



اسمنت ينبع
Yanbu Cement

رؤية VISION
2030
المملكة العربية السعودية
KINGDOM OF SAUDI ARABIA

2024

ANNUAL
REPORT

Annual Report

Board of Directors report

Industrial Lighthouse and Sustainable Prosperity





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



His Royal Highness the Crown Prince
and Prime Minister
Mohammed bin Salman bin
Abdulaziz Al Saud





Content

| | |
|--|----|
| About Yanbu Cement | 06 |
| Environmental and Social Sustainability | 18 |
| Financial Performance Summary | 26 |
| Operational Performance Summary | 32 |
| A Description of the Main Activities of the Company and its Subsidiaries | 40 |
| Governance, Compliance, and Related Disclosures | 48 |
| Shareholders' Rights and Investor Relations | 75 |
| Awards and Honors Obtained by the Company During 2024 | 79 |
| Board of Directors' Declarations | 83 |



01

About Yanbu
Cement



Chairman of the Board of Directors' Statement

Mr. Fahd Bin Sulaiman Al-Rajhi

Ladies and Gentlemen, Esteemed Shareholders of Yanbu Cement Company

May the peace and blessings of Allah be upon you,

I am pleased, both on my own behalf and on behalf of my colleagues, the members of the Board of Directors, to present to you the annual report of Yanbu Cement Company for the fiscal year 2024, which highlights the key achievements and challenges, the company has accomplished over the past year.

This year has been marked by remarkable achievements that reflect dedication, commitment, and the concerted efforts made to enhance the company's journey towards success and excellence, By the grace of Allah, Yanbu Cement company has continued in 2024 to achieve its strategic objectives, guided by its vision, mission, and values, which embody its commitment to excellence, sustainability, and growth. The company has remained focused on key pillars, including institutional maturity, business excellence, sustainability, and growth, along with business diversification and the enhancement of governance practices.

This resulted in the company receiving the Governance Indicators Improvement Award over the past three years, reaffirming

its commitment to a sustainable developmental vision and the implementation of best governance practices to achieve a balance between maximizing investor returns, and enhancing its social and environmental responsibilities.

The company has continued its journey in enhancing energy efficiency and investing in sustainable environmental initiatives, enabling it to obtain Environmental Product Declaration (EPD) certifications for all its products in accordance with SCS international Standards. which drives sustainability and the circular economy. Furthermore, the company was honored under the National Initiative for Afforestation, reaffirming its leading role in driving positive change and supporting collective efforts to achieve a greener and more prosperous future for generations to come.

The company launched several strategic projects, including transformation in human capital, technology, and cybersecurity. it has ensured that its daily operations and strategic plans align seamlessly with the development of its products and activities, the growth of national talents, and the enhancement of leadership skills among its promising workforces. In this regard, the company has adopted modern technologies and advanced methodologies to improve efficiency and productivity, achieving an advanced ranking in Fourth Industrial Revolution programs and applications , under the sponsorship of the Ministry of Industry and Mineral Resources. As a result, the company won the second place in the Future Factories

Program and was subsequently nominated among the top 20 qualified companies to become a global industrial lighthouse. aligning with Saudi Vision 2030, which serves as a roadmap to enhance the Kingdom's competitiveness, economic and developmental role, and increase its contribution to the gross domestic product (GDP).

On this occasion, I would like to extend my profound gratitude and appreciation to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and His Royal Highness, Crown Prince Mohammed bin Salman Al Saud – may Allah protect them – for their continues support of the industrial sector, which has significantly contributed to our ability to achieve our goals and enhance our role in supporting the national economy.

I would also like to express my sincere thanks and appreciation to the members of the Board of Directors, the executive management, and all the employees of the company, who have been the cornerstone in transforming challenges into opportunities and aspirations into tangible achievements.

In conclusion, we ask Allah, the Almighty, to grant us success in fulfilling our responsibilities to the best of our abilities. I assure you that the Board of Directors of Yanbu Cement Company places the interests of the company, its shareholders, and its partners at the top of its priorities.

We ask Allah to bless all our efforts and to keep our nation in the blessings of security and prosperity.

May the peace and blessings of Allah be upon you

Chairman of the Board of Directors.



