

BOARD OF DIRECTORS REPORT

Yanbu National Petrochemical Company (Yansab)

Annual Report 2024





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



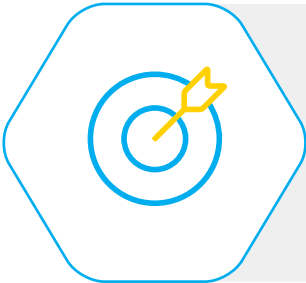
Eng. Abdullah S. Al-Arifi
Board Member



Mr. Abdullah A. Al-Sinan
Board Member



ENG. Awad M. Al-Maker
Board Member



Vision
To be the world's best
petrochemical Complex

Mission
Providing high-quality products in a responsible
manner through innovation, learning, and
operational excellence, and maintaining high
performance in the fields of environment and safety,
while creating maximum value for all beneficiaries.



Board of Directors Report

The Board of Directors (Board) of YANSAB is pleased to present the Annual Report for the fiscal year ended on December 31, 2024, prepared in accordance with the requirements of the Companies Law of the Kingdom of Saudi Arabia, YANSAB's Bylaws, 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 contains information on YANSAB's activities, performance, achievements, and future plans, along with efforts taken to enhance the company's performance and develop the equity of its shareholders, alongside supporting the development of the national petrochemical industry.

Additionally, the report highlights the Company's contributions to the areas of environment, society, and corporate governance (ESG) for the fiscal year concluding on December 31, 2024.

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), particularly through their unending support for the industrial sector.

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

Chairman's Message

Dear shareholders,
Despite the global and regional challenges facing the petrochemical industry on the ground, the Company was able to achieve revenues surpassing SAR 6,160 million. This success was driven by the growth in production and sales due to optimization of operational and production processes following the completion of preventive maintenance conducted by the Company in 2023.

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



At YANSAB, we implement our strategy by improving our operations and enhancing competitiveness, thus contributing to sustainable growth. As part of our efforts to improve energy efficiency, we have implemented comprehensive programs focused on safety, reliability, sustainability, and enhancing performance. Recognizing the transformative potential of technological progress, we have been working to leverage AI technologies in the field of asset management, and adopt innovative digital solutions to enhance our operational capabilities and boost our competitiveness.

YANSAB proactively identifies and assesses risks to determine their potential impact on performance. Then, it implements preventive measures to eliminate or mitigate these risks while embracing the opportunities that comes with these challenges.

We are deeply committed to achieving the goals of the Paris Agreement, which seeks to reduce greenhouse gas emissions, as well as the Kingdom's Vision to reach net-zero emissions by 2060 (Saudi Green Initiative). Our efforts include reducing greenhouse gas emissions by 20% by 2030 compared to 2018, with a focus on direct and indirect emissions through

production processes. In addition, we are exploring ways to achieve carbon neutrality across all our activities by 2050, in alignment with global, regional and national sustainability commitments. At YANSAB, our employees are a cornerstone of our success and growth. We invest in their development through ongoing training and skill development, which improves their administrative, operational, and technical capabilities, contributing to the Company's sustainability and long-term achievements.

Furthermore, YANSAB is keen to create social value through its CSR initiatives, which aim to improve the quality of life, ensure environmental protection, and provide education, training and healthcare in the communities where we operate. These social contributions complement our commitment to fostering innovation and establishing ethical responsibility principles.

We have also established robust systems in the areas of Environment, Health, Safety and Security (EHSS), energy, information security and quality management. These systems are designed to ensure exceptional performance, foster trust and transparency with stakeholders, and comply with international standards.

The Company also focuses on enhancing cybersecurity aspects to protect its operations from emerging digital risks.

By prioritizing safety and reliability in our facilities, while sustaining financial strength and setting sector-leading standards, we exemplify our commitment to adopting innovative solutions, including digital transformation. These initiatives confirm our commitment to excellence and achieving long-term success.

The petrochemical sector is going through a historic transformation, driven by accelerating trends, including excess production capacity and low rates of current production capacity utilization below the long-term average, the growing focus on sustainability, the transformation of the energy sector, digital advancement, and changing demographics. At the same time, Saudi Arabia is undergoing a promising transformation under Vision 2030, with the petrochemical sector positioned to play a key role in achieving the vision's objectives for economic growth and diversification.

As we move forward, we will continue to pursue integration and explore investment opportunities that align with YANSAB's vision.

Finally, I take this opportunity to extend my sincere thanks and gratitude to the Custodian of the Two Holy Mosques, His Royal Highness the Crown Prince, and the wise government for their unlimited support.

My sincere thanks also go to the Board of Directors, Executive Management, and all employees for their hard work and contributions to achieving another year of success.

With sincere regards and appreciation,

By prioritizing safety and reliability in our facilities, while sustaining financial strength and setting sector-leading standards, we exemplify our commitment to adopting innovative solutions, including digital transformation. These initiatives confirm our commitment to excellence and achieving long-term success.

CEO's Message

Despite another year marked by uncertainties in market conditions and economic events, with the petrochemical sector continuing to face persistent challenges such as excess production capacity, weak demand, and lower-than-average utilization rates, alongside the global economic downturn in the Purchasing Managers' Index (PMI) in many regions, YANSAB managed to achieve positive financial results, thanks to its exceptional operational performance, which led to increased production and sales volumes.

Eng.
Wazen Mubarak Al-Solami
CEO



Amid all these challenges, YANSAB maintained its resilience and adaptability. In 2024, we achieved a net income of ₪ 420 million, compared to a net loss of ₪ (485) million at the close of last year. This recovery reflects our commitment to effective cost management and operational excellence, which enabled us to navigate the rise in production input costs.

We have worked to motivate our employees for devising smart solutions through integration between all departments and operational units. By adopting innovative approaches and embedding AI and digital transformation technologies into our manufacturing processes, we have significantly improved asset safety and reliability, increased the operational efficiency of our factories, and enhanced our ability to meet market demands with sustainable products.

At YANSAB, we are proud to participate in the «Sustainability Pioneers» program launched by the Ministry of Economy and Planning. This program is designed to foster collaboration among key sector leaders to provide valuable training and resources that support the enhancement of sustainability practices within

industries. This initiative is part of the Kingdom's broader commitment to environmental sustainability and economic diversification under the Saudi Vision 2030 and the Saudi Green Initiative.

As we strive for sustainable growth, our focus in 2024 was on enhancing operational efficiency, optimizing production capacity, and creating value across economic, social, and environmental dimensions.

At the heart of our operations is safety. Our Total Recordable Incident Rate (TRIR) stood at zero, underscoring our dedication to protecting the well-being of our employees and preserving the company's assets and properties.

Sustainability remains a top priority for us, and at YANSAB, we were honored to receive the «Highest Quick-Win Energy Optimization Award 2024» in recognition of our efforts to improve energy efficiency throughout our operations. These accomplishments highlight our dedication to reducing environmental impact while delivering products that meet the highest sustainability standards.

The Company works to improve asset performance and maintain high production rates by adopting well-thought-out plans and mechanisms that are in line with our vision and strategy. In this context, embracing digital transformation has been pivotal in improving our operational efficiency and informing decision-making. The implementation of advanced digital technologies, such as digitizing the Environment, Health, Safety, and Security (EHS) system, utilizing Robotic Process Automation (RPA), and integrating smart inspection systems, has led to a substantial increase in our productivity.

At YANSAB, we recognize that our employees are our greatest asset. That's why we prioritize their continuous qualification, development, and relevant training to motivate them and enhance their efficiency. Not only does this reduce risks related to our industry but also ensures that the Company remains a safe and dynamic environment for ongoing learning and development.

We place a high priority on financial discipline. Cash flows from operations since the beginning of the year reflect our thorough approach to liquidity management, which provides the stability necessary to withstand volatile market conditions.

Our strategy at YANSAB is based on the pillars of integrity, compliance and our values that we apply in our business, and enhance the confidence of stakeholders. A robust governance framework and ethical standards are also central to our operations, ensuring transparency and accountability throughout all levels of the organization.

With all best wishes,

As we strive for sustainable growth, our focus in 2024 was on enhancing operational efficiency, optimizing production capacity, and creating value across economic, social, and environmental dimensions.

STRATEGY

- About the Company
- Corporate Strategy
- Future plans

About the Company

Yanbu National Petrochemical Company (YANSAB) was established in February 2006 as a Saudi joint stock company, with an authorized and fully paid-up capital of ﷲ 5,625 million, distributed over 562.5 million shares with a nominal value of ﷲ 10 per share. YANSAB is 51% owned by the Saudi Basic Industries Corporation (SABIC) and 49% by the private sector and individuals. YANSAB is headquartered in Yanbu Industrial City, Madinah Region, western Saudi Arabia.

At its industrial complex in Yanbu Industrial City, YANSAB applies cutting-edge technologies in its manufacturing and production processes, achieving a production capacity of over four (4) million tons annually of various products.

YANSAB markets all its products through SABIC, under a marketing agreement. SABIC, in turn, handles the marketing and shipping of these products to local, regional, and global markets through a committee that analyzes market trends, forecasts future prices, evaluates product costs, and sets the minimum acceptable price for net products.

Since 2021, YANSAB has been managing and operating the factories of the Arab Industrial Fibers Company (Ibn Rushd), allowing it to maximize asset utilization, enhance spending efficiency, attract national talent, and manage services related to handling materials and raw materials, which are integral to the group's business.

YANSAB's product range reflects its commitment to excellence and innovation in the petrochemical sector. The Company has been providing reliable and value-added products since the inception of its business operations in 2010.

Ethylene plays a crucial role in various industries, including packaging and automotive, while ethylene glycol is vital for producing antifreeze solutions and polyester fibers, with primary applications in the textile and automotive sectors. Our polyethylene products, including HDPE and LLDPE, are both strong and flexible, making them ideal for packaging and pipe manufacturing.

Polypropylene is lightweight and resistant to chemicals, making it ideal for use in automotive parts and consumer goods. Butane also is used to improve the properties of plastics. Our BTX products are essential in the production of chemicals like paints and coatings.

As YANSAB expands its market presence, it remains committed to delivering high-quality products, underpinned by operational reliability, adherence to global safety standards, and a strong emphasis on sustainability and innovation, solidifying our position as a trusted partner in the petrochemical industry.





Automotive



Building and Construction



Packaging



Chemical Materials

Our growth and innovation 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.



CORPORATE STRATEGY

YANSAB has a clear future strategy to ensure growth in the petrochemical industry that adds value to its assets and shareholders’ equity. It adheres to the highest levels of safety, quality, sustainability, and all relevant industry standards and laws; fosters partnerships between local and global entities; and grows shareholders’ equity while implementing social responsibility.

YANSAB’s strategy is centered on driving sustainable growth, operational excellence, and maximizing value for shareholders. Our marketing and sales strategy focuses on diversifying our portfolio with high-demand products, including polypropylene, ethylene glycol, linear low-density polyethylene (LLDPE), and high-density polyethylene (HDPE). In addition, we seek to expand our reach to all markets through the marketing entity (SABIC).

YANSAB’s strategy is based on the following lines:



Future plans

Since its inception, YANSAB has been keen to embrace SABIC's comprehensive reliability program, which focuses on enhancing the performance of our assets and positioning reliability as a core pillar to achieve optimal quality and performance.

To this end, YANSAB has integrated tools and methodologies such as Reliability-Centered Maintenance (RCM), Risk-Based Inspection (RBI), Reliability Instrumented System (RIS), and Root Cause Analysis (RCA) of technical incidents. These approaches significantly contribute to improving the reliability and efficiency of our operations.

Additionally, the adoption of the reliability program to manage the company's assets and extend their productive lifespan, through the implementation of systematic operating and maintenance procedures aimed at enhancing efficiency, has played a key role in supporting YANSAB's plans to achieve higher returns.

We also work to enhance our competitiveness by improving asset management and adhering to international standards, through innovation and integrating AI and digital transformation technologies into manufacturing processes to increase operational efficiency and enhance our ability to meet market requirements.

Sustainability is a core aspect of our operations, driven by impactful initiatives that incorporate the highest environmental, social, and governance (ESG) standards. These efforts

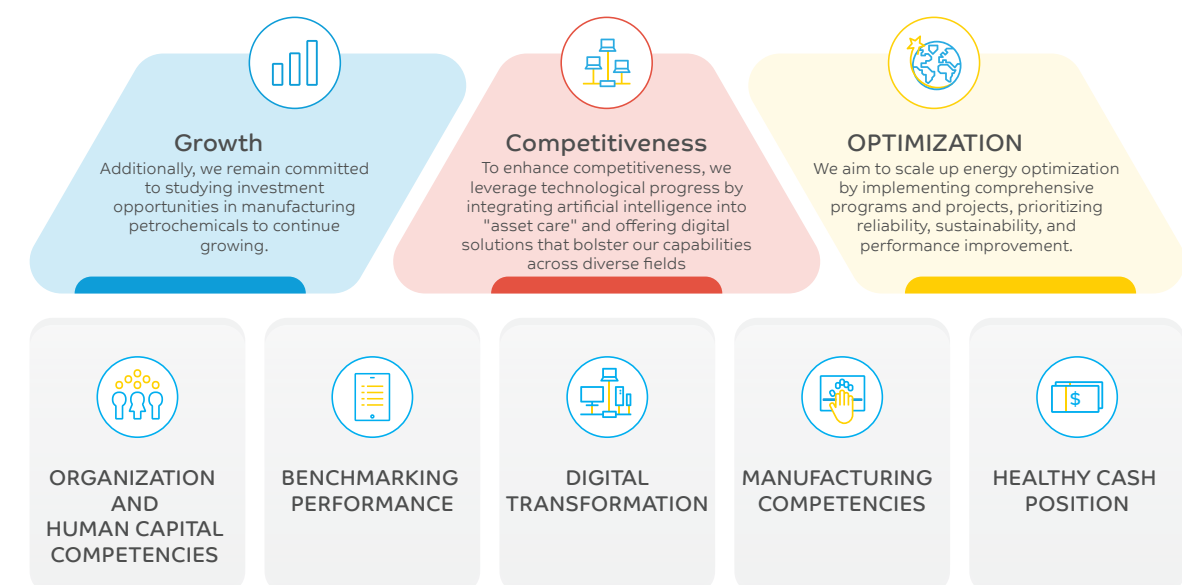


help minimize our environmental footprint and foster community development. Through these initiatives, YANSAB is consolidating its future based on integrity, innovation and sustainability.

YANSAB, in collaboration with SABIC, is dedicated to the goals of the Paris Agreement to reduce greenhouse gas emissions and to reach net zero emissions by 2060. The Company aims to cut its greenhouse gas emissions by 20% by 2030, compared to 2018 levels, focusing on both direct and indirect

emissions arising from its various production operations. Furthermore, YANSAB will continue to make efforts and explore solutions to achieve carbon neutrality in all operations by 2050, taking into account the various global, regional and national ambitions, commitments and initiatives.

YANSAB has a strong financial position despite the challenges facing the markets, thanks to our continuous monitoring of market trends and our commitment to flexible cost management strategies. In addition, we maintain our commitment to the highest EHSS standards in line with our overall strategy.

