mandates, the Board deems the formation of a committee specialized in Corporate Governance infeasible, as the mandates of the Board and its committees are integral components of governance, each of which contributes to achieving its goals. Therefore, restricting governance implementation to a committee constitutes malpractice in the implementation of Governance Principles.



GLOSSARY OF TERMS



GLOSSARY OF TERMS

APC	Advanced Process Control	A sophisticated technical system aimed at optimizing industrial process performance and enhancing operational efficiency.
BCM	Business Continuity Management	A framework that ensures an organization's ability to maintain its operations during disruptions.
BMS	Business Management System	A structural framework for managing and monitoring business processes to ensure efficiency.
BTX	Benzene, Toluene, and Xylene	A group of petrochemical substances including benzene, toluene, and xylene.
CCU	Carbon Capture and Utilization	A technology that captures carbon emissions and converts them into usable products.
CN	Carbon Neutrality	A commitment or state aimed at reducing net carbon emissions to zero.
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization	A metric for measuring operational performance.
EHSS	Environment, Health, Safety, and Security	A framework that regulates safe and sustainable governance.
EG	Ethylene Glycol	A chemical compound.
ESG	Environmental, Social, and Governance	A framework used to evaluate an organization's sustainability and ethical impact.
ERM	Enterprise Risk Management	A structured approach to managing risks across the organization.
FEMS	Fugitive Emissions Monitoring and Survey	A program for surveying and measuring fugitive emissions.

GPCA	Gulf Petrochemicals and Chemicals Association	A regional association representing the petrochemical and chemical industries.
GW	Groundwater Sampling Analysis	A method for analyzing groundwater samples.
HDPE	High-Density Polyethylene	A durable plastic also known as High-Density Polyethylene.
ICFR	Internal Control over Financial Reporting	A system that ensures effective internal controls regarding financial reporting.
ISCC+	International Sustainability and Carbon Certification	A global certification system for sustainability and carbon management.
ISO	International Organization for Standardization	An international body that develops global standards for quality and safety.
LLDPE	Linear Low-Density Polyethylene	A versatile plastic also known as Linear Low-Density Polyethylene.
LNE	National Laboratory of Metrology and Testin	A French reference body specializing in scientific measurements, research, testing, and certification to ensure accuracy and compliance.
LOTO	Lockout/Tagout	A safety procedure to isolate energy sources during maintenance operations.
MECC	Middle East Corrosion Conference	A regional conference focusing on corrosion-related issues.
NEBOSH	National Examination Board in Occupational Safety and Health	A global accreditation body in the field of occupational safety and health.
NCA-ECC	National Cybersecurity Authority - Essential Cybersecurity Controls	A national body overseeing compliance with electronic information security.

NCA-OTCC	National Cybersecurity Authority - Operational Technology Cybersecurity Controls	A cybersecurity framework focusing on operational technology issued by the National Cybersecurity Authority.
OCS	Operation Clean Sweep	A program aimed at reducing plastic leakage into the environment.
OMS	Operating Management System	A system that standardizes operational management practices.
ORP	Operational Resilience Program	A program that enhances the operational resilience of the organization.
OSF	On-Stream Factor	An indicator of plant availability, representing the percentage of time the plant is operational compared to total scheduled time.
OSHA	Occupational Safety and Health Administration	Occupational Safety and Health Administration
PM	Preventive Maintenance	Maintenance performed to prevent equipment failure.
PMI	Purchasing Managers' Index	An index that measures economic and industrial activity.
PP	Polypropylene	A versatile plastic known as Polypropylene.
PPE	Personal Protective Equipment	Safety tools and gear used to protect workers from hazards.
PS	Process Safety	A framework or program dedicated to ensuring the safety of industrial processes.
PSA	Product Stewardship Assessment	A sustainability assessment of the product portfolio.
PwC	Price Waterhouse Coopers	A global professional services and auditing firm.

RBI	Risk-Based Inspection	An inspection approach based on evaluating risk levels.
RBPS	Risk-Based Process Safety	A process safety framework focused on risk assessment and reduction.
RCA	Root Cause Analysis	An analysis aimed at identifying the fundamental cause of a problem.
RCM	Reliability Centered Maintenance	A methodology used to determine the optimal maintenance strategy for each asset or equipment.
RIS	Reliability Instrumented System	A system that ensures reliability through instrumented safety controls.
RPA	Robotic Process Automation	The use of software robots to automate repetitive business processes.
RTO	Real-Time Optimization	A method aimed at optimizing processes in real-time.
SASO	Saudi Standards, Metrology and Quality Organization	The national authority for standards and quality in the Kingdom of Saudi Arabia.
SEEC	Saudi Energy Efficiency Center	The national entity responsible for setting and monitoring energy efficiency standards.
SHEMS	SABIC Safety, Health, and Environmental Management Standards	SABIC's framework for managing environment, health, and safety performance.
SLP	Supplier Lifecycle Performance	A system for managing the end-to-end performance of the supplier lifecycle.
TRIR	Total Recordable Incident Rate	A safety metric representing the number of recordable injuries per 200,000 work hours.
WTW	Waste to Wealth	An initiative aimed at converting by-products and waste into economically valuable products.
ZATCA	Zakat, Tax and Customs Authority	The national authority responsible for zakat, taxes, and customs in the Kingdom of Saudi Arabia.

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