CEO's Statement

Ali bin Abdullah Alayed

Dear Esteemed Shareholders,

May the peace and blessings of Allah be upon you,

By the grace and blessings of Allah, Yanbu Cement Company continued in 2024 to achieve its strategic objectives, guided by its vision, mission, and values that reflect its commitment to excellence, sustainability, and growth. Our strategy continued to focus on key pillars, including institutional maturity, business excellence, sustainability and growth, along with business diversification and the enhancement of governance practices. As a result, the company received the Governance Indicators Improvement Award over the past three years.

Despite the challenges faced by both local and global markets, the company achieved financial results that exceeded those of 2023, Sales increased by 6%, while net profit grew by 31%, all while continuing to improve operational efficiency. The company also maintained its local market share despite intense competition, and continued its presence in global markets, despite geopolitical challenges in the Red Sea. This success is a result of the company's ongoing efforts to strengthen its

presence and expand into more strategic local and international markets, further enhances its competitive position.

As part of our commitment to environmental and social responsibility, the company continued to adopt community initiatives and develop environmentally friendly technologies, leading to an increase in green cement sales. This product plays a crucial role in reducing carbon dioxide emissions, while improving energy efficiency and environmental sustainability throughout the production processes.

Additionally, the company continued to raise quality standards and enhance occupational safety and health indicators, and foster a culture of innovation and continuous improvement to ensure the delivery of products and services that meet our customers' expectations with high efficiency.

Believing that human capital is one of the key drivers of success, the Board of Directors, its committees, and the executive management have continued to invest in the development of human resources by providing a stimulating work environment, enhancing training and development programs, and attracting national talents. The company also supported localization programs, achieving a Saudization rate of 54% compared to 52% in 2023.

In conclusion, I extend my heartfelt thanks and gratitude to our wise leadership for their continuous support, to the members of the Board of Directors of Yanbu Cement Company and its specialized committees for their trust and ongoing support. I also express my sincere gratitude to all company employees for their dedication and sincere efforts. My thanks are also extended to the shareholders and investors for their unwavering trust. We reaffirm our commitment to striving to be the first choice for our partners.