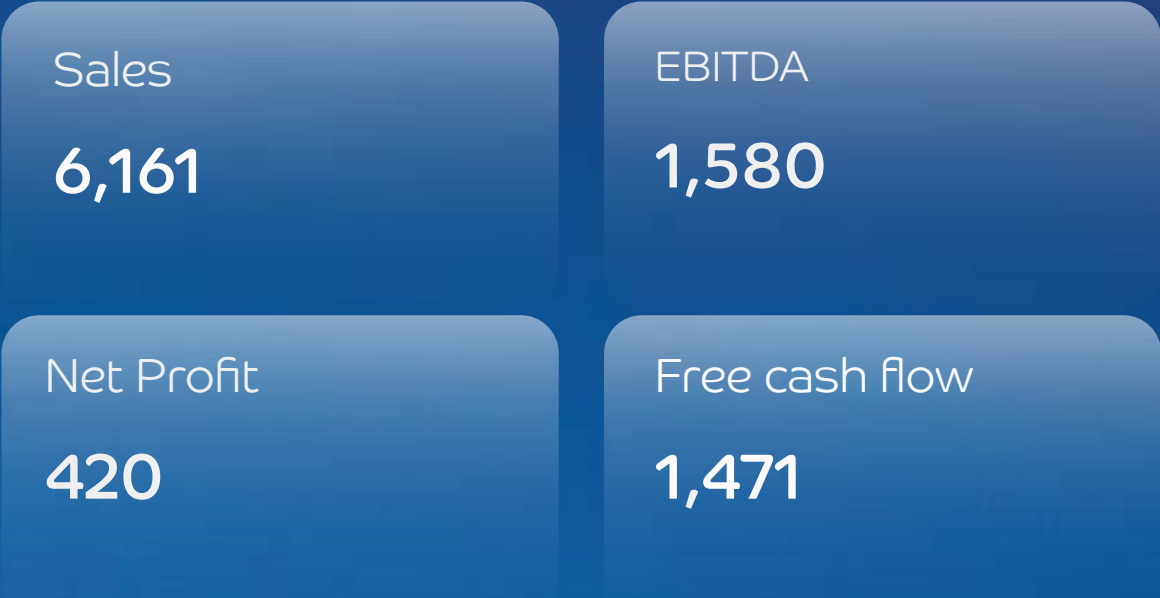


BUSINESS PERFORMANCE

- Financial Performance
- Manufacturing Performance
- Digital Transformation
- Cybersecurity
- Quality

Financial Performance

(in million ￦)



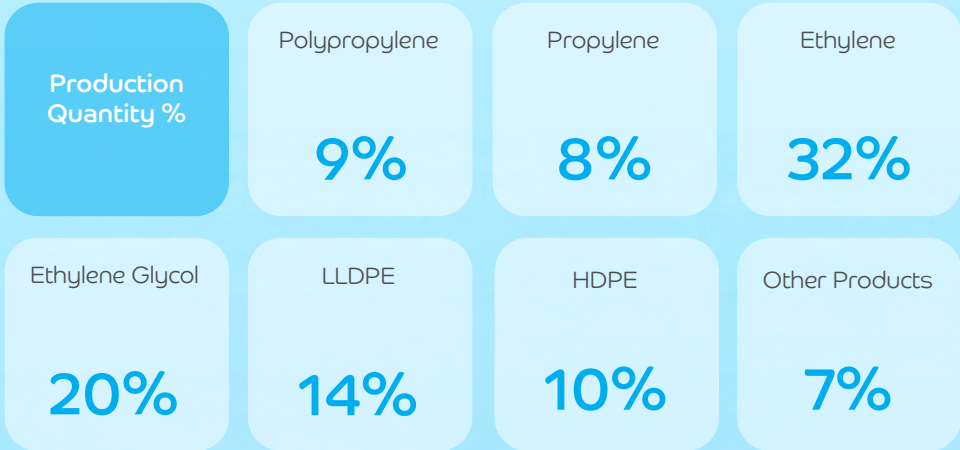
Business Outcomes (in thousand ￦)

Financial Statements	2024	2023	2022	2021	2020
Sales	6,160,538	4,532,731	7,024,050	7,499,273	5,034,940
Cost of Sales	(5,206,452)	(4,586,096)	(6,053,628)	(5,253,405)	(3,946,224)
Gross Profit	954,086	(53,365)	970,422	2,245,868	1,088,716
Net Profit	420,334	(485,144)	414,145	1,531,299	677,574

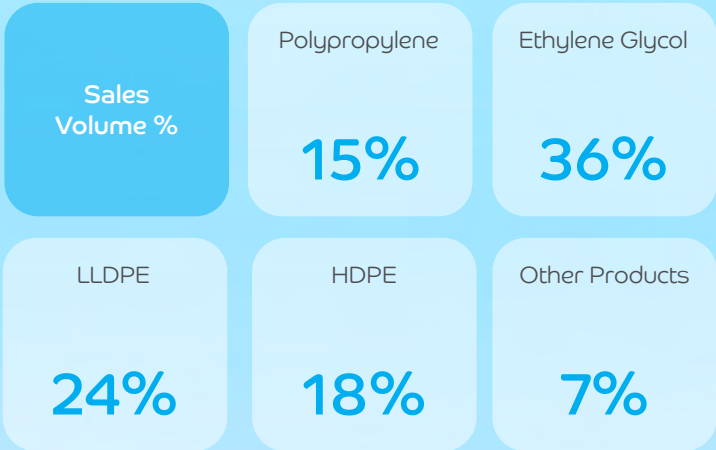
Statement of Financial Position (in thousand ￦)

Financial Statements	2024	2023	2022	2021	2020
Current Assets	5,680,299	5,393,903	6,958,810	7,666,605	5,938,074
Non-Current Assets	8,443,876	9,387,983	9,720,781	10,494,305	11,401,684
Total Assets	14,124,175	14,781,886	16,679,591	18,160,910	17,339,758
Current Liabilities	1,855,467	1,859,455	1,649,008	1,886,025	1,339,390
Non-Current Liabilities	1,032,049	1,021,438	979,730	1,232,494	1,014,911
Shareholders' Equity	11,236,659	11,900,993	14,050,853	15,042,391	14,985,457
Total Liabilities and Shareholders' Equity	14,124,175	14,781,886	16,679,591	18,160,910	17,339,758

During 2024, production volume reached 3,625 thousand metric tons, an increase of 22% compared to 2023, which amounted to 2,976 thousand metric tons.



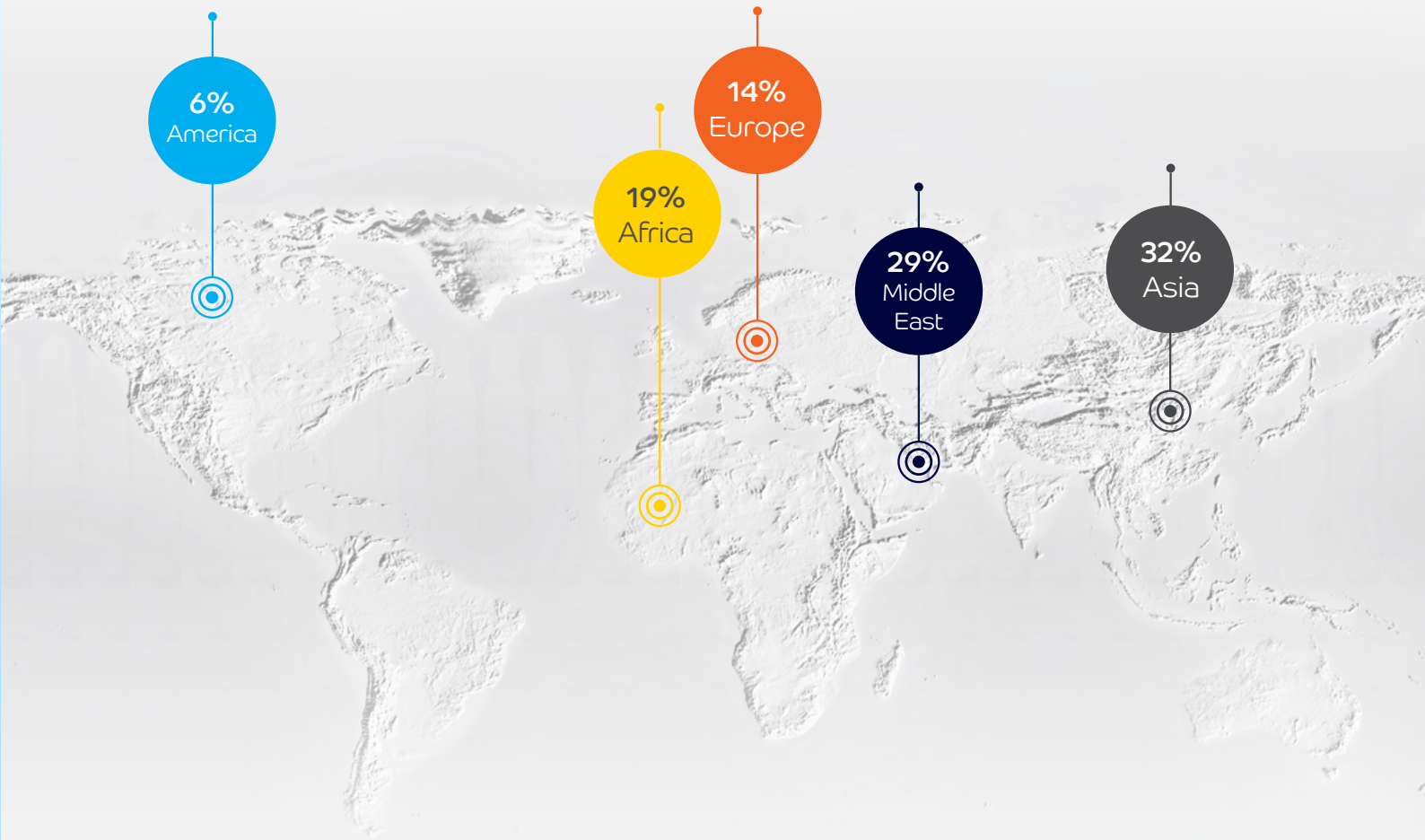
Sales volume in 2024 amounted to 2,136 thousand metric tons, compared to 1,725 thousand metric tons in 2023, which is an increase of 24%



Note: Other products include butene, methyl tert-butyl ether, toluene-xylene-benzene blend.



Geographical analysis of sales



Linear Low Density Polyethylene (LLDPE)

- High toughness
- Good puncture resistance
- Good heat sealing behaviour

Heavy Duty Bags Film

Explanation of any material differences in operating outcomes

Item	(Amount in thousand ﷲ)		Changes	Percentage of Change
	2024	2023		
Sales	6,160,538	4,532,731	1,627,807	36%
Cost of Sales	(5,206,452)	(4,586,096)	620,356	14%
Gross Profit	954,086	(53,365)	1,007,451	1,888%
Other Operating Revenues	21,735	13,097	8,638	66%
Other Operating Expenses	(572,088)	(446,028)	126,060	28%
Operating Profit	403,733	(486,296)	890,029	183%

Investments or Reserves for the Benefit of the Company’s Employees

The following table shows the investments or reserves established by (YANSAB) for the benefit of its employees as of December 31 2024 compared to the previous year (in thousand ﷲ):

Item	2024	2023
End of Service Gratuity	840,768	842,222
Savings Program	136,681	129,034
Loans and Home Owner-ship	336,349	377,017
Retirement Program and Other Benefits	96,314	76,499
Total	1,410,112	1,424,772

Paid and Outstanding Statutory Payments

The following table shows the value of paid and outstanding statutory payments in 2024 with their details and reasons (in thousand ﷲ):

Item	2024		Brief Description	Reasons
	Paid	Outstanding Up to Fiscal Year End		
Zakat	129,464	97,305	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 2025 will be paid according to the statutory time limit.
General Organization for Social Insurance	65,755	5,600	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 2025 will be paid according to the statutory time limit.
Total	195,219	102,905		



Manufacturing Performance



Maintenance and Downtime

YANSAB focused on improving maintenance efficiency by enhancing digital transformation. This improvement contributed to increasing production continuity and operational stability. Transformation strategy initiatives were implemented to enhance performance, such as improving the periodic maintenance operations cycle, reducing machine downtime, and eliminating operational risks.

The Company adopts a comprehensive preventive maintenance (PM) strategy for all equipment and facilities, with scheduled maintenance and repair programs being systematically monitored and tracked. This ensures a quick response to address any malfunctions. Adhering to preventive maintenance is crucial in minimizing downtime and incidents related to operational safety, while also ensuring the Company avoids environmental non-compliance.



Operations Improvement

YANSAB implements targeted and continuous improvements in operations with the aim of reducing variable costs and increasing returns. Initiatives such as Advanced Process Control (APC) and Real-Time Optimization (RTO) have led to increased and improved revenues in line with the set objectives. These measures and procedures have contributed to higher production, aligning with market demand and operational efficiency goals.



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 continues to implement plans and mechanisms that support these goals, working diligently to achieve them 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 crucial role in minimizing downtime and preventing disruptions in production operations.

Digital Transformation

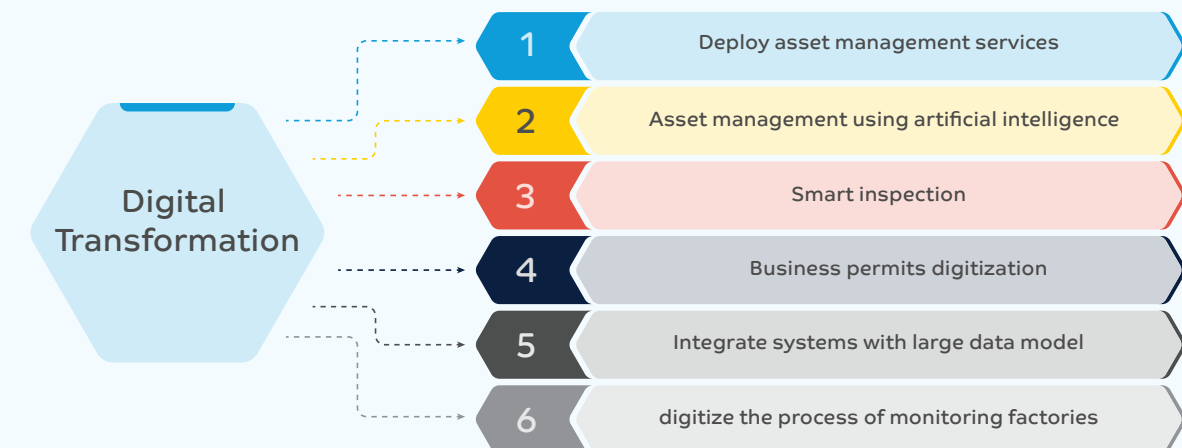
Digital transformation is at the of our priorities as we work to achieve our vision “To be the world’s best petrochemical Complex.” At YANSAB, digital transformation is a key enabler across all operations, driving operational efficiency to ensure sustainability, enhance performance, and inform decision-making. By integrating advanced technologies into production systems and other processes, the Company ensures a seamless workflow, provides instant access to data, and optimizes resource utilization. This digital transformation fosters innovation, enhances performance, and helps maintain a competitive edge in the rapidly evolving sector, contributing to ongoing success and business growth.

In 2024, YANSAB launched key digital solutions to enhance the manufacturing process, utilizing big data technologies alongside machine learning and artificial intelligence algorithms to proactively address deviations, malfunctions, and operational stoppages. This has contributed to reducing costs and increasing revenues by minimizing production downtime, while making YANSAB a safer work environment.

The «Asset Care» program also enables early detection of potential malfunctions and works to resolve them, preventing unexpected interruptions. In addition, smart work permits facilitate the speed of workflow and maintain compliance with EHSS standards.

YANSAB integrates digital technologies to enhance operational reliability, contributing to improved financial results. Key achievements include:

- **Predictive Maintenance:** Predictive maintenance reduced downtime and maintenance costs through real-time monitoring and analytics.
- **Enhanced Safety:** Digital platforms ensure real-time and continuous monitoring of plants and other units, reducing safety risks.
- **Data-Driven Decisions:** Centralized data systems facilitated strategic decision-making, resulting in improved resource utilization and process chain management.



Cybersecurity

YANSAB places cybersecurity at the top of its priorities by complying with government regulations, including the National Cybersecurity Authority (NCA), the Higher Commission for Industrial Security (HCIS), and Operational Technology Cybersecurity Controls (OTCC).

YANSAB completed the third phase of the Operational Technology Cybersecurity Enhancement Project, and obtained re-certification 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 training programs and 24/7 monitoring systems.

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

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. The cybersecurity team also provides ongoing training to ensure continuous improvement and immediate response to cyber threats facing the company.

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 any cyber threats.



Quality

External Audits

The Company conducts periodic audits of quality systems to ensure compliance with approved international standards. In 2024, YANSAB successfully passed all external audits conducted for its management systems:



Energy Management System (ISO:50001)



Quality Management Systems (ISO:9001-2015)



Business Continuity Management System (ISO:22301)



Information Security Management Systems (ISO:27001)

In addition, YANSAB obtained industrial certificates after achieving the specified standards and operational objectives to achieve permanent sustainability, which are as follows:

- **The Global Initiative Operation Clean Sweep (OCS)** It is a global initiative in the petrochemical industry sector that aims to reduce the loss and waste of polymer granules in the environment. The OCS program was designed to take measures that contribute to preventing the loss and waste of polymer granules, flakes and powder during the production, transportation and use process, while ensuring that they do not leak into the marine environment. This initiative has been adopted by major international companies specialized in and operating in the field of petrochemicals in more than 60 countries around the world.
- **International Sustainability and Carbon Certification (ISCC):** A certificate granted to companies that reduce greenhouse gas emissions.
- **Asset Management Systems Standard Certification (ISO 55001):** A certificate granted to companies that manage their assets in a sustainable and more effective manner

Internal Audits

YANSAB conducted a comprehensive review of the Operations Management System (OMS), and conducts regular self-audits to ensure effectiveness of procedures and improve them. These audits aim to validate the role and effectiveness of the Operations Management System with the aim of addressing shortcomings, if any, and making continuous improvements and development.