CEO

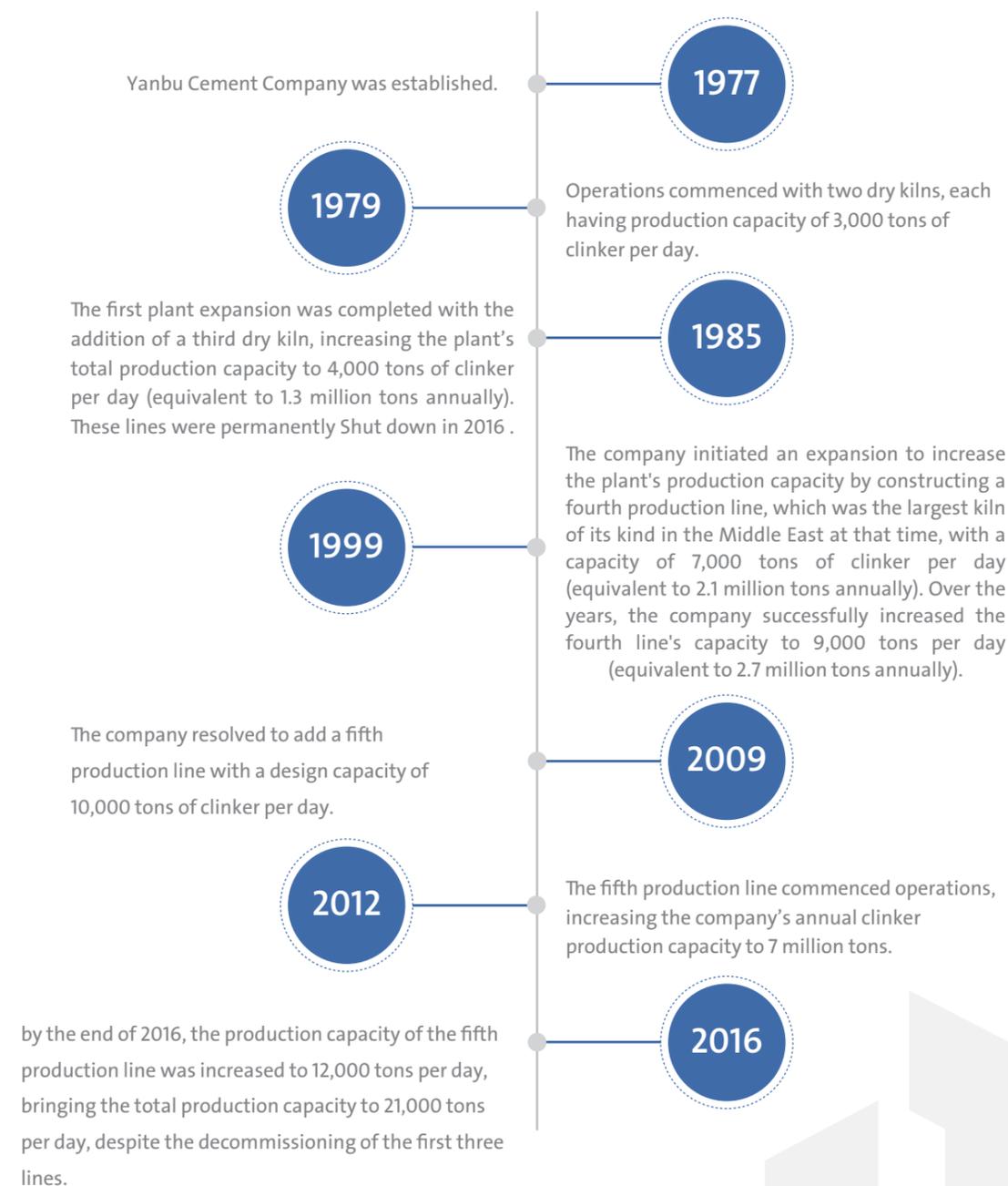


Company Overview

Yanbu Cement Company is a Saudi joint-stock company (listed) with a paid-up capital of 1.575 billion Saudi Riyals. The company is ranked among the top 50 outstanding national companies and is one of the largest cement manufacturers in the Kingdom of Saudi Arabia. It is also the largest cement company in the Western Region, with a clinker production capacity of 21,000 tons per day and 7 million tons annually. Additionally, its cement packing and delivery capacity reaches 30,000 tons per day.

The company's headquarters is located in Jeddah, while its plant is situated in the northern part of Yanbu Governorate in the Ras Beridi area on the Red Sea coast. The plant includes an industrial complex and integrated residential communities that provide all essential services, including educational and healthcare facilities, as well as recreational amenities such as gardens, green spaces, a sports center, and a beachfront. This reflects the company's commitment to providing a comprehensive and sustainable environment.

A Legacy of Excellence and Continued Leadership



The company continues its journey as a benchmark among its peers, by playing a leading role in achieving the objectives of the Fourth Industrial Revolution initiatives by enhancing operational efficiency and increasing automation in its processes. Additionally, it remains committed to environmental sustainability by reducing carbon dioxide emissions and adopting innovative energy solutions, such as utilizing wasted thermal energy and leveraging renewable energy sources. This ensures that the company remains at the forefront of institutions supporting sustainable development.



Our Vision

To always be the first choice for our partners.



Our Mission

Maintain quality in our production, reliability in supply, and a commitment to nature and humanity in our surroundings.



Our Values

Yanbu Cement Company establishes its values in its operations and corporate culture, making them the foundation for all its practices in achieving its strategic objectives through compliance with the highest standards of ethical conduct.

- Commitment to performance standards.
- Providing an ideal working environment.
- Adherence to ethical values.
- Commitment to social responsibility.
- Respecting environmental values.
- Supporting initiatives and innovation.



Company strategy

Yanbu Cement Company places a strong focus on its future vision and strategic planning to address potential challenges and keep pace with economic developments, demonstrating its commitment to sustainable growth, business continuity, and fulfilling the aspirations of investors and stakeholders. Therefore, we are committed to always being the first choice for our partners, continuing to move forward in our journey of success and strategic progress, in alignment with the objectives of Saudi Arabia's Vision 2030.

The company fully recognizes the necessity of adapting to market changes with agility, while focusing on delivering products and services that uphold environmental and humanity well-being. The growing trust of our shareholders and partners, day by day, reflects unwavering commitment to fulfilling their aspirations by maintaining performance values, providing an ideal work environment, adhering to ethical standards, supporting the community, respecting environmental values, and supporting innovation and initiatives.

In January 2023, the company began implementing an ambitious strategy focused on governance and compliance transformation, sustainability, business excellence and organizational maturity. This strategy also includes strategic projects aimed at achieving digital transformation, human resources transformation, expanding market presence, and maintaining sustainable profitability for shareholders. These initiatives reaffirm the company's commitment to innovation and responsibility, positioning it at the forefront of the cement industry and reinforcing its role as a reliable strategic partner.

Our Products

Our company offers a different of products distinguished by their high quality, which surpasses similar products in the Saudi market, all at competitive prices that cater to various customers need. This excellence enables Yanbu Cement products to achieve the perfect balance between superior quality and affordability. As part of the company's commitment to strengthening its environmental efforts and maintaining high national quality standards, Yanbu Cement has conducted a study on replacing traditional paper bags used for cement packaging with eco-friendly plastic bags. This initiative reflects the company's dedication to environmental sustainability and improving customer satisfaction, positioning Yanbu Cement as the first choice for customers in the cement sector in the Kingdom.



All of Yanbu Cement Company's products have obtained EPD (Environmental Product Declaration) Certification:

In line with its commitment to environmental responsibility and achieving the highest standards of transparency, Yanbu Cement Company has obtained environmental Product Declaration (EPD) certifications for all its flagship products.

Additionally, the company has registered and published its environmental disclosure reports through the international SCS system, setting a benchmark in providing transparent information about the environmental impact of its products.

This achievement reflects the company's future vision and its commitment to supporting sustainable construction practices in the Kingdom, in alignment with global environmental standards and the aspirations of investors and stakeholders.

Complete environmental disclosure reports and environmental disclosure certificates are available for review on the official website of the SCS Global Services Foundation:

<https://www.scsglobalservices.com/certified-green-products-guide?q=yanbu>

Alternatively, they can be accessed via the QR code:





02

**Environmental and
Social Sustainability**

Environmental and Social Sustainability

In 2024, Yanbu Cement Company achieved a significant milestone in reinforcing its leadership role in environmental and social sustainability. Through its continuous efforts, the company has successfully promoted awareness of sustainable practices adding tangible value to both the company and its stakeholders. Yanbu Cement has embraced innovative solutions and advanced technologies aimed at minimizing its environmental footprint by reducing energy consumption, diversifying energy sources, and optimizing the use of liquid fuels in manufacturing processes and operational activities.

These efforts represent a key pillar in the company's vision to advance sustainable development and environmental protection. The company remains committed to implementing innovative strategies that enhance the adoption of advanced environmental standards, while also focusing on developing high-impact initiatives that contribute to the long-term sustainability of the cement sector and strengthen its positive impact on both the environment and society.

Environmental Sustainability

Reducing Carbon Dioxide Emissions

As part of the Kingdom of Saudi Arabia's promising vision and its commitment to enhancing production efficiency and optimizing energy utilization, with strong emphasis on environmental sustainability, the waste heat recovery system has been adapted to reduce energy demand from fossil fuels by approximately 25%. This transformation has significantly contributed to lowering our carbon footprint and cutting CO₂ emissions by 100,000 tons annually in 2024. We place environmental protection efforts and the conservation of natural resources at the forefront of all our operations.

As a proactive step towards further sustainability, Yanbu Cement participated in an international auction organized by the Regional Voluntary Carbon Market Company in 2024, which provides carbon credits that align with the CORSIA standards and are registered in the VERRA program. This initiative emphasizes the company's commitment to contributing to environmental responsibility and aligning its strategy with the global shift toward carbon neutrality.