Holding specific certifications and accreditations enables the company to sell its products on the global market, and as such, an external review process for High Density Polyethylene (HDPE) was concluded for product P6006, and was thus adopted by clients from the United States under criterion NSF-14, Italy under IIP, France under LNE, and Malaysia under SIRIM.

YANSAB completed the compliance assessment regarding the Montreal Protocol for Ozone depleting substances, while site assessments have been underway to comply with the Global initiative for Operation Clean Sweep ® (OCS).

During 2024, YANSAB held workshops using quality tools such as (S5), and training courses were also held on the principles of (Go to Gemba), which means «Go to the source». This training aims to encourage leaders and managers to go to the actual work site to monitor the workflow and understand the problems directly, as this program contributes to:

1. **Direct communication:** Enhance interaction between management and employees by being present on site.
2. **View Operations from the Workplace:** Understand how operations are implemented, and the challenges faced by employees.
3. **Solving problems from the source:** Instead of relying on reports or assumptions, problems are solved based on real-world observations.
4. **Promoting Continuous Improvement:** Identifying areas for improvement and increasing efficiency.

Tahseen Committee

As a vital component of the Company's continuous improvement program, TAHSEEN Committee supervises the application of quality principles across all operations in accordance with the Business Management System (BMS) standards and works to identify ways to enhance YANSAB's competencies.

Supply Chains

YANSAB fully recognizes the role played by supply chain management in maintaining its competitiveness and providing support to its customers.

The Company is keen to achieve the highest levels of reliability and provide sustainable value in the long term.

YANSAB's supply chain management strategy focuses on operational excellence, safety, and enhancing partnerships with suppliers. The goal is to ensure smooth operations while implementing sustainable best practices throughout the supply chain.

YANSAB markets all its products through SABIC, in accordance with the concluded marketing agreement. SABIC is responsible for marketing and distributing these products to local, regional, and global markets. A committee reviews market trends, future price expectations, product costs, and approves the minimum acceptable price for the net products. All of our sales are exported through SABIC's supply chain, where the SAP-Ariba (SLP) program ensures that suppliers meet procurement and supply chain management standards. This holistic approach enhances the efficiency and reliability of operations, further strengthening YANSAB's commitment to quality, reliability, and adherence to global standards.



Supply chain management policies are based on the Supplier Lifecycle Performance Management program to ensure that suppliers adhere to the highest procurement standards and meet supply chain requirements.

However, global supply chains continue to face pressing challenges, including rising geopolitical tensions, shortages of raw materials, challenges related to production capacity and rising costs.

In addition to these challenges, other factors cast a shadow over the global economic landscape, such as high inflation rates, fluctuations in supply and demand, shortages of containers and frequent disruptions in logistics services. Despite these challenging circumstances and obstacles, YANSAB continues its unwavering focus on mitigating potential risks and ensuring the uninterrupted flow of supply chains with high efficiency, aiming to maintain optimal operational efficiency and enhance the value it delivers to stakeholders.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

- Sustainability Principles
- Environment, Health, Safety, and Security (EHSS)
- Environmental Protection
- Employees and Community
- Ethics and Compliance

Sustainability Principles

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.

Innovation and Sustainability Solutions

YANSAB serves as a bridge between basic materials and consumer goods, with innovation being the central focus that connects our ambitious growth plans, addresses customer needs, and helps us achieve our sustainability objectives. The Company has set strategic objectives to optimize the consumption of natural resources, protect the environment, and address any potential damage. These objectives include adhering to regulatory requirements, reducing greenhouse gas emissions, recycling waste generated from operations, and enhancing the quality of industrial wastewater.

Our Methodology

The Company continuously seeks to provide and develop innovative and sustainable solutions for products and applications, in addition to improving processes that contribute to reducing emissions and lowering costs. These efforts aim to meet the needs of customers and the value chain. YANSAB is dedicated to strengthening collaboration with industry partners to achieve better performance and minimize environmental impact throughout the value chain. This begins with producing products made from recyclable or recycled materials and extends to implementing improvements that reduce emissions.

At YANSAB, we are proud to participate in the «Sustainability Pioneers» program launched by the Ministry of Economy and Planning. This program is designed to foster collaboration among key sector leaders to provide valuable training and resources that support the enhancement of sustainability practices within industries.



Portfolio Sustainability Assessment (PSA)

This assessment enables the Company to develop and deliver innovative solutions that support the transition to a more sustainable industry. It focuses on offering products with a low environmental impact by enhancing resource efficiency, reducing emissions, and improving operational efficiency.

Additionally, it involves refining production techniques, adopting circular economy solutions, and minimizing waste. These efforts contribute to YANSAB's creation of a sustainable product portfolio that aligns with sustainability standards.

Collaboration for Innovation

External partnerships are a fundamental pillar of YANSAB's innovation strategy. Partnerships with universities and scientific institutions at the local and international levels contribute to accelerating the adoption of advanced technologies and enhancing innovative solutions. Through these partnerships, YANSAB is able to:

Culture and Commitment

YANSAB strives to strengthen its culture in managing its products, quality, and safety by exchanging knowledge, developing advanced tools, and staying aligned with global developments. This ensures compliance with product requirements while supporting the Company's growth aspirations. YANSAB also follows up on any feedback on its products through conducting careful product management and comprehensive root cause analyses.

YANSAB seamlessly integrates EHSS practices into its manufacturing operations through manufacturing focal points (MFPs), including regular reviews of Safety, Security, Health, and Environmental Management Standards (SHEMS), product management principles, and safety rules, reflecting a comprehensive approach to sustainability.

At the employee level, YANSAB is committed to continuous improvement by enhancing professional and technical competencies in the fields of sustainability and manufacturing process safety.

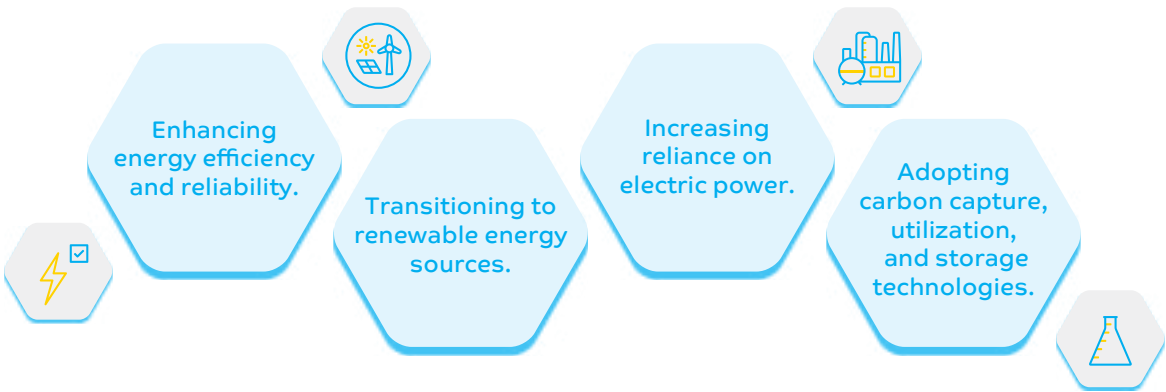


Climate Change and Resource Efficiency

Our Approach

YANSAB commitment to achieving carbon neutrality across all operations by 2050 is embodied in its Carbon Neutrality Roadmap. Moreover, YANSAB resource efficiency goals are fundamental to achieving its sustainability objectives, in line with its commitment to the Paris Agreement. YANSAB is also striving to achieve its interim goal of reducing carbon emissions (scope 1 and 2) by 20% by 2030 compared to 2018 levels, contributing to the Saudi Green Initiative (SGI) goals of reducing emissions.

YANSAB roadmap to achieving carbon neutrality is based on several key pillars, including:



At YANSAB, we consider innovation as a cornerstone of our journey towards a sustainable future. That is why YANSAB is committed to exploring the latest technologies, such as adopting carbon capture and utilization technology, to reduce emissions across all stages of its the value chain and drive innovation in this field.

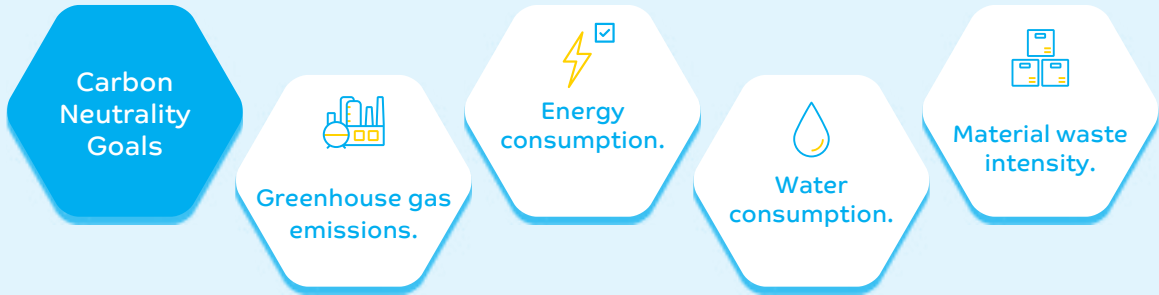
Additionally, YANSAB is committed to implementing circular economy principles across all stages of its value chain by using bio-based feedstocks to minimize waste,

provide more biodegradable end products, and recycle certain waste materials to be used as an energy source, both internally and in collaboration with external partners.

YANSAB confirms its commitment to continuing its journey towards achieving carbon neutrality, in line with the global climate goals and the transition to a zero-emission economy.



In pursuit of achieving its ambitious sustainability goals, YANSAB developed plans that align with carbon neutrality goals, side by side with its established 2025 goals based on reducing emissions compared to 2010 across four key indicators, namely:



YANSAB is also committed to achieving the goals of the Saudi Energy Efficiency Center (SEEC) in its second cycle (2020-2025), placing energy efficiency improvement at the heart of its strategy to address climate change challenges, which contribute effectively to preservation of natural resources. This, in turn, will have positive effects on community well-being and the national economy strength. YANSAB is committed to adopting the latest energy-saving technologies and is making considerable efforts in this direction to

introduce continuous improvements in its facilities to reduce energy consumption intensity, enhance raw material efficiency, and minimize material waste as much as possible.

YANSAB pays great attention to enhancing energy efficiency across all plants sustainably, through adopting advanced energy management systems that reduce energy use intensity, improve raw material efficiency, and minimize material waste to the lowest possible level.

YANSAB Sustainability Performance for 2024

YANSAB demonstrated strong sustainability performance in 2024, as it is moving steadily toward exceeding its ambitious emissions reduction goals by 2030. As part of efforts made in line with SEEC second cycle, YANSAB has also achieved notable progress, with its projects achieving tangible energy savings.

Highlights

- Improved performance of steam turbine power generation systems**
 YANSAB successfully increased the power generation capacity of its steam turbines without any increase in fuel gas consumption, thus contributing to reducing energy consumption and lowering carbon emissions (Scope 2).
- Digital transformation for enhanced sustainability**
 YANSAB launched a digital sustainability platform aimed at empowering its employees to monitor and improve asset and facility utilization efficiency, monitor energy consumption and key energy variables in critical equipment, use natural resources, and monitor indicators of energy costs and material waste impacting sustainability.
- Circular Products Certification**
 YANSAB obtained circular product certification through the International Sustainability and Carbon Certification (ISCC+) program, as part of its «Trucircle» product portfolio. This certification underscores YANSAB commitment to circular economy principles, enabling it to produce and sell circular and bio-circular polymers to manufacturing industries. This certification also reflects YANSAB dedication to reducing waste, increasing recycling capabilities, and completing the waste management cycle.
- Energy Management Systems Accreditation**
 YANSAB has successfully passed the audit and review process for adopting the ISO 50001 Energy Management Systems Accreditation, which confirms its serious commitment to improving energy efficiency and achieving sustainability goals. It is worth noting that, YANSAB has passed energy management audits in cooperation with SEEC.
- Introducing low pressure steam system to improve efficiency**
 This project has significantly contributed to achieving considerable savings in fuel gas consumption for steam boilers, which resulted in a significant improvement in energy efficiency.
- Fuel Gas Optimization Initiatives**
 YANSAB organized a specialized task force to develop innovative solutions for rationalizing fuel gas consumption and monitoring its utilization. This task force achieved a remarkable success by using natural gas as a displacement gas in main gas pipelines and improving steam utilization efficiency in many plants, which resulted in a significant reduction in natural gas consumption.
- Excellence in Energy Efficiency**
 YANSAB awarded the prestigious «Highest Quick-Win Energy Optimization Award 2024» by SABIC in recognition of its efforts in achieving tangible energy savings. This highlights YANSAB pioneering role and operational excellence in promoting energy efficiency and supporting sustainability initiatives.

Energy Efficiency and Improvement

YANSAB prioritizes energy efficiency throughout its journey to enhance energy efficiency as a fundamental pillar of its comprehensive strategy to address climate change challenges. In line with its commitment to achieving the national sustainability goals, YANSAB focuses on implementing targeted initiatives aligned with the aspirations of SEEC to optimize utilization of energy resources and reduce emissions effectively. In parallel with these effective contributions, YANSAB strives to support KSA ambitious vision in the field of sustainability by continuing its tireless efforts to reduce the intensity of energy used in operational processes, adopt the latest innovative energy-saving technologies, and make comprehensive and continuous improvements across all its facilities and operations.

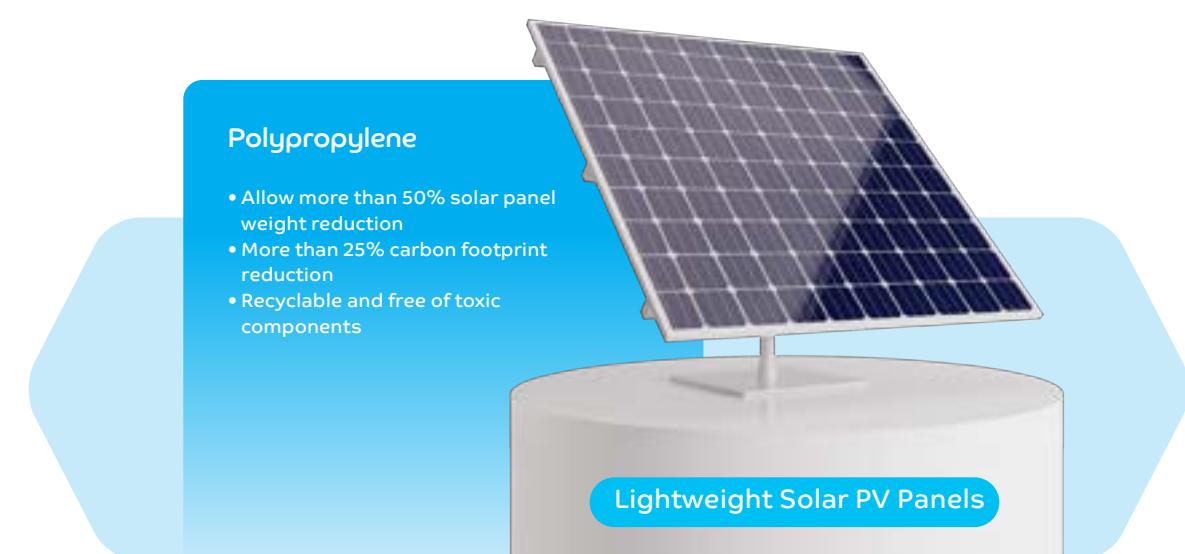
Greenhouse Gas Emissions

YANSAB places reducing greenhouse gas emissions and minimizing its carbon footprint at the top of its priorities. To this end, YANSAB launched a number of well-developed and integrated initiatives that enabled it to achieve a tangible reduction in its carbon footprint by enhancing operational efficiency, using the latest advanced technologies to control emissions, and encouraging the adoption of innovative and effective energy-saving solutions. These persistent efforts contribute to supporting the transition towards a low-carbon economy, in line with KSA climate goals and international environmental standards.

Future Aspirations

YANSAB sustainability efforts and initiatives in 2024 to achieve its goals serve as a strong catalyst to continue its journey in this field. Moreover, YANSAB is firmly determined to intensify its efforts aimed at enhancing energy efficiency, moving forward with improving power generation systems, and accelerating the integration of renewable energy sources into the core of its operations. YANSAB recognizes the importance of innovation in its journey towards a sustainable future. From this perspective, YANSAB is committed to exploring cutting-edge technologies, such as adopting carbon capture and utilization technology to reduce emissions across all value chain stages and drive innovation in this field.

YANSAB prioritizes energy efficiency throughout its journey to enhance energy efficiency as a fundamental pillar of its comprehensive strategy to address climate change challenges.