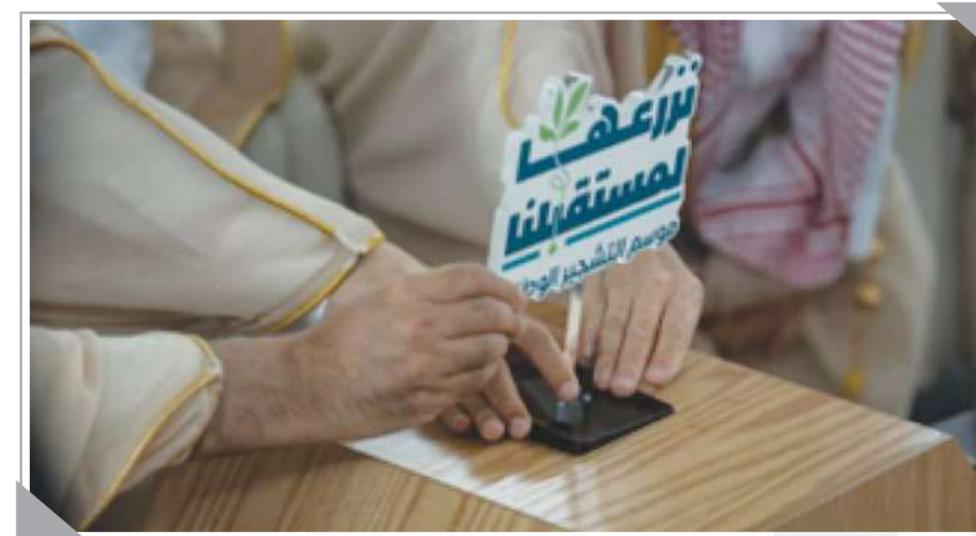


Supporting the National Afforestation Program

As part of achieving the goals of Saudi Vision 2030 and the Saudi Green Initiative, the National Afforestation Program, overseen by the National Center for Vegetation Cover Development and Combating Desertification, stands as a key initiative to enhance environmental sustainability and preserve natural resources. The program focuses on expanding vegetation cover through afforestation in 13 regions, utilizing native plant species that are adapted to the Saudi environment. It also utilizes sustainable water resources, including rainwater, treated water, and seawater for mangrove forests cultivation. The program aims to employ nature-based solutions to achieve environmental balance, support biodiversity, and ensure the long-term sustainability of natural resources.

In alignment with this national direction, Yanbu Cement Company takes great pride in being honored by His Excellency Eng. Abdulrahman Abdulmohsen Al-Fadley, the Minister of Environment, Water, and Agriculture, in recognition of its active contribution to supporting the National Afforestation Program. This recognition reflects the company's unwavering commitment to environmental sustainability and its alignment with the Saudi Green Initiative, further emphasizing its role in promoting sustainable development and the environment protection.

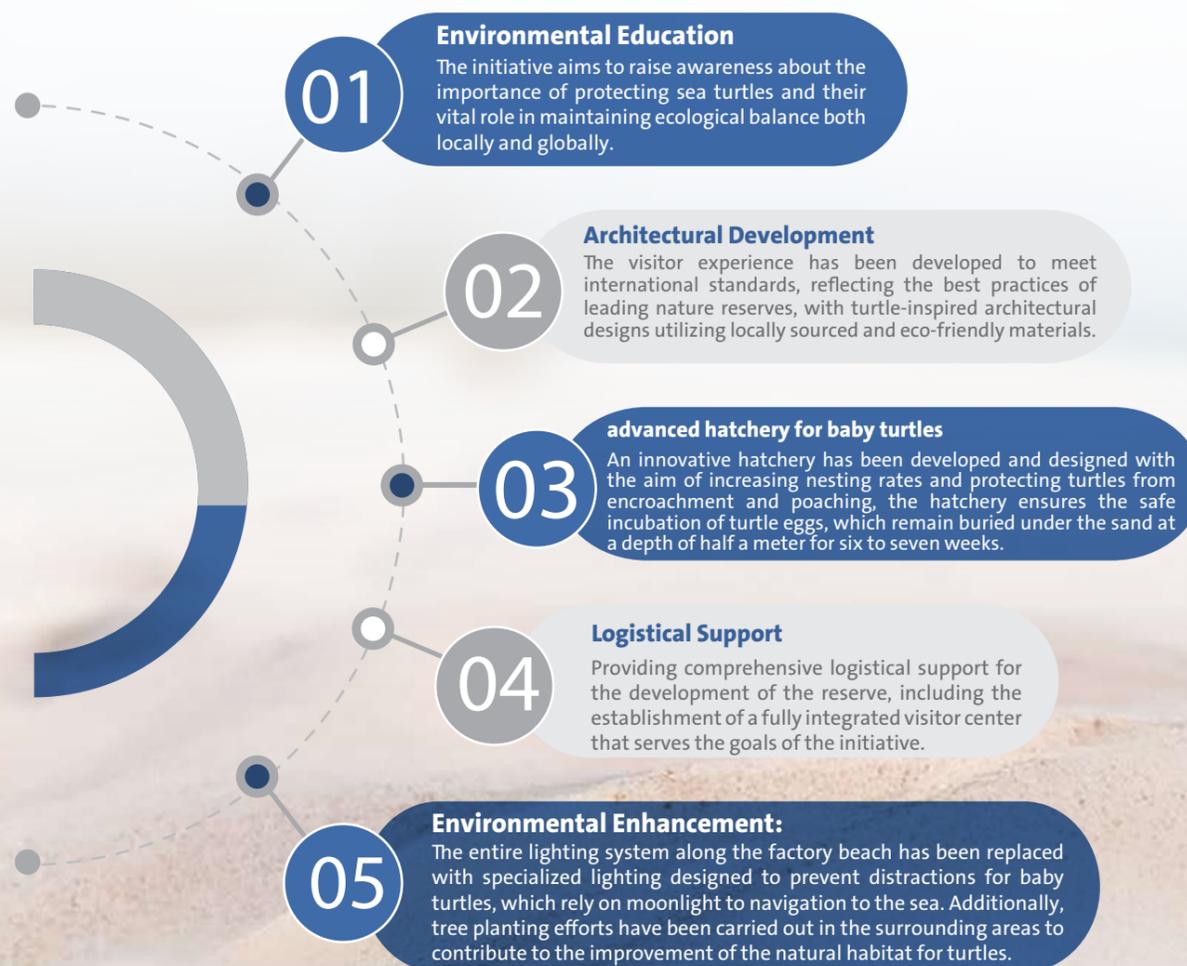
Yanbu Cement's participation in this national initiative reaffirms its leadership in driving positive change and supporting collective efforts to achieve a greener and more prosperous future for generations to come.



Latest Update on the Turtle Reserve Development Project (Ras Beridi Turtle Reserve Initiative)

Yanbu Cement is a key partner in the development of the Ras Beridi Turtle Reserve Development project where the project has made significant strides in enhancing marine life conservation efforts in the Red Sea. This area is distinguished by its unique ecological diversity and serves as a habitat for many rare turtles species, including the hawksbill sea turtle and the endangered green sea turtle. These species face numerous threats, such as overfishing, predation, and plastic waste, which harm their survival.

Driven by environmental awareness and social responsibility, Yanbu Cement has actively participated in the initiative to protect and conserve endangered sea turtles from the extinction. The initiative focuses on safeguarding these species and mitigating environmental threats through several key components, including:



The Participation of Yanbu Cement Company in the First International Conference on Marine Turtle Conservation

As part of its ongoing efforts to support the achievement of Saudi Arabia's Vision 2030 related to the protection of terrestrial and marine ecosystems, and in alignment with its commitment to conservation, Yanbu Cement Company participated in the First International Conference on Marine Turtle Conservation in the Red Sea, in collaboration with the Shams Initiative.

During the conference, the company showcased its contributions to marine turtles conservation, which included:

- Developing estuaries to optimize water flow efficiency.
- Reducing light pollution in areas surrounding the reserve.
- Rehabilitating of Coastal Sands to Support turtle Nesting.
- Implementation tree -Planting Initiatives to Enhance Environmental Diversity
- Raising community awareness about the importance of protecting marine reserves.

These efforts reflect Yanbu Cement Company's strong commitment to supporting ecosystems, enhancing biodiversity, and protecting endangered species in marine reserves, in alignment with both national and global sustainability goals.





Social Sustainability

As part of its commitment to its role and corporate social responsibility (CSR), it has adopted a range of practices and behaviors aimed at achieving sustainable development and contributing to the well-being of the communities in which it operates. Corporate social responsibility is of great importance to the company for several reasons:

- Enhancing trust and building positive relationships.
- Realizing sustainable development.
- Ensuring compliance with international regulations and standards.
- Creating shared value for both businesses and the communities in which we operate, as we are an integral part of them, influencing and being influenced by them.

Believing in its role as a leading and reliable supporter, the company considers social responsibility a core pillar of its strategy and an essential part of its corporate value toward various segments of society. In this regard, the company continues to provide financial and moral support to numerous charitable organizations, as well as contribute to community initiatives across various sectors.

In 2024, the total amount spent to support these initiatives reached SAR 2,314,183.

Examples of These initiatives:

Children with Disability Association:

A non-profit organization in Saudi Arabia that provides care and support for children with disabilities. It aims to offer a suitable educational and healthcare environment, providing medical, social, and psychological services. The association also works on empowering children with disabilities and facilitating their integration into society.

KAU Endowment (Waqf):

A charitable endowment established by King Abdulaziz University in Jeddah to support various educational, social, and community initiatives. Its objectives include funding scholarships, educational programs, and research projects that align with the university's mission to promote knowledge and higher education. Additionally, it supports initiatives in areas such as health and environmental sustainability to improve people's lives.

Federation of Saudi Chambers:

the entity responsible for organizing and promoting commercial and industrial activities in the Kingdom of Saudi Arabia. It represents the private sector before government entities and international organizations, while supporting entrepreneurship in small and medium-sized enterprises by providing a conducive business environment. The federation enhances cooperation and coordination between the chambers of commerce in the Kingdom, stimulate economic growth by encouraging investment, and activate both internal and external trade. The federation also participates in shaping laws and economic policies that affect the private sector and provides recommendations that contribute to improving the business environment and enhancing economic competitiveness.