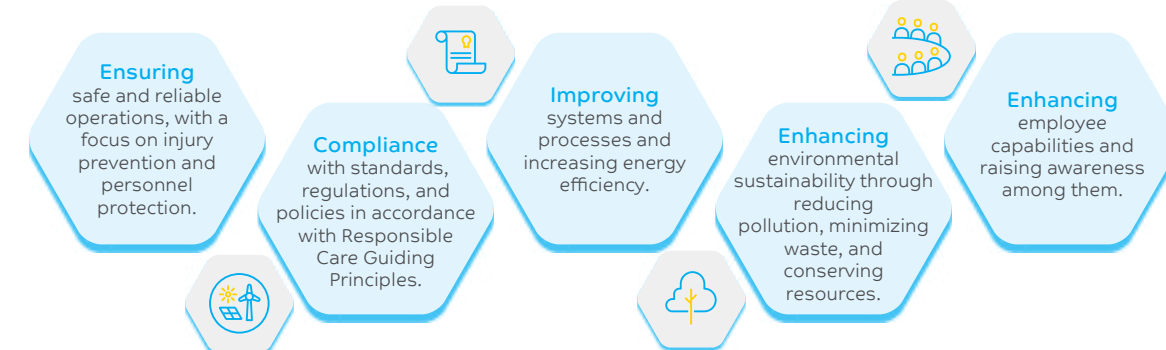


Environment, Health, Safety, and Security (EHSS)

Our Approach

YANSAB pays great attention to EHSS issues, placing them at the core of its strategic priorities, believing that they constitute a fundamental pillar for business success and sustainability. YANSAB adopts a comprehensive approach aimed at fostering a culture of safety and responsibility to create a healthy and safe work environment, minimize environmental impacts, and maintain effective and productive communication with all stakeholders. This approach is in line with the highest international standards applicable in the management field and is based on developing solid policies and procedures, in addition to investing in the development of employee competencies and strict adherence to the KPI model to accurately monitor the performance levels, introduce the necessary improvements, and ensure full compliance with all requirements.

Basic EHSS Commitments



In 2024, YANSAB achieved significant progress in EHSS performance by launching supervision initiatives focused on managing operational risk, effective response to emergencies, and promoting a culture of EHSS awareness. Additionally, the electronic system for reporting non-compliance cases enables employees to immediately report any incidents or violations, classify them accurately, and ensure that immediate corrective actions are taken to prevent recurrence thereof.

The “Awal” Committee, the steering committee concerned with EHSS issues, plays a significant role in directly overseeing the comprehensive risk management system, helping YANSAB to effectively adapt to emerging changes and challenges, and leading initiatives aimed at achieving safety in work procedures, thus ensuring full compliance with the policy frameworks applicable in this regard.

Recognizing the importance of these aspects, YANSAB integrates safety, environmental protection, industrial security, and occupational health into all strategies and operational processes. YANSAB also strives to protect its workers, assets, and the community in which it operates through applying the highest safety and security standards, fostering a safety culture across all operations, thus extending it beyond work environment. YANSAB relies on a set of leading performance indicators that work interactively, proactively, and subsequently, to effectively monitor performance levels and drive improvement and development across all sectors, with the aim of instilling a strong and sustainable culture that adheres to EHSS principles. Thanks to this integrated approach, YANSAB manages its operations with confidence and competence in accordance with the applicable laws and regulations, in a safe, reliable, and sustainable manner.

YANSAB conducts regular self-assessments and periodic external audits, recognizing the importance of continuous evaluation. YANSAB also considers any non-compliance cases as a valuable opportunity for sustainable improvement and development. In 2024, YANSAB successfully renewed its quality and compliance certifications, which are:

- Responsible Care Certification (14001/ISO-14001).
- Certificate No. (ISO-45001).

This reflects YANSAB commitment to adhering to the highest standards in all practices. Compliance efforts also included assessments of Montreal Protocol aimed at protecting the stratospheric ozone layer, in addition to continuous and accurate site assessments measuring their compliance with the “Operation Clean Sweep” initiative. This, in turn, ensures enhancing all Process Industry Practices (PIP) on YANSAB work sites, which decisively promotes its unwavering commitment to achieving the highest levels of excellence and leadership in environment, health, safety, and security.

Occupational Health and Safety

YANSAB pays great attention to the health, safety, and well-being of all its employees, considering these issues as absolute 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. The safety culture embraced by YANSAB is based on an integrated system of clear procedures and guidelines well-communicated across all sites, ensuring active participation and full commitment of employees and contractors in the scheduled and specialized training programs related to safety and health. These programs are mandatory to ensure the highest levels of awareness and commitment. These programs aim at fostering a culture of safety across all YANSAB operations and establishing strict measures to ensure safety and security, supported by active participation and commitment of all employees and contractors.

The YANSAB Life Saving Program is a practical embodiment of YANSAB’s commitment to EHSS values. This program aims at highlighting the potential hazards arising from operations, emphasizing adherence to necessary preventive measures to avoid accidents, injuries, or significant damages, and underscoring the strict adherence to expected standards and behaviors by all employees and contractors working in YANSAB facilities.

The comprehensive approach to health and safety adopted by YANSAB covers all fundamental aspects of safety, including work process safety, change management, transportation safety, industrial hygiene, and the application of best safe work practices.

During 2024, YANSAB achieved remarkable progress in improving its EHSS performance, achieving a total recordable incident rate (TRIR) of zero.





“Hazard-Free Work Environment”

Initiative: This initiative aims at mitigating worker exposure to different industrial health hazards, such as exposure to chemicals, noise, thermal stress, and biological hazards. The initiative is based on a scientific methodology consisting of five integrated stages, which are:

- Accurate identification of hazards.
- Quantitative measurement of exposure levels.
- Activating the employee role.
- Developing appropriate solutions and preventive measures.
- Verifying the effectiveness of these solutions.

In its initial stage, the initiative focused on reducing exposure to chemicals.

“The Direct Communication Program for Raising Worker Awareness of Occupational Hazards”

A specialized program for training frontline workers to provide them with the necessary knowledge and skills to deal with various aspects of industrial and occupational health.

Enhancing YANSAB EHSS performance through adopting digital solutions:

YANSAB recognizes the important role of modern technologies, especially digital solutions and smart data management, for improving the EHSS system to unprecedented levels. The modern advanced tools and technologies, such as advanced data analysis, artificial intelligence, and data visualization tools, enable us to access proactive and effective solutions that help us identify and assess potential risks and mitigate their negative effects proactively and effectively. Therefore, YANSAB is committed to investing in various digital transformation initiatives aimed at enhancing its EHSS performance and achieving the highest levels of efficiency and effectiveness in this sector.

Electronic Safe Work Permit System:

In light of its commitment to enhancing safety standards, YANSAB adopted the Electronic Safe Work Permit System as a central tool for documenting and enforcing safety procedures across all operations. The most prominent achievements in this field include the following:

- Achieving full implementation across all plants.

- Issuing more than 800 work permits per week, supported by accurate reports to analyze the compliance level.
- Providing user-friendly tablets that contribute to enhancing the worker efficiency and simplifying procedures.
- Conducting a series of interactive dialogue sessions and launching intensive awareness campaigns to promote YANSAB efficiency in using the Electronic Safe Work Permit System platforms and ensure maximum benefit from its capabilities.

Augmented Reality (AR)

Taking a bold step towards the future, YANSAB embraced AR technology. AR now enables interactive virtual tours of worksites that accurately simulate real-world work scenarios and help identify and assess potential risks and take the necessary preventive and corrective measures before actual commencement of operations.

AR devices have allowed for conducting field tours, which enable workers to simulate real-world conditions and facilitate real-time safety assessments and risk analyses. Moreover, specialized experts can now provide real-time technical support and consultations remotely using video conference technology integrated with AR devices, allowing for immediate guidance and resolution of technical issues and challenges that may face teams working on sites. This, in turn, has contributed to improved worker safety, company asset reliability, reduced breakdowns and outages, improved operational processes, and reduced maintenance costs and expenses.

Product Oversight Platform and EHSS Risk Heat Map:

An innovative initiative to visualize risks on plans: YANSAB has launched the innovative «Risk Heat Map» platform to display and identify potential hazards on work site plans in real-time. This advanced tool accurately identifies high-risk areas, thus contributing to taking informed decisions and developing more effective preventive plans. Targeted and clear mitigation measures are taken for each identified risk, ensuring that immediate actions are taken and proper strategies are developed to avoid risks and limit their negative effects.

Safety of Work Procedures

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.

This integrated approach is supported by a set of specialized programs, including:

- Risk identification and assessment studies.
- Mechanical safety inspection works.
- Safety procedure reviews.

At YANSAB, the adopted procedure safety management system is fully compliant with approved international standards, such as:

- The Process Safety Management of Highly Hazardous Chemicals Standard issued by the U.S. Occupational Safety and Health Administration (OSHA).
- The Security, Safety & Fire Protection Directives issued by the High Commission for Industrial Security (HCIS).
- The Seveso Directives on prevention of chemical accidents issued by European Union.

The primary objective is to prevent risks of fires, explosions, and hazardous material emissions. In line with its commitment to EHSS and ESG principles, YANSAB pays great attention to ensuring the safety of products and chemicals by applying strict protocols for handling, transporting, and storing them, ensuring the safety of employees, surrounding communities, and the environment alike. YANSAB also ensures the presence of a highly skilled and specialized rescue team, fully prepared for immediate and effective intervention and response to any emergency, to maintain the highest safety standards.

Furthermore, YANSAB is committed to employing a well-trained and qualified workforce capable of dealing with all types of emergencies, in addition to dedicating an integrated firefighting unit equipped with the most advanced technologies to deal with fires and other emergencies. YANSAB regularly conducts lectures, workshops, simulation exercises, and comprehensive awareness campaigns on topics related to safety, security, occupational health, and environmental protection to enhance preventive awareness among all employees and workers, and establish a safety culture as a core value in the work environment. As part of its continuous efforts to promote a safety culture, the «Process Safety Center,» accessible through the YANSAB intranet, provides valuable information resources available to all parties, confirming YANSAB commitment to consolidating EHSS concepts as an integral part of its corporate identity.

- YANSAB maintained 100% readiness of emergency response equipment through strictly adhering to inspection, maintenance, and testing plans and implementing them on scheduled times.
- YANSAB developed a specialized emergency response system aimed at rapid and effective response to any unexpected leaks or breakdowns. This system ensures availability of all necessary materials and resources, side by side with a dedicated team of qualified personnel ready for all circumstances, which contributes to eliminating the possibility of operational disruptions in factories.
- Preparedness and Response for Emergencies: YANSAB is in cooperation with Yanbu Area Mutual Aid (YAMA) to conduct simulations inside the company to assess emergency response aptitude among staff, the effectiveness of the communication system during emergencies, and the readiness of personnel and equipment.

Process Safety Conference - Gulf Petrochemicals and Chemicals Association (GPCA)

YANSAB actively participated in the Process Safety Conference organized by the Gulf Petrochemicals and Chemicals Association (GPCA) in October 2024, where it delivered a presentation during a key panel discussion titled: “Digital Transformation in Operational Safety Practices: Opportunities and Challenges.” Through this presentation, YANSAB highlighted the importance of leveraging modern and emerging technologies to enhance the safety and efficiency of operational processes and drive innovation in this sector.



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:



Through careful and continuous monitoring, implementation of targeted initiatives aimed at reducing emissions, and full compliance with international environmental 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. YANSAB also developed a “Zoning System” as a strategy to manage vehicle and crowd movement within the sites.

- YANSAB has successfully completed all environmental regulatory compliance programs during the past period without recording any observations or violations, which reflects its strict compliance with the highest environmental protection standards.
- YANSAB conducted an in-depth survey to monitor fugitive emissions, and the results of such survey confirmed full compliance with approved environmental standards and the absence of any significant observations or violations.
- YANSAB conducted an analysis of groundwater samples, and the results of such analysis confirmed that groundwater complies with regulatory requirements.
- YANSAB completed noise level monitoring operations at the boundaries of its facilities, and the results thereof demonstrated full compliance with all approved standards, confirming that noise levels do not exceed permitted levels.

The International Day for the Preservation of the Ozone Layer 2024

YANSAB actively contributed in raising environmental awareness across the industrial sector in Yanbu Industrial City, recognizing the importance of community cooperation in environmental protection. YANSAB also participated in the International Day for the Preservation of the Ozone Layer 2024, held in September 2024, under the theme “Preserving the Ozone Layer and Achieving Net Zero Emissions.”

The event included an introductory exhibition introducing sustainable solutions in the fields of transportation and home appliances, with a focus on practical cases that contribute to improving air quality, such as displaying the latest electric vehicles, electric forklifts, and solar-powered home appliances.



Learning and Enhancing EHSS Competencies

YANSAB pays a great attention to developing competencies of its personnel and providing them with the latest knowledge and skills in EHSS field. Therefore, YANSAB continues to invest in regular and specialized competency development programs that cover important areas such as operational safety, occupational health, industrial hygiene, environmental management, and security. These programs aim at building a capable workforce that has the ability to cope with various challenges and changes. Additionally, YANSAB established an internal information network that facilitates access to knowledge resources and materials related to sustainability and rationalizing energy conservation, seeking to foster a culture of environmental responsibility and natural resource conservation among its employees and contractors through providing skill development programs, technical training, and awareness initiatives. YANSAB is committed to organizing regular lectures, workshops, and awareness campaigns for its employees on safety, security, occupational health, and environmental protection, with the aim of developing a safety culture as a core value in its work environment. YANSAB also adopted various health initiatives to raise awareness on many vital topics such as occupational stress, sleep quality, and the importance of combating seasonal influenza through regular vaccination campaigns.

- In 2024, YANSAB achieved remarkable progress in enhancing the EHSS related competencies among its workforce, as many employees obtained internationally recognized professional certifications, such as the International General Certificates Diplomas provided by the National Examination Board in Occupational Safety and Health (NEBOSH), specialized certificates in the field of environmental management, the Registered Occupational Health Technician Certificate, the Assistant Safety Specialist Certificate, and the Process Hazard Analysis Leaders Certification in Advanced Process Safety.
- YANSAB was able to achieve the highest levels of accreditation for trainers and key leaders in the job safety analysis field.
- YANSAB invested in the «Sharek» digital platform to exchange knowledge and expertise through sharing a number of valuable educational cases (internally and externally), which contributed to enhancing communication and exchanging best practices in the EHSS field.
- As part of the “Hathr” Program, YANSAB held more than 50 specialized awareness sessions in the field of EHSS and process safety, in which more than 1,000 people participated.
- YANSAB provided more than 6,000 working hours in EHSS awareness programs, in addition to more than 3,000 working hours in specialized training on the unified work permit system and safety system.

Employees and Community

YANSAB is dedicated to establishing fruitful and long-term partnerships with its employees, surrounding communities, relevant bodies, and stakeholders involved in the supply chain, 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. Guided by its dedication to adopting the highest global standards and ethical practices, 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.

Work Team

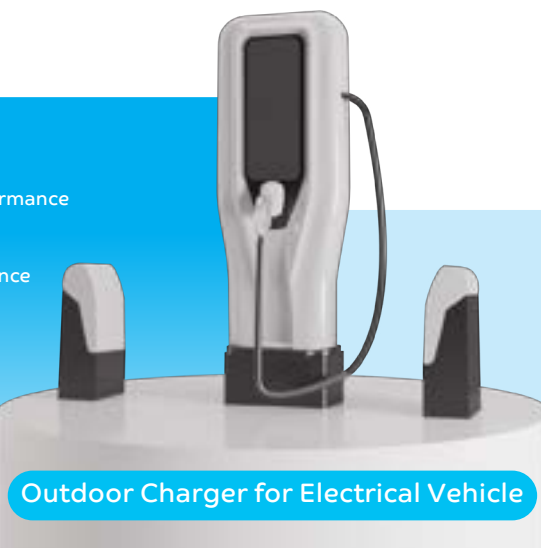
YANSAB believes that its employees are its true wealth, most valuable assets, and partners in its success and excellence. Therefore, YANSAB pays great attention to empowering and developing its employees and their capabilities through providing them with various and comprehensive training resources and programs. Additionally, YANSAB is dedicated to creating a positive and stimulating work environment that encourages ongoing learning and professional development and contributes to the development of a talented and distinguished workforce. Owing to this approach, YANSAB provides its employees with a work environment that provides promising and rewarding career opportunities and, accordingly, inspires and motivates them to deliver outstanding performance.

Developing and training competencies is a top priority at YANSAB, as the average training hours for each employee in 2024 exceeded the usual benchmarking rates in the sector. YANSAB believes that its employees are its true wealth and the driving force behind its growth, prosperity, and competitive edge in a dynamic sector experiencing accelerated developments. Therefore, YANSAB continues its efforts to enable its employees to unlock their full potentials and achieve their career ambitions through providing them with an integrated package of resources and training, development, guidance, and mentoring programs.

In line with its commitment to the principles of diversity, inclusion, and equal opportunities, YANSAB prioritizes ethical, transparent, and non-discriminatory hiring practices to attract the best competencies and talents and build a diverse and qualified workforce having job satisfaction. In particular, YANSAB focuses on career development programs and retaining qualified competencies and talents by providing them with promising opportunities. YANSAB is also committed to offering exceptional opportunities for professional growth and development and creating a stimulating work environment that encourages creativity and innovation and achieves a healthy balance between the requirements of work and personal life.

Polypropylene

- Good electrical performance
- High Impact
- Flame Retardant
- Mechanical Performance



Outdoor Charger for Electrical Vehicle



Training and Education

YANSAB pays a great attention to investing in knowledge development and building employee competencies, believing that ongoing learning contributes to qualifying distinguished competencies that could be the foundation of success and leadership in the sector. This is achieved through the diverse training programs provided by YANSAB, including those programs provided by specialized training institutions, as well as internal programs provided under the supervision of subject matter experts across various fields within the company. YANSAB provides all employees with digital learning options, ranging from virtual training to self-paced learning modules, to provide them with a comprehensive educational experience covering various functional, foundational, and leadership skills. YANSAB also conducts regular competency assessments to measure employee progress and achieve the maximum benefit from these programs.

In 2024, YANSAB provided a number of specialized workforce development programs, building leadership capabilities and enhancing knowledge across all functional levels. In light of these efforts, site leaders and collaborate annually with the continuous development management team to develop customized development plans for each employee. These plans are based on competency assessments conducted by managers, which help identify improvement areas and guide annual growth plans in alignment with YANSAB Learning and Development Strategy, which follows the (10-20-70) methodology and also known as the

“Three Dimensions of Learning”, which combines learning in classrooms, mentoring, and on-the-job training. The (70-20-10) Strategy is a globally recognized framework in learning and development, where employees acquire 70% of their knowledge through hands-on learning and practice at work, 20% from interaction and learning from others, and 10% from training courses and reading.

In 2024, YANSAB offered more than 3,700 training programs and courses that benefited all employees and workers. The occupational merit program provided by YANSAB, which outlines job requirements and necessary qualifications, helps identify employee strengths and address weaknesses through providing targeted training programs. The training modules provided in these programs focus on developing technical, professional, and personal skills.

“The Transparency Advantages Program” serves as an inspiring model that establishes a culture of open dialogue and effective participation of leadership, contributing to greater alignment with goals and commitment to YANSAB values. This innovative approach is a live evident to YANSAB firm commitment to empowering its human capital driving continuous development and improvement across all business aspects.

YANSAB offered more than 3,700 training programs and courses that benefited all employees and workers In 2024.

Key Training Programs

Leadership and Development Programs

YANSAB is committed to embedding a culture of leadership at the core of its manufacturing operations, integrating operational management according to the latest systematic and disciplined methodological practices while adopting effective behaviors within the system to achieve the highest levels of operational excellence. This commitment includes enhancing a culture of mentorship and professional guidance within the workplace at the leadership level, as well as developing intervention and support mechanisms to enhance performance in the areas of environment, health, safety, security, and operational reliability

Tadarruj" Program"

Operators and Technicians Program "Tadarruj" represents a promising opportunity for high school graduates to qualify them to join the ranks of skilled frontline workers responsible for managing, operating, and maintaining YANSAB's facilities. In YANSAB welcomed a new cohort of ٢٠٢٤ participants into this leading initiative, which plays a pivotal role in honing their practical skills and preparing them to work in a specialized industrial environment

SABIC Scholarship Program

YANSAB contributes to the SABIC Scholarship Program, which aims to attract outstanding Saudi students who wish to complete their university education either within the Kingdom or abroad, in the fields specified by YANSAB each year. These fields are primarily focused on scientific and engineering disciplines. Through its adoption of this program, YANSAB seeks to prepare a scientifically qualified national workforce to achieve its vision of becoming the world's leading preferred chemical company
This program serves as an important means through which YANSAB develops and harnesses Saudi talent, positioning it to guide and lead the Company in the future

Jadeer" Program"

YANSAB pays special attention to operators and technicians, who represent the largest segment of its workforce, as part of its commitment to the continuous development of its technical staff. In line with this focus, the "Jadeer" program plays a vital role in enhancing the professional qualifications of these employees by honing their skills and deepening their technical knowledge. This ensures the smoothness, efficiency, and safety of operations across all YANSAB's plants and production units

Early Development Program

The Early Development Program represents a strategic investment by YANSAB in the potential of new graduates. It provides them with an opportunity to enhance their practical experience and develop their professional skills through a customized on-the-job training program that aligns with their academic specializations. This Program aims to ensure that new graduates acquire the highest levels of competence and readiness to effectively contribute in the workplace environment

Digital Learning

YANSAB is committed to providing employees with digital learning opportunities through strategic partnerships with prestigious global platforms such as Skillsoft Percipio. These educational platforms offer employees a diverse range of virtual classrooms and online learning options. The "Knowledge Club" initiative further enhances virtual communication and interaction among employees, enabling them to exchange technical and professional expertise and knowledge with their colleagues

Linear Low Density Polyethylene (LLDPE)

- One of the great solutions for stretch film applications
- Easy processing and excellent optical properties

Pallet Stretch Wrap Film

Localization

As one of the nation's leading companies, YANSAB places the utmost importance on developing national talent and localizing jobs. YANSAB has successfully achieved a localization rate of 96% across all positions, with 100% localization in leadership roles. Building on its ongoing efforts in this domain, YANSAB has continued to collaborate with SABIC, the Royal Commission for Jubail and Yanbu (RCJY), and the Human Resources Development Fund (HADAF) to advance the localization of contractor jobs. Moreover, YANSAB actively supports university and college students across the Kingdom by providing a wide range of training opportunities. These initiatives enable students to meet their graduation requirements through the Cooperative Training Program, a critical component of their academic curriculum. YANSAB also offers mentorship, guidance, and structured development programs to equip students with the skills and discipline needed for future employment, ensuring they are prepared to excel in their careers with professionalism and dedication.

Employee Well-being

YANSAB places the utmost importance on the well-being of its employees, considering them its most valuable asset, and prioritizes their health above all else. In 2024, YANSAB launched a diverse range of programs and initiatives aimed at enhancing employee health and well-being. These included the annual medical monitoring program, seasonal flu vaccination campaigns, specialized workshops on stress and work pressure management, and awareness sessions on professional burnout and how to address it. To further reinforce this approach, YANSAB collaborated with the Ministry of Health to organize blood donation campaigns and educational sessions led by specialized experts on the importance of sleep quality and the latest advancements in healthcare. These efforts align with YANSAB's commitment to achieving the objectives of Saudi Vision 2030.

Employee Care

YANSAB is committed to providing a motivating work environment that enhances job stability and fosters a sense of belonging and satisfaction through a comprehensive package of programs and initiatives. Among these programs is the «Savings Program» which empowers Saudi employees to save effectively, thereby enhancing their income and ensuring greater financial security for their future. Additionally, YANSAB offers the «Home Loans Program,» which provides Saudi employees with a one-time interest-free loan to help them purchase a residential unit for personal use. Furthermore, the «Home Ownership Program» offers eligible Saudi employees a valuable opportunity to acquire suitable housing units, providing them and their families with a safe and stable living environment. Many planned programs have been successfully implemented, encompassing a wide variety of events, activities, campaigns, and initiatives. These include the «YANSAB Ramadan Season,» which featured a range of diverse programs in sports, social, and cultural fields, as well as safety, health, and e-learning programs for employees and their families.
In addition, YANSAB celebrated its Founding Day and Saudi Arabia's National Day through a range of programs and activities that reinforced patriotism and loyalty to the nation. YANSAB also fosters strong employee engagement during special occasions through the YANSAB Family Initiative, which strengthens a sense of community and belonging among employees and their families.



Ethics and Compliance

The Code of Ethics at YANSAB represents the cornerstone upon which its business practices are based, ensuring integrity and adherence to the highest ethical standards. It guides the course of YANSAB's daily operations. Building on our firm values and guided by the principles of the Code of Ethics,

YANSAB affirms its unwavering commitment to ethical practices in all its dealings and relationships with colleagues, customers, suppliers, contractors, and all other stakeholders. Integrity and transparency are the foundation for achieving sustainable success, as the Company implements effective measures to combat corruption and remains committed to upholding human rights.

YANSAB ensures compliance with applicable laws, regulations, and fair ethical practices in all its commercial dealings in both the public and private sectors, thereby achieving the highest standards of integrity and responsibility. In this context, YANSAB offers specialized awareness and training programs focused on combating corruption and bribery as part of its comprehensive ethics and compliance program.

YANSAB believes in the importance of constructive cooperation with government entities and strives, through such collaboration, to adhere to systems, policies, and regulations, contributing to the achievement of growth and sustainable development goals. Structured and active participation programs further strengthen these relationships, reinforcing YANSAB's commitment to ethical excellence and creating a positive impact on all stakeholders.

YANSAB believes in the importance of constructive cooperation with government entities and strives, through such collaboration, to adhere to systems, policies, and regulations.



Community Engagement

YANSAB is dedicated to fulfilling its social responsibilities with integrity and purpose, fostering enduring relationships within the community. YANSAB ensures that its initiatives deliver measurable and positive economic and social impacts, aligning with its strategic goals, available resources, global challenges, and local community needs. These efforts are all guided by its social responsibility policy, which has been formally endorsed by the General Assembly.

These initiatives are designed to foster meaningful community engagement and elevate societal well-being. In 2024, YANSAB implemented 24 diverse Corporate Social Responsibility (CSR) programs, engaging all employees in active participation. These programs addressed four key areas:



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 (Tamakkon) 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 patients' environments. It also offers accommodation, healthcare, and personalized physical care services for beneficiaries.

Charity Fund (Berr)

In acknowledgment of the significance of charitable work and community support, our employees actively contribute to the SABIC Employees' Charitable 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.

Community Engagement



RISKS

- Risk Management
- Risks
- Strategic Risks
- Operational Risks
- Financial Risks
- Non-compliance Risks

Risk Management

YANSAB is committed to implementing robust risk management practices to ensure the safety of its 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

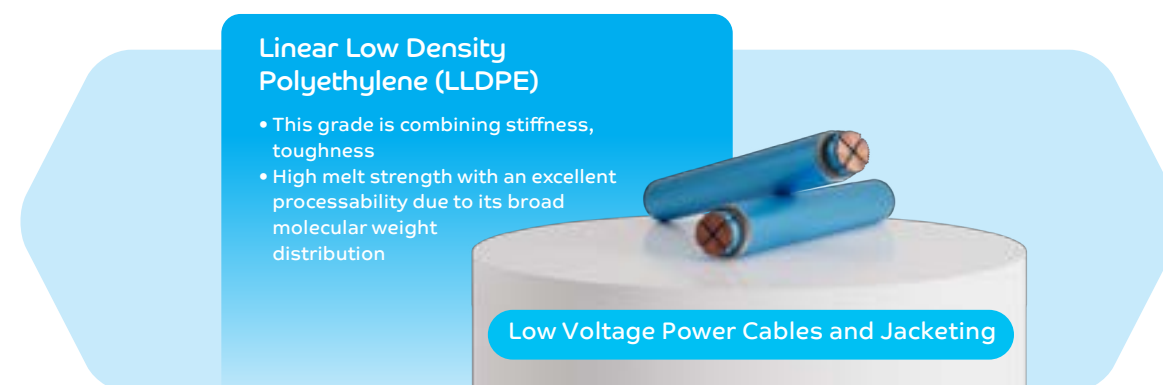
The policy adopted by YANSAB for risk management and business continuity is based on an integrated governance system that effectively identifies, understands, and manages risks facing the Company.

Risk Management and Business Continuity Systems

YANSAB's risk management system incorporates principles of good governance, robust risk management processes, a solid infrastructure, and active employee participation, with the goal of cultivating a culture of comprehensive risk awareness.

Additionally, YANSAB is dedicated to the ongoing enhancement of its risk management and business continuity systems, ensuring the protection of its interests while delivering sustainable value to all stakeholders.

The Business Continuity Management System serves as a protective shield, empowering YANSAB to identify potential threats, assess and mitigate their severity, thereby reducing risks and minimizing their impacts. YANSAB regularly conducts workshops to evaluate and enhance business continuity strategies across all departments.



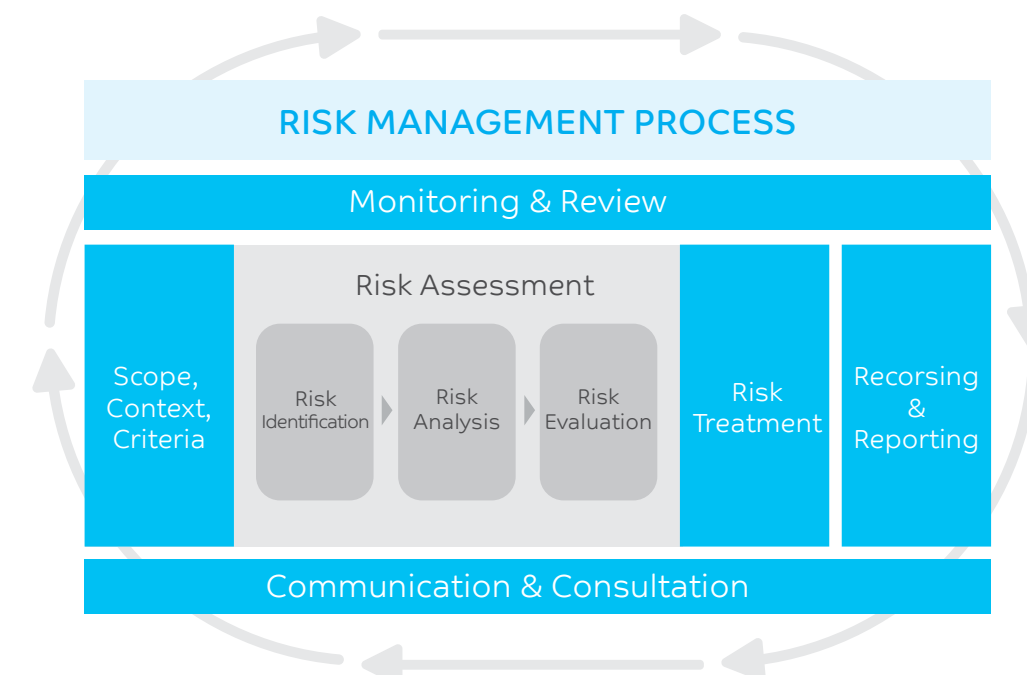
Implementation of Strategy and Policies

The responsibility for implementing the risk mitigation strategy and associated risk management policies lies with YANSAB's executive management. The Board of Directors oversees this implementation, supported by the Risk Committee established under its purview.

Risk Culture and Excellence

In pursuit of its goals, YANSAB firmly rejects any scenarios or events that could lead to safety or security incidents, posing a risk to employees, contractors, the community, or the environment. YANSAB adheres to a zero-tolerance policy toward any scenarios or events related to integrity, non-compliance with ethical and regulatory standards, or violations of intellectual property rights.

YANSAB has adopted a solid risk management culture, considering all its employees as pioneers of this culture. They are entrusted with upholding its standards and consistently considering risks when executing YANSAB's strategy. In line with this approach, YANSAB is committed to continuously educating all employees on risk management principles, with the aim of enhancing their understanding and reinforcing their commitment to applying these principles. Employees are empowered with the tools and skills needed to identify and manage risks effectively. YANSAB is committed to fostering a disciplined and constructive oversight environment through a comprehensive range of training programs, administrative standards, and operational procedures. These efforts are designed to ensure that all employees clearly comprehend their roles and responsibilities in risk management.



RISKS

We are fully aware that risks are an inherent part of our business. As such, we proactively identify, assess, and mitigate their potential impacts. Given this context, current and potential investors are advised to carefully consider the specific risk factors outlined below. It is important to note that these risks may not encompass all possible risks YANSAB could face. Additional risks, currently unknown or considered immaterial, may also adversely

impact its operations, financial position, results, or cash flows. In general, YANSAB is exposed to strategic risks that impact its ability to achieve its goals, operational risks inherent to its business nature, financial risks that affect profitability, and compliance risks that influence adherence to regulations and laws. YANSAB continuously monitors and responds flexibly and effectively to both known and unforeseen risks, ensuring sustainable growth and resilience in the face of challenges.