Al-Ber Charitable Association in Al-Rweedat:

A charitable organization that provides financial and social support to families in need, orphans, and underprivileged groups. It contributes to social development, assists youth in finding job opportunities, and supports healthcare services by providing medications, medical visits, and awareness campaigns in both health and social fields.

Hayat Charity Association in Madinah:

A foundation dedicated to improving the social and economic conditions of underprivileged groups in Madinah and surrounding areas. It provides support to needy families and orphans, offers medical care, and facilitates education and vocational training programs. It also develops initiatives that contribute to community development.

Liajlehum Association for Serving People with Disabilities:

A charitable organization offering comprehensive services to people with disabilities in Saudi Arabia. These services, include healthcare, education, social, and psychological support, with the goal of enhancing their quality of life and promoting their integration into society.

Ehsan Platform:

A Saudi electronic platform designed to enhance charitable work by providing innovative solutions that simplify donations and support humanitarian and social projects.

Yanbu College of Applied Technology:

It is an educational institution specializing in providing training and vocational training programs in the field of technology and various industries. The college aims to equip students with the knowledge and practical skills needed to enter the job market or establish their own businesses in diverse technological fields.

The Charitable Association for the Memorization of the Quran in Yanbu:

A charitable organization dedicated to teaching, spreading, and memorizing the Quran in Yanbu. It focuses on Quranic education, training individuals in recitation and memorization, and promoting Islamic values within the community.

Yanbu Cement Company strives to be a pioneering model in the field of social responsibility both internally and externally. The company provides comprehensive support to its employees, enhances their quality of life, and contributing to a work environment that focuses on employee well-being while encouraging teamwork and productivity. Additionally, it extends support to their families and actively contributes to the sustainable development of the local community.

Among the most prominent initiatives launched by the company are financial support for the families of deceased employees to alleviate financial burdens. The company also provided bonuses to security guards in recognition of their distinguished efforts in maintaining the company's security. Furthermore, the company is committed to supporting outstanding trainees by offering incentive rewards as part of various training programs, aiming to enhance their skills and motivate them to develop their abilities.



03

**Financial Performance
Summary**



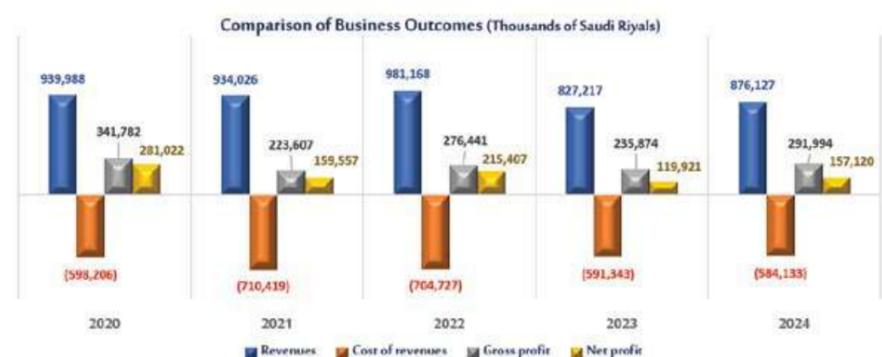
Financial Performance Summary

The company's assets, liabilities, and business outcomes for the fiscal years 2020 to 2024.

Comparison of Business Outcomes (Thousands of Saudi Riyals).

| Description | 2020 | 2021 | 2022 | 2023 | 2024 |
|------------------|-----------|-----------|-------------|-----------|-----------|
| Revenues | 939,988 | 934,026 | 981,168 | *827,217 | 876,127 |
| Cost of Revenues | (598,206) | (710,419) | * (704,727) | (591,343) | (584,133) |
| Gross profit | 341,782 | 223,607 | 276,441 | *235,874 | 291,994 |
| Net profit | 281,022 | 159,557 | 215,407 | 119,921 | 157,120 |