The table below provides a brief overview of the categories of risks YANSAB currently faces or may encounter:

Strategic risks			
Main Risks Relating to Business	Risks Related to EHS	Risks Relating to Projects UnderDevelopment	Fluctuations in oil, gas, and utility prices
Risks related to climate change	Digital transformation risks		
Operational Risks			
Global Market and Economic Conditions	Competitive Industries	Cyclical nature of the petrochemical industry	Supply chain disruptions
Risks Resulting from the Outbreak of Global Pandemics or Epidemics	Risks Arising from Pension Obligations	Risks arising from defective products	Risks resulting from YANSAB's non-compliance with the standards of the Saudi Energy Efficiency Center (SEEC)
Risks associated with the use of IT	High Dependence on Personnel and Management Teams		
Financial Risks			
Potential Financing Agreements	Customer credit risks	Foreign exchange rate fluctuations	Financial instruments risks
Risks Associated with dividend distribution	Insufficient Insurance Policies to Cover All Risks		
Non-compliance Risks			
Changes to Laws or Regulations or Non-Compliance with Any Laws and Regulations May Substantially Affect Our Business in an Adverse Manner	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 needs to maintain capacity utilization rates in manufacturing facilities in order to maintain profit margins. In the petrochemicals business, profits are tied to global demand, industry inventory levels, and plant capacity utilization due to higher production rates enabling the sector to allocate fixed costs across larger production volumes. Consequently, achieving maximum production rates represents a key factor for YANSAB's profitability. However, excess industrywide capacity, especially when demand is weak, may lead to lower production rates and cause a reduction in margins, income, and cash flow. YANSAB is exposed to a number of operational risks, including reduced utilization rates due to scheduled activities such as:

- Maintenance and unscheduled outages (due to either equipment or human failure).
- Unavailability of skilled human resources.
- Decline of recovery rates lower than the 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.

The failure to maintain high-capacity utilization rates could have a substantial and adverse effect on YANSAB's business, operating results, or financial position. We strive to reduce such effects by reducing costs and improving the reliability of YANSAB's plants to ensure the continuity of production and sale within clear business plans and practices.

Risks Related to EHS

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 criminal 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.

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 human 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:

- Explosions occurring at production facilities or YANSAB's logistics infrastructure.
- Release of toxic gases into the atmosphere.
- Release of hazardous chemicals on land or in waterways.

Such risks or others could result in fires, explosions, severe pollution or other catastrophic circumstances, disrupting operations at YANSAB. Such incidents may result in great liabilities through equipment failures or shutdowns, civil lawsuits, criminal investigations, and regulatory enforcement proceedings. 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; YANSAB may not have full insurance coverage, or certain assets may be uninsured.

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 expanding 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 investment budgets
- 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 occurs, gross profits for the given project may be adversely and materially affected. If no new project achieves expected levels of performance or profitability, this can potentially adversely and materially affect YANSAB's 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. In this context, 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 trend 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 substantial and adverse impact 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 substantial and adverse impact on its operations and financial position.



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 economic fluctuations that have affected the entire world, with their impact extending across various sectors that rely on YANSAB's products, such as consumer goods, packaging materials, and industrial goods. YANSAB is unable to predict adverse economic trends or their impact on market demand and profitability. Economic downturns or prolonged periods of instability can lead to reduced industrial output and decreased global demand for YANSAB's products.

Competitive Industries

YANSAB operates in an extremely competitive environment across various markets and sectors globally. Some of YANSAB's competitors hold a competitive advantage, particularly those that are larger and more vertically integrated in terms of their upstream and downstream production capabilities. However, YANSAB possesses unique capabilities that enable it to compete effectively. These include easy and continuous access to raw materials, as well as the adoption of cutting-edge manufacturing technologies that enhance its 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 SABIC's marketing strategy – as per the marketing agreement – to conduct real-time, in-depth market analyses and gain valuable insights that help forecast the future of the petrochemical industry. 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 disruptions

YANSAB's operations rely on the transportation of materials by sea and overland; through SABIC, in accordance with the Marketing Agreement, and seeks cost efficiencies in the distribution of its 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.

High Dependence on Personnel and Management Teams

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. The lack of financing may result in delay in implementing or reducing scope of projects, which may, in turn, affect the profitability and operational competitiveness of YANSAB.

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 non-payment, 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 the Company's exposure to risks arising from financial instruments. Although there are no outstanding loans or hedge contracts entered into by YANSAB during 2024, 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.



CORPORATE GOVERNANCE

- Corporate Governance
- Yansab Governance Structure
- Shareholders
- Dividend Policy
- Board Of Directors
- Board Committees
- Executive Management
- Remunerations Of Board Members
And Executive Management
- Description Of Transactions Between
Yabsab And A Related Party



CORPORATE GOVERNANCE

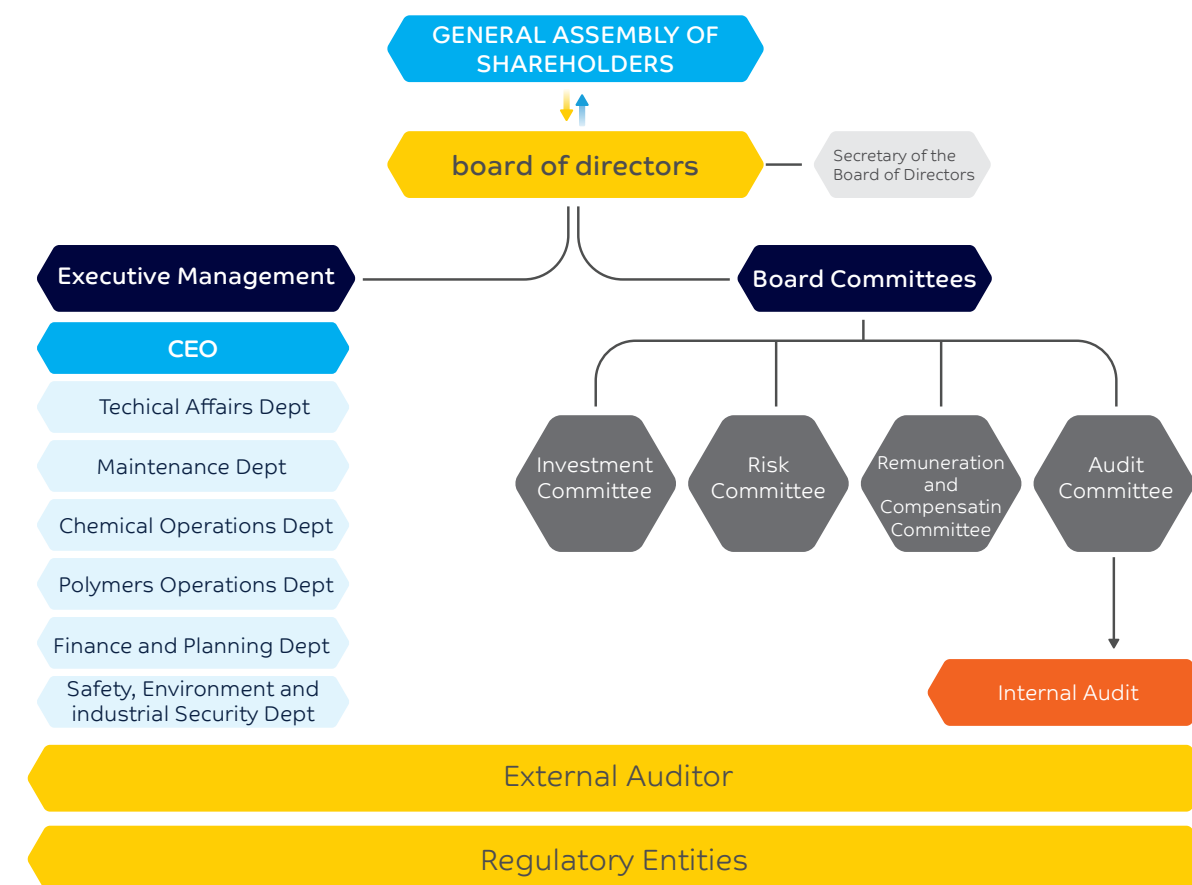
YANSAB has set the general framework for its governance that includes a set of regulations and policies through which the roles and responsibilities are defined, and advises on how to make and undertake decisions and control over their implementation, in light of the transparency rules that achieve accountability and enhance adequacy of performance, based on the relevant laws and regulations. The Board of Directors monitor the implementation of governance laws to ensure adequate and accurate implementation, commitment to governance best practices, and adoption and implementation of the best international regulations in terms of control and compliance that maintain the rights of staff, shareholders, investors, and stakeholders alike. With reference to Royal Decree No. (M/132) dated 01/12/1443 AH corresponding to 30/06/2022 AD amending the Companies Law issued by the Royal Decree No. (M/3) dated 10/11/2015 AD, YANSAB management conducted a comprehensive study of the changes on the Companies Law and other relevant amended regulations and laws issued by the Capital Market Authority (CMA) and its impact on YANSAB bylaws, regulations, policies and procedures. These changes were presented to the Board of Directors and the Board Committees. Accordingly, the Board directed YANSAB management to coordinate with the Remuneration and Nominations Committee to develop a plan for amendment of YANSAB bylaws, regulations and policies in alignment with the Companies Law and related regulations, in addition to proposing amendments intended to enhance YANSAB position, developing its activity and growing its

investments in light of its disclosed strategy, taking into account proposals intended to apply the best governance practices. Therefore, YANSAB management formed a team of specialists from the relevant departments, where a comprehensive review of all YANSAB governance documents, regulations and policies was conducted and they were amended to comply with the requirements of the relevant laws and regulations and the application of the best governance practices. They were reviewed with the relevant departments to ensure their compatibility. The Remuneration and Nominations Committee then reviewed YANSAB management's proposals on amending YANSAB bylaws. Accordingly, the Remuneration and Nominations Committee recommended presenting YANSAB amended Articles of Association, regulations and policies to the Board of Directors for approval and recommendations to the General Assembly for approving, as applicable. The Extraordinary General Assembly convened on March 20, 2024 AD. In addition, the proposed amendments to YANSAB Bylaws were approved. Moreover, amendments were introduced to the Board of Directors' membership policy, remuneration policy for Board Members, Board Committee and senior executives, social responsibility policy, as well as amendments to the Charter of Audit Committee, Remuneration and Nominations Committee, and the approval to transfer the balance of the statutory reserve to retained earnings. In addition, the Board of Directors amended other policies and regulations after being aligned with Companies Law and its Implementing Regulations.

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 51: Formation of the Audit Committee	D	The Article is indicative, as the Audit Committee members were elected by YANSAB ordinary general assembly in accordance with its Articles of Association and the 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.	Half of the 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.
Article 92: Formation of a Corporate Governance Committee	-	In accordance with Article (47) of the 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.	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.

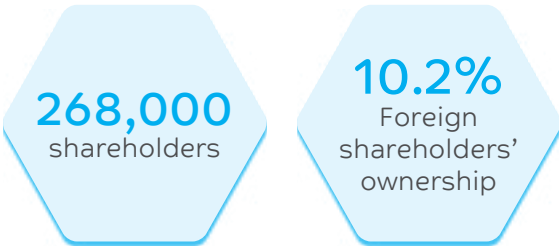
YANSAB Governance Structure



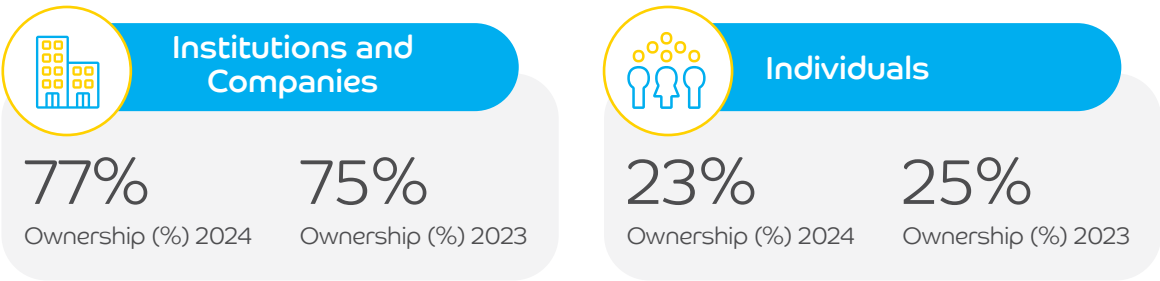
SHAREHOLDERS

Ownership Structure

Yanbu National Petrochemical Company (YANSAB) is a Saudi joint stock company listed on the Saudi Stock Exchange (Tadawul) since February 2006. YANSAB is 51% owned by the Saudi Basic Industries Corporation (SABIC) and 49% owned by the private sector and individuals. YANSAB is owned by more than 268,000 shareholders. Foreign shareholders' ownership in YANSAB amounted to approximately 10.2% compared to 9.7% in 2003.



The table below shows the percentage of ownership based on the investor type; whether individuals, institutions or companies.



Communication with Shareholders and the Company's Disclosures

YANSAB shall comply with the principles governing and protecting shareholders' rights to ensure equality among them in providing appropriate information in a timely manner.

YANSAB provides details on its performance and activities throughout the year via the Annual Report and Annual General Assembly meeting. It shall also update shareholders and investors on any other significant developments that may occur and affect the financial position thereof. This shall take place

through Tadawul website and the company's website. Such measures shall ensure that all beneficiaries have equal opportunities to access such information and help them make investment decisions based on correct and timely information.

Moreover, YANSAB implements all policies and processes related to disclosure of financial statements and performance reports in accordance with the legal requirements and all applicable regulations and instructions approved by relevant authorities.

YANSAB also regularly discloses particular events, core developments and financial statements on Tadawul's website, following transparency and disclosure regulations, so that the same is easily accessible to shareholders, investors and stakeholders. During the fiscal year ending on 31st December 2024, YANSAB has made 11 announcements, listed in the dates and details below:

No	Publishing Date	Announcement Theme
1.	03 January 2024	Yanbu National Petrochemical Company (YANSAB) Announces receiving official notification to increase the feedstock prices
2.	19 February 2024	Yanbu National Petrochemical Co. announces its Annual Financial results for the period ending on 2023-12-31
3.	27 February 2024	Yanbu National Petrochemical Company (YANSAB) Invites its Shareholders to participate and vote in the Extraordinary General Assembly Meeting (First Meeting) through modern technology means
4.	21 March 2024	Yanbu National Petrochemical Co. Announces the Results of the Extraordinary General Assembly Meeting, (First Meeting)
5.	18 April 2024	Yanbu National Petrochemical Co. Announces Appointment of a CEO
6.	28 April 2024	Yanbu National Petrochemical Co. announces its Interim Financial results for the Period Ending on 2024-03-31 (Three Months)
7.	02 June 2024	Yanbu National Petrochemical Co. announces the Board of Director's decision to distribute cash dividends for first half of 2024.
8.	28 July 2024	Yanbu National Petrochemical Co. announces its Interim Financial results for the Period Ending on 2024-06-30 (Six Months)
9.	27 October 2024	Yanbu National Petrochemical Co. announces its Interim Financial results for the Period Ending on 2024-09-30 (Nine Months)
10.	30 December 2024	Yanbu National Petrochemical Company (YANSAB) announces the board of director's decision to distribute cash dividends for second half of 2024
11.	30 December 2024	Yanbu National Petrochemical Company (Yansab) Announces A Modification In Its Protocol For The Declaration And Distribution Of Interim Dividends



Dividend Policy

YANSAB’s Dividend Policy falls within the jurisdiction of its Ordinary General Assembly, based on recommendations from the Board of Directors. YANSAB’s Dividend Policy provides for setting the standards governing YANSAB’s dividends, in a way that contributes to striking a balance between sustainable dividends to investors and enhancing YANSAB’s ability to achieve its goals, and developing its business subject to provisions mentioned in YANSAB’s Articles of Association, Companies Law, Capital Market Law and their implementing regulations.

Considering the provisions governing dividends stipulated in the Companies Law, the Corporate Governance Regulations, the Company’s Articles of Association, and the Executive Regulations for Listed Joint Stock Companies, the distribution of dividends shall be in accordance with the following principles and rules:

The General Assembly of the Company, based on the recommendation of the Board of Directors, shall decide on the distribution of dividends.

The Company may distribute interim dividends to its shareholders on a semi-annual or quarterly basis after meeting the statutory requirements and may authorize the Board of Directors to do so in accordance with the regulations issued by the Capital Market Authority. The General Assembly may set aside any amount from the company’s funds available for cash distributions as a general reserve. or to achieve social purposes for the employees of the company - or its subsidiaries - or for other purposes related to the company as the Board of Directors deems it to be in the best interest of the company. Provided that the

Company shall disclose to the Board and the public immediately and without delay when deciding to distribute interim dividends.

Considering the restrictions contained in applicable laws, internal regulations, agreements with holders of debt instruments, financing instruments, creditors, and other lenders in addition to other legal and regulatory considerations, any restrictions on dividend distribution and other matters deemed important by the Board of Directors of the Company when declaring dividends.