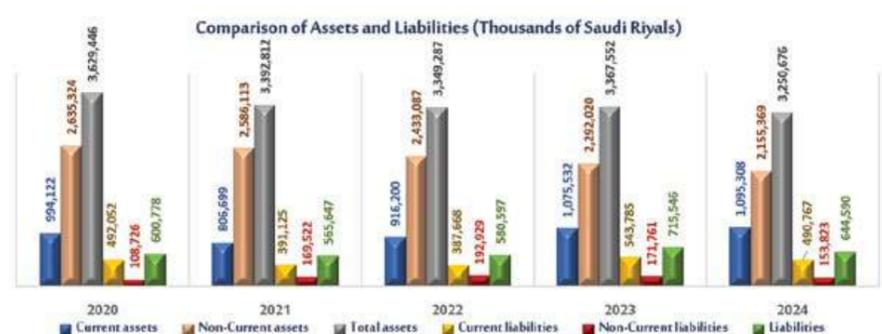
(*) Reclassification



Comparison of Assets and Liabilities (Thousands of Saudi Riyals)

| Description | 2020 | 2021 | 2022 | 2023 | 2024 |
|-------------------------|-----------|-------------|-----------|-----------|-----------|
| Current Assets | 994,122 | * 806,699 | 916,200 | 1,075,532 | 1,095,308 |
| Non-Current Assets | 2,635,324 | 2,586,113 | 2,433,087 | 2,292,020 | 2,155,369 |
| Total Assets | 3,629,446 | * 3,392,812 | 3,349,287 | 3,367,552 | 3,250,676 |
| Current Liabilities | 492,052 | 391,125 | 387,668 | 543,785 | 490,767 |
| Non-Current liabilities | 108,726 | 169,522 | 192,929 | 171,761 | 153,823 |
| Total Liabilities | 600,778 | * 565,647 | 580,597 | 715,546 | 644,590 |

(*) Reclassification



Significant Variations in operational Results compared to the previous year's Results (Thousands of Saudi Riyals).

| Description | 2023 | 2024 | Variations | Percentage of variation |
|---------------------------|-----------|-----------|------------|-------------------------|
| Revenues | 827,217 | 876,127 | 48,910 | 5.91% |
| Cost of Revenues | (591,343) | (584,133) | (7,210) | (1.22%) |
| Gross profit | 235,874 | 291,994 | 56,120 | 23.79% |
| Other operating expenses | (109,666) | (112,339) | 2,673 | 2.44% |
| Operating Earnings (Loss) | 126,208 | 179,655 | 53,447 | 42.35% |

(*) Reclassification: some items in the income statement for the year 2023 have been reclassified to align with the comparative year.

Loans and Total Debt Disclosure of the Company and its Subsidiaries.

The table below presents statement of the loans obtained by the company and the repayment movements during the year 2024 (in Saudi Riyals).

- Medium-Term Loans (SAR)

| Company | Creditor's Name | Amount of principal dept | Loan Duration | Amounts Paid During the year | Remaining loan balance | Total debt of the company and its subsidiaries. |
|----------------------|---------------------------|--------------------------|---------------|------------------------------|------------------------|---|
| Yanbu Cement Company | Saudi Al-Awwal Bank (SAB) | 70,000,000 * | 3 years | 20,000,000 | 40,000,000 | 40,000,000 |
| Yanbu Cement Company | Saudi Al-Awwal Bank (SAB) | 35,000,000 * | 5 years | 7,000,000 | 22,750,000 | 22,750,000 |

(*) A. During 2023, the Parent Company entered a Murabaha finance agreement with SAB amounted to SR 70 million. The loan is repayable in quarterly installments of SR 5 million each, starting from September 2023 until February 2027. The loan entails financing costs as per prevailing Saudi rates (SIBOR) in addition to a fixed commission rate.

(*) B. During 2022, the Parent Company entered into a bank facility agreement with SAB amounted SR 35 million, The loan is subject to repayment of quarterly installments of SR 1.75 million each, starting from July 2023 until June 2028. The loan entails financing costs as per prevailing Saudi rates (SIBOR) in addition to a fixed commission rate.

- Short-Term Loans (SAR)

| Company | Creditor's Name | Amount of principal dept | Loan Duration | Amounts Paid During the year | Remaining loan balance | Total debt of the company and its subsidiaries. |
|----------------------|---------------------|--------------------------|---------------|------------------------------|------------------------|---|
| Yanbu Cement Company | Saudi National Bank | 49,500,000 | One year | - | 49,500,000 | 49,500,000 |
| Yanbu Cement Company | Saudi National Bank | 50,000,000 | One year | - | 50,000,000 | 50,000,000 |
| Yanbu Cement Company | Saudi National Bank | 49