Considering the requirements of future growth and expansion plans, investment opportunities, the company’s needs, cash flow and capital requirements, solvency ratios, etc. and verifying the balance between providing funds through self-financing sources or from external funding sources, and accordingly the Board of Directors shall propose to the Ordinary General Assembly to set aside a percentage of dividends for these purposes.

The distribution of dividends is based on several controls, considering the realized net dividends, the availability and adequacy of cash flows, the company’s financial situation, the state of the market, the general economic climate, and other factors.

The following table demonstrates the percentages of dividends as well as the total value of dividends distributed to shareholders for first half of the fiscal year ending on 31 December 2024 (in addition to the ratios of dividends and amounts proposed to be distributed for the second half of 2024, and the total dividends (all amounts in thousands ￡):

Earnings Season	Dividends distributed for the year	Dividends proposed to be distributed at the end of the year	Due date	Distribution date
First half from the year 2024	10%	562,500	31/07/2024	20/08/2024
Second half from the year 2024	10%	562,500	25/02/2025	16/03/2025
Total	20%	1,125,000		

In addition, YANSAB is keen to hand over to shareholders the due dividends thereof in a timely manner and regularly reminds them to update their personal data and to link their bank accounts to Tadawul’s portfolios to avoid delays in delivery of their dividends.

In line with the best practices, YANSAB announced amending its methodology for disclosing Board resolution regarding distribution of interim dividends if authorized by the Ordinary General Assembly as of next year 2025.

In accordance this amendment, the Board of Directors’ resolution regarding distribution of interim dividends will be disclosed as follows:
1. Announcing interim dividend distribution for the first half will be made after the approval of the primary financial results for the second quarter of the same fiscal year.
2. Announcing interim dividend distribution for the second half will be made after the approval of the primary financial results for the second quarter of the same fiscal year.
This step comes as part of YANSAB Board of Directors’ efforts to maximize shareholder investment value in accordance with YANSAB’s financial performance.

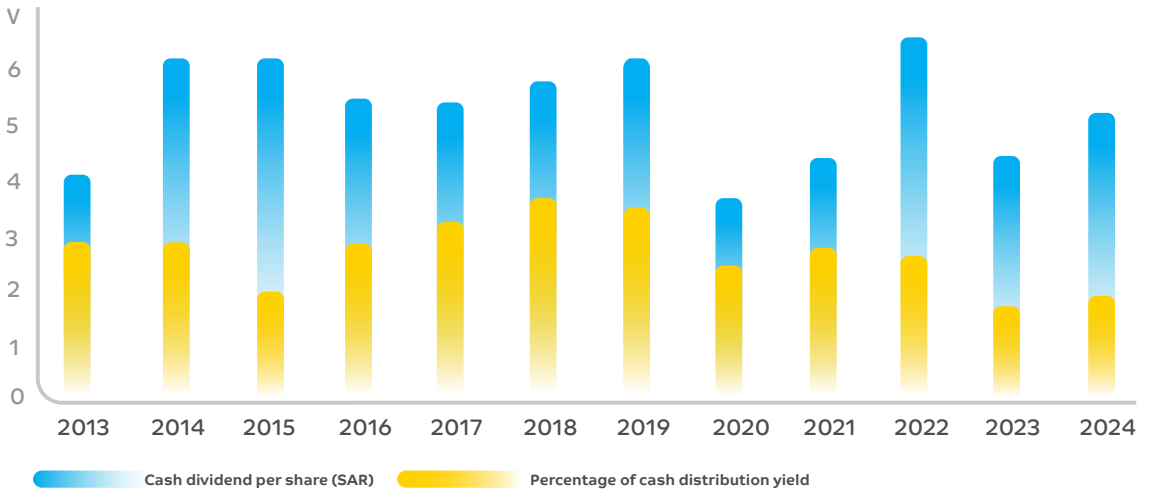
Actions taken by the Board to inform its members, especially non-executives, of shareholders’ suggestions and comments regarding YANSAB and its performance

YANSAB Bylaws shall guarantee the preservation of all shareholders’ rights, and YANSAB Board regulations stipulate that the Board members should attend the General Assembly meetings to listen to and discuss shareholders’ suggestions and comments. In addition, YANSAB Board Regulations stipulate that the Board members should attend the General Assembly meetings to listen to and discuss shareholders’ suggestions and comments.

Investor Relationships

YANSAB is committed to engaging and collaborating with all participants in capital markets, including institutional and individual investors and financial analysts. This is achieved through organizing multiple meetings and attending local and global workshops and conferences. YANSAB has met with more than 500 investors and analysts, while over 860 shareholders attended the Extraordinary General Assembly meeting. YANSAB has a specialized investor relationship department reporting to the executive director of finance and production planning and the board secretary general. Most of the team are CIRO-certified with expertise in various fields.

YANSAB distributions



Shareholders’ Registers

During the fiscal year ended on 31 December 2024, YANSAB requested the Shareholders’ Registers six times in the year. The relevant dates and details are as follows:

No.	Register Date	Request Reason
1	02 January 2024	Corporate processes
2	27 February 2024	Profits file
3	20 March 2024	The 5th Extra Ordinary General Assembly
4	04 August 2024	Profits file
5	04 November 2024	Corporate processes
6	02 December 2024	Corporate processes

Board of Directors

YANSAB’s Board of Directors defines and reviews its key policies and processes, including its main objectives, strategic plans and performance indicators. The Board approves YANSAB’s annual business plans and budgets and ensures the availability of financial and human resources required to implement such plans. In addition, the Board is fully responsible for determining YANSAB’s optimal capital structure, key capital expenditures, and asset ownership and disposal decisions. The Board also oversees the implementation and monitoring of internal control systems.

The Board of Directors shall consist of seven members possessing the expertise required for managing YANSAB’s business. During the 15th Ordinary General Assembly meeting held on 7 March 2023, Board Members were appointed for a term of three years, for the sixth session from (2023 to 2026), starting on 16 March 2023. This is pursuant to Article 17 of YANSAB’s Articles of Association stipulating that YANSAB is managed by a Board of Directors consisting of seven (7) members elected by the Ordinary General Assembly for a term of three years. The Board Members were elected by cumulative voting. The following table illustrates current Board Members names and their membership category:

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 Members Training

When appointed, Board Members received an orientation that included an introduction to YANSAB’s activities, business, strategy and future objectives, organizational structure, financial and operational aspects; the Board’s commitments, duties, responsibilities, and rights; and the mandates of the Board Committees. Board members and the Board’s Committees members were also provided with regular updates on legal developments, governance, and accounting, as well as circulars issued by competent authorities.

YANSAB pays attention to training its Board Members, having conducted two training programs in 2024 based on the assessment and recommendation of the Remuneration and Nomination Committee regarding the annual Board Training Program. The first program covered Environmental, Social and Governance (ESG) practices and Artificial Intelligence (AI), while the second focused on the future transformation in energy sector and enhancing Board effectiveness. A visit and an introductory tour were also arranged to SABIC Research and Technology Building and Aramco’s Research Center at King Abdullah University of Science and Technology (KAUST) to explore the latest research developments that benefit YANSAB in the fields of innovation, operations and maintenance.

Methods used by the Board to evaluate its performance and the committees’ performance
Upon the recommendation of Remuneration and Nomination Committee, the Board developed a model to evaluate its performance and the committee’s performance. The evaluation process for 2024 was carried out under the supervision of the Remuneration and Nominations Committee, which included the Board and Committee’s tasks and responsibilities, identification of strengths and weaknesses, and proposing to address them in a way that is consistent with YANSAB interest.

Board of Directors’ Acknowledgments

YANSAB’s Board of Directors acknowledges the following:

1. Proper books of account have been maintained.
2. The system of internal controls is sound in design and has been 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, nor any contractually based securities, convertible warrants, contractually based securities, warrants or similar rights issued or granted by the company.
5. There is no refund, purchase, or cancellation of any redeemable debt instruments by YANSAB.
6. None of the Board Members or Senior Executives waived any remuneration during the fiscal year ending on 31 December 2024.
7. None of YANSAB’s shareholders waived dividends for the fiscal year ending on 31 December 2024.
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 2024.
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 2024, 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 2024.
14. YANSAB acknowledges that it currently has no loans.

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

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



Eng. Sameeh S. Al-Sahafi
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

Current Memberships	Former Memberships
<ul style="list-style-type: none">• YANSAB.	N/A



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

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



Mr. Khalid I. Al-Rabiah

Board Member
Chairman of Risk Committee
Member of Investment Committee

Current Position

- Founder and Chairman of KIR Financial Advisory
- Chairman of the Board Audit Committee at Acwapower
- Chairman of the Board at The Arab Company for Drug Industry & Medical Appliances (ACDIMA)
- Member of the Board at the Tunisian Saudi Bank
- Member of the Board at Abdullah Al Othaim Investment Co.
- Member of the Board at East Pipes Integrated Co. for Industry
- Member of the Board at Al Dowyan Real Estate Group
- Member of the Board at Tarabot Charitable Organization

Former Positions and Work Experience

- Chairman of the Board of Directors of the Saudi Stock Exchange (Tadawul)
 - CEO of Methanol Chemicals Company (Chemanol)
 - Vice President for Finance, Saudi Arabian Amiantit
 - Consultant at the Ministry of Industry and Mineral Resources
- 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

- YANSAB.
- Al Dowaian Holding Company
- International Water and Energy Company (ACWAPOWER)
- Al Sharq Integrated Pipes Company for Industry
- Tunisian Saudi Bank
- The Arab Company for Drug Industry & Medical Appliances (ACDIMA).

Current Memberships

- Saudi Stock Exchange (Tadawul).
- Al Jazeera Support Services Company.



Mr. Abdullah A. Al-Sinan

Board Member
Member of Audit Committee
Member of Investment Committee

Current Position

General Manager of Investment Planning and Business Intelligence at SABIC

Former Positions and Work Experience

- 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

Current Memberships

- YANSAB.
- SABIC FUJIAN.

Former Memberships

- N/A



Eng. Abdullah S. Al-Arifi

Member of the Remuneration and Compensation Committee

Current Position

Vice President of SABIC Sector Affairs, Board member in NUSANED Fund 2, Board member in NUSANED investment company and Board member in Green community company

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.
- He 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

- YANSAB.
- NUSANED Fund 2.
- Board Member in NUSANED Investment Company.
- Board Member in Green Community Company.

Current Memberships

- Ibn Rushd.



ENG. Awad M. Al-Maker

Board Member,
Chairman of the Remuneration and Compensation 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

Current Memberships

- YANSAB.

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.



Dr. Ahmad A. Al-Meghames
Member of Audit Committee

Previous and Current Roles, Experience, and Qualifications

Dr. Ahmed Al-Moghamis has vast expertise in accounting and auditing and has participated in numerous professional memberships and councils both locally and internationally. He has served as a 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 Member of Yanbu National Petrochemical Company, and a Board of Trustees member at the Accounting and Auditing Organization for Islamic Financial

Institutions (AAOIFI). He was also the Vice Chairman of the Developing Nations Professional Accountancy Organizations Committee of the International Federation of Accountants. Dr. Ahmed has held various academic positions at King Saud University, reaching the rank of Assistant Professor. He later moved to the Saudi Organization for Certified Public Accountants (SOCPA), where he currently serves as CEO. He holds a Ph.D. in Business Administration with a specialization in Accounting from Mississippi State University, a Master's degree in Business Administration specializing in Accounting from the University of Bridgeport, USA, and a Bachelor's degree in Accounting from King Saud University. Additionally, he holds a Fellowship from SOCPA and has previously worked as an Assistant Professor in the Accounting Department at King Saud University.



Mr. Al-Waleed F. Al-Senani
Member of the Remuneration and Compensation Committee

Previous and Current Roles, Experience, and Qualifications

Mr. Alwaleed Al-Sanani has extensive experience in corporate governance and risk management. He previously held various positions at the Saudi Basic Industries Corporation (SABIC), ultimately serving as General Manager of Corporate Governance. He was also a Board Member and Chairman of the Audit and Risk Committee at the National Industrial Gases Company (GAS). Additionally,

he held various roles at the Capital Market Authority, including Director of Corporate Governance and Director of Risk Management, and served as a faculty member at Prince Sultan University. Currently, he serves as the Deputy Minister of Education for Legal Affairs and Policies. 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.



Mr. Abdulrahman N. Muammar
Risk Committee Member

Previous and Current Roles, Experience, and Qualifications

Mr. Abdulrahman has extensive experience in risk management, business continuity, insurance, and finance. He has held various positions at SABIC, including Global Insurance Management, Business Continuity

Management Specialist, and several roles in risk management. He currently serves as General Manager of Risk and Data Management at the Saudi Basic Industries Corporation (SABIC). Mr. Abdulrahman holds a bachelor's degree in finance and has completed several specialized programs in auditing, risk management, and business continuity.



Eng. Wazen M. Al-Solami
Investment Committee Member
Secretary of the Remuneration and Nominations Committee

Previous and Current Roles, Experience, and Qualifications

Engineer Wazen Al-Sulami has extensive expertise in corporate strategy, growth, operations, project management, plant construction, pre-commissioning, digitalization, transformation, quality, maintenance, and technology in the oil and gas sector. He began his career at Ibn Rushd, later joining SABIC as a project leader. He then moved to Al-Farabi, where he held various positions, ultimately becoming the Team Leader of Operations and Construction.

Subsequently, he joined Yanbu National Petrochemical Company (YANSAB), where he managed multiple projects and held various positions, eventually serving as Executive Director of Technical Affairs. He later returned to SABIC as Executive Director of Digital Manufacturing. Currently, Eng. Wazen Al-Sulami is the President of Yanbu National Petrochemical Company (YANSAB). He holds a bachelor's degree in electrical engineering and has completed several specialized courses in finance, management, and leadership.

BOARD MEETINGS AND ATTENDANCE

The Board of Directors held five (5) meetings during the fiscal year ending on December 31, 2024, in the dates and details listed below:

Attendance Record for 2024

Member Name	1st Meeting 18 Feb	2nd Meeting 16 March	3rd Meeting 4 June	4th Meeting 2 September	5th Meeting 29 December	The Ordinary General Assembly 20 March
Eng. Abdulrahman A. Shamsaddin	●	●	●	●	●	●
Eng. Sameeh S. Al-Sahafi	●	●	●	●	●	●
Eng. Abdullah S. Al-Arifi	●	●	●	●	●	●
Mr. Abdullah A. Al-Sinan	●	●	●	●	●	●
Mr. Ibrahim M. Al-Saif	●	●	●	●	●	●
Mr. Khalid I. Al-Rabiah	●	●	●	●	●	●
ENG. Awad M. Al-Maker	●	●	●	●	●	●

● Attended — Not Attend



BOARD COMMITTEES

YANSAB Board of Directors has formed and continued to manage several committees that serve as a dynamic driver for policy setting, decision making and program development. The Board also provides recommendations to the General Assembly held on 7 March 2023 for the formation of the Audit Committee which can benefit from the diverse experiences of Board Members as it plays an essential and significant role in achieving optimal performance.

First: Audit Committee

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.

The Audit Committee studies and reviews all internal and financial control 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 Audit Committee studies and reviews all internal and financial control 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. 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 who do not represent any of the members of YANSAB’s executive management and are completely independent of all YANSAB’s activities.

The Committee held five (5) meetings during the fiscal year ended 31 December 2024, 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 2024

Member Name	Membership	1st Meeting 11 January	2nd Meeting 15 Feb	3rd Meeting 28 April	4th Meeting 25 July	5th Meeting 24 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	●	●	●	●	●

● Attended — Not Attend

Below are some of the major topics the committee has discussed in their meetings held during the fiscal year ended on 31 December 2024:

1. Reviewed the preliminary quarterly and annual financial statements for the year 2023 and the preliminary quarterly financial statements for 2024.
2. Reviewed the Board of Directors’ 2023 report and provided recommendations to the Board of Directors on approving thereof.
3. Examined, approved, and reviewed the implementation of the internal audit plan of 2024.
4. Provided recommendations to the Board of Directors on appointing external auditors after considering proposals submitted by external auditors and determining their fees for the fiscal year ending on 31 December 2024 and the first quarter of 2025.
5. Examined the audit plans of the external auditor and provided comments to enhance the efficiency and effectiveness of the audit.
6. Examined and verified the independence of the external auditor.
7. Studied the external auditor’s observations on YANSAB’s financial statements and reviewed implementation of recommended actions with Executive Management.
8. Reviewed the works of YANSAB’s Internal Audit Department to ensure its effectiveness in carrying out assignments and tasks set out by the Board according to the approved regulations.
9. Issued a report on the works of YANSAB’s Internal Audit Department.
10. Examined periodic internal audit reports and reviewed the implementation of corrective actions to observations contained therein.
11. Examined the reports of external regulators and reviewed the implementation of corrective actions to observations raised therein.
12. Submitted periodic reports on the results of the Committee’s deliberations to the Board.
13. Examined and approved the Audit Committee’s 2023 report, activities, and opinions on the Internal Control System.
14. Reviewed the annual report on the Audit Committee’s performance.
15. Reviewed various reports submitted by Risk Committee and Executive Management.
16. Reviewed the Audit Committee Regulations and relevant requirements.
17. Reviewed the Internal Audit Management Charter.
18. Reviewed YANSAB’s proposed tax risk management policy and provided recommendations to the Board of Directors on approving thereof.
19. Reviewing the explanations of the Companies Law regarding contracts with the relevant authorities or those with common interests.
20. Reviewed important circulars issued by the relevant authorities.
21. Reviewed the opinion of the Internal Audit Department on the effectiveness of YANSAB’s Internal Control during the year 2024 and confirmed its organizational independence.

The Audit Committee’s recommendations contradicting the Board’s resolutions or rejected by the Board on appointing and dismissing YANSAB’s auditor, determining relevant fees, and assessing the performance thereof

The Audit Committee has no recommendation that contradicts the Board’s resolutions or has been rejected by the Board – on the appointing and dismissing YANSAB’s external auditor, determining their fees and assessing their performance, appointing the internal auditor, or any other matter.

External Auditor

YANSAB’s Extraordinary General Assembly, held on March 20, 2024, has approved to appoint Company (PWC) as External Auditor for the Company from among the candidates based on the recommendation of Audit Committee to review and audit financial statements of the second quarter, third quarter, and the annual of the fiscal year 2024, in addition to the first quarter 2025 financial statements, for a fee of (ﷲ 730,000), excluding VAT.

Annual Review of Internal Control System

During 2024, YANSAB’s Internal Audit Department conducted regular reviews to verify the efficiency of the Internal Control System. These reviews included production planning, chemical logistics, security guards, treasury, fiber reinforced cooling pipe management, occupational health, technical studies and reports, electronic access management system, staff development and leadership, corporate culture, regular maintenance, cybersecurity, operational techniques, operational concession, cathodic protection, Board of Directors Affairs, investor relations, authority matrix, and the basic backup power project. Internal Audit Department also reviewed petty cash expenses. Concurrently, the external auditor also evaluated the effectiveness of the Internal Control System during the audit of YANSAB’s final financial statements. The aforementioned audits did not show any substantial weaknesses in YANSAB’s Internal Control System.

The Audit Committee verifies that the Internal Audit Department has implemented the approved audit plan with full independence, and that the external auditor completed the work professionally in a proper manner and in full independence, with access to all the data and documents required to perform these duties.

The Committee also reviewed actions taken by the Internal Audit Department and YANSAB’s Executive Management to consider observations and correct them. The Audit Committee continues to regularly inform the Board of Directors of its assignments and the results of its work.

Second: Remuneration and Nominations Committee

In light of the relevant provisions contained in the rules governing remuneration and nomination committees as set forth in the corporate governance regulations issued by the Capital Market Authority, YANSAB’s Remuneration and Nomination Committee prepares the remuneration policy for Board Members, Board Committee Members, and other senior executives, and submits required recommendations to the Board of Directors as approved by the Ordinary General Assembly of YANSAB. The Committee periodically reviews the remuneration policy to ensure adaptation to any changes in relevant laws and regulations. It also reviews YANSAB’s strategic objectives as well as the skills and qualifications required to achieve them and makes recommendations about suitable remunerations to the Board. The Committee prepares an annual report on all these remunerations.

The Remuneration and Nomination Committee sets the policy and standards pertaining to Board membership and makes recommendations to the Board thereon for approval by YANSAB’s Ordinary General Assembly, on nominations for membership. The Committee prepares a description of required capabilities and qualifications, studies any cases featuring conflict of interest, and makes required

recommendations. It annually reviews the skills required for Board membership, and periodically studies the structure of the Board of Directors and sets procedures in the event of vacancy of the position of any member. The Committee also annually verifies the independence of independent members and any conflict of interest if a member wishes to join another company’s Board.

The Committee makes recommendations to the Board on appropriate policies and standards for appointing Senior Executives, determining the capabilities and skills required of them, and reviewing them periodically to ensure adaptation to changes. Further, it sets job descriptions for senior executives and the procedures for succession in the event of a vacancy of any position and reviews them periodically. It also provides regular updates to the Board and Board Committees on legal developments, governance, accounting, and circulars issued by the competent authorities. The Remuneration and Nomination Committee makes recommendations to the Board for new Board Members to receive an orientation or induction program covering YANSAB’s activities, business, and financial and legal aspects. It also provides recommendations on various training programs for the Board of Directors, including macro developments in the petrochemicals market.

The Remuneration and Nomination Committee consists of three members, and it held four (4) meetings during the fiscal year ended on 31 December 2024, with dates and details listed below:

Remuneration And Nominations Committee Attendance Record For 2024

Member Name	Membership	1st Meeting 25 January	2nd Meeting 17 April	3rd Meeting 29 April	4th Meeting 25 November	
ENG. Awad M. Al-Maker	Committee Chairman	●	●	●	●	
Eng. Abdullah S. Al-Arifi	Member	●	●	●	●	
Mr. Al-Waleed F. Al-Senani	Member	●	●	●	●	
Eng. Wazen M. Al-Solami	Secretary	Appointed as Secretary-General as of May 1, 2024.				●

● Attended — Not Attend

Below are some of the major topics the committee has discussed in their meetings held during the fiscal year ended on 31 December 2024:

1. Reviewed the independence and competition model for Board Members.
2. Assessed the performance of the Board and its committees during 2023.
3. Recommended the annual remuneration of Senior Executives for the fiscal year ended 31 December 2023.
4. Reviewed the annual report on remunerations awarded to members of the Board of Directors, its affiliated committees, and Senior Executives for the fiscal year ending 31 December 2023.
5. Recommended the amendment of the appointment procedures for the nominated member to the vacant position of Board Membership.
6. Recommended the amendment of the job description of Board Members.
7. Recommended the amendment of the independence and competition form.
8. Recommended the amendment of the evaluation form of the Board of Directors and its affiliated committees.
9. Recommend the appointment of the President for YANSAB and the Secretary-General of the Remuneration and Nomination Committee.

10. Reviewed the amendment of the compensation policy of the members of the Board of Directors and its affiliated committees.
11. Reviewed the amendment of the remuneration and compensation policy of Secretary-General of the Board of Directors and the secretaries of its affiliated committees.
12. Provided recommendations to the Board of Directors on approving Senior Executives Performance Indicators of 2024.
13. Reviewed and recommended the proposed general framework for the training program for Board members for the year 2024
14. Recommended annual remunerations for Board members for the fiscal year ended 31 December 2024.
15. Recommended annual bonuses for the members of the committees affiliated with the Board for the fiscal year ended 31 December 2024.
16. Reviewed the evaluation form of the Board of Directors and its affiliated committees for the year 2024 and provided recommendations thereon.
17. Reviewed the independence and competition form for the year 2024 and provided recommendations thereon.
18. Scheduled committee's meetings for 2025.



Third: Risk Committee

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 Bylaws, 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. 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, verifies the activities of risk management personnel, considers any issues raised by the Audit Committee, and submits all recommendations to the Board of Directors.

The Risk Committee consists of three members, and they held four meetings during the fiscal year that ended on 31 December 2024, with dates and details listed below, showing the attendance record of each member for those meetings.

Risk Committee Attendance Record 2024

Member Name	Membership	1st Meeting	2nd Meeting	3rd Meeting	4th Meeting
		07 Feb	22 May	06 November	26 December
Mr. Khalid I. Al-Rabiah	Committee Chairman	●	●	●	●
ENG. Awad M. Al-Maker	Member	●	●	●	●
Mr. Abdulrahman N. Muammar	Member	●	●	●	●
Eng. Maher A. Hussein	Secretary	●	●	●	●

● Attended — Not Attend

Below are some of the major topics the committee has discussed in their meetings held during the fiscal year ended on 31 December 2024:

1. Company Risk Committee policy review.
 2. Risk Committee regulations review.
 3. Business continuity management plan and testing.
 4. Sustainability & energy efficiency program review.
5. Comprehensive technical assessment report review and proposed solutions to mitigate some operational risks
 6. Key Risk indicators (KRI) update review.
 7. Risk Register update review.

Fourth: Investment Committee

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. 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.

The Risk Committee consists of five members, and they held three meetings during the fiscal year that ended on 31 December 2024, with dates and details listed below, showing the attendance record of each member for those meetings.

Attendance Record for 2024

Member Name	Membership	1st Meeting 14 Feb	2nd Meeting 2 September	3rd Meeting 29 December
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. Mohammed A. Bazaid	Member	●	His membership in the Committee ended on April 30, 2024.	
Eng. Wazen M. Al-Solami	Member	Member joined the Committee on May 1, 2024.		●
Eng. Faisal S. Al-Dowairi	Secretary	●	●	●

● Attended — Not Attend

Below are some of the major topics the committee has discussed in their meetings held during the fiscal year ended on 31 December 2024:

1. Reviewed the updated investment committee regulations.

2. Reviewed the possibility of leveraging the potential opportunities.

3. Reviewed the investment opportunities available for some derivatives.

4. Reviewed short-term and medium-term investment options.
5. Reviewed the updates of integration opportunities.

6. Reviewed the strategic expansion roadmap.

7. Reviewed the updates of investment opportunities.

EXECUTIVE MANAGEMENT

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



Eng. Wazen M. Al-Solami
President of YANSAB

Former Positions and Work Experience

- Executive Director – Digital Manufacturing, SABIC.
- Executive Director – 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. Mohammed H. Qandeel
Executive Director - Finance & Production Planning, Board of Directors Secretary.

Former Positions and Work Experience

- Senior Manager of Finance & Production Planning at Yanpet.
- Senior Manager of Production Planning & Costing at Yanpet.
- Senior 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 and has completed several specialized programs in finance, strategic planning and project management.



Jehad H. Shami

Executive Director – Polymer Operation

Former Positions and Work Experience

- Executive Director - Chemicals Operation, YANSAB
- Senior Manager Olefins Operation, YANSAB
- Senior Manager Polypropylene Operation, YANSAB
- Senior Manager Olefins Operation- (Saudi Kayan)
- Senior Manager - Phenolics Operation (Saudi Kayan)

He worked as a Process Engineer, Kemya, then he joined the establishment of the Saudi Kayan project. Excelled in the hierarchy through several positions, before working for YANSAB.

Eng. Jehad has experience in process engineering, operations, and project management in petrochemicals companies.

He holds a bachelor's degree in applied chemical engineering supplemented by courses from top universities and management institutes in leadership and management.



Eng. Hosam S. Alhujaili

Executive Director - Technical Affairs

Former Positions and Work Experience

- Senior Manager of Assets Engineering, YANSAB
- Senior Manager of Inspection, YANSAB.
- Senior 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.

He holds a Bachelor's Degree in Mechanical Engineering.



Eng. Majed H. Alahmadi

Executive Director - 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. Tariq S. Aldhahri

Executive Director - Maintenance

Former Positions and Work Experience

- Senior Manager of Central Maintenance & Planning - YANPET Company
- Senior 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

Description of Interests, Contractually Based Securities and Subscription Rights of the Issuer’s Directors, Senior Executives and Their Relatives in the Shares or Debt Instruments of the Issuer or any of its Subsidiaries, Together with Any Change to These Interests or Rights During the Last Fiscal Year.

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	-	-	10,000	-	-	-	-
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-Solami	2,500	-	-	2,500	-	-	-	-
Eng. Jehad H. Shami	-	-	-	-	-	-	-	-
Eng. Majed H. Alahmadi	25	-	-	25	-	-	-	-
Eng. Tariq S. Aldahhri	4,030	-	-	4,030	-	-	-	-
Eng. Hosam S. Alhujaili	-	-	-	-	-	-	-	-
Eng. Mohammed H. Qandeel	650	-	-	650	-	-	-	-

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.

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 YANSAB. 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 31/12/2024 (in thousands of ﷲ):

	Fixed Remuneration							Variable Remuneration								
	Specific Amount ⁽¹⁾	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	End of Service Gratuity	Grand Total	Expense Allowance
First: Independent Members																
Mr. Ibrahim M. Al-Saif	356,284	25,000	25,000	--	--	--	406,284	--	--	--	--	--	--	--	406,284	
Mr. Khalid I. Al-Rabiah	356,284	25,000	35,000	--	--	--	416,284	--	--	--	--	--	--	--	416,284	
ENG. Awad M. Al-Maker	356,284	25,000	40,000	--	--	--	421,284	--	--	--	--	--	--	--	421,284	
Total	1,068,852	75,000	100,000	--	--	--	1,243,852	--	--	--	--	--	--	--	1,243,852	
Second: Non-Executive Members																
Eng. Abdulrahman A. Shamsaddin	668,853	25,000	15,000	--	--	--	708,853	--	--	--	--	--	--	--	708,853	
Eng. Sameeh S. Al-Sahafi	356,284	25,000	15,000	--	--	--	396,284	--	--	--	--	--	--	--	396,284	
Eng. Abdullah S. Al-Arifi	356,284	25,000	20,000	--	--	--	401,284	--	--	--	--	--	--	--	401,284	
Mr. Abdullah A. Al-Sinan	356,284	25,000	40,000	--	--	--	421,284	--	--	--	--	--	--	--	421,284	
Total	1,737,705	100,000	90,000	--	--	--	1,927,705	--	--	--	--	--	--	--	1,927,705	

(1) The amount provided in the above table represents the annual bonus based on the duration of board membership for the fiscal year 2024.

B. Remunerations of Committee Members

Committees emanating by the Board member remuneration paid during the year ending on 31 December 2024 (amounts in thousands, ﷲ):

Member Name	Fixed Remuneration ⁽¹⁾	Session Attendance Allowance	Total
Audit Committee Members			
Mr. Ibrahim M. Al-Saif	228,142	25,000	253,142
Mr. Abdullah A. Al-Sinan	189,071	25,000	214,071
Dr. Ahmad A. Al-Meghames	189,071	25,000	214,071
REMUNERATION AND NOMINATIONS COMMITTEE MEMBERS			
ENG. Awad M. Al-Maker	228,142	20,000	248,142
Eng. Abdullah S. Al-Arifi	189,071	20,000	209,071
Mr. Al-Waleed F. Al-Senani	189,071	20,000	209,071
COMMITTEE MEMBERS			
Mr. Khalid I. Al-Rabiah	228,142	20,000	248,142
ENG. Awad M. Al-Maker	Included in Remuneration and Nominations Committee	20,000	20,000
Mr. Abdulrahman N. Muammar	189,071	20,000	209,071
Investment Committee Members			
Eng. Abdulrahman A. Shamsaddin	228,142	15,000	243,142
Eng. Sameeh S. Al-Sahafi	189,071	15,000	204,071
Mr. Abdullah A. Al-Sinan	Included in the Audit Committee	15,000	15,000
Mr. Khalid I. Al-Rabiah	Included in the Risk Committee	15,000	15,000
Eng. Mohammed A. Bazaid ⁽²⁾	55,191	5,000	60,191
Eng. Wazen M. Al-Solami ⁽³⁾	133,880	10,000	143,880

The fixed remunerations in the table above represent the annual amount allocated for committee membership for the year 2024.
(2) Committee membership ended on 30 April 2024.
(3) Committee membership began on 1 May 2024.

C. Senior Executives Remunerations

Remunerations paid to YANSAB’s Senior Executives, including the CEO and CFO, for the year ended 31 December 2024 (amounts in thousands, ﷲ)

	Fixed Remuneration				Variable Remuneration							End of Service Gratuity	Total remuneration of Board Executives Remuneration of Board Executives	Grand Total
	Salaries	Allowances	In-kind Benefits	Total	Periodic Remuneration	Profits	Short-Term Incentive Plans	Long-Term Incentive Plans	Shares Awarded	Total				
Five Senior Executives	3,839,001	1,126,150	244,000	5,209,151	--	--	782,404	1,697,384	--	2,479,788	1,762,048	--	9,450,987	
Total	3,839,001	1,126,150	244,000	5,209,151	--	--	782,404	1,697,384	--	2,479,788	1,762,048	--	9,450,987	

Description of Transactions between YABSAB and a Related Party

SABIC and some of its companies market and sell YANSAB’s products, supply raw materials and obtain its technical licenses, shared services, and administrative, technological, technical, and legal expertise, provide services relating to handling materials and raw materials as well as other services and contracts that are considered to be intra-group activities.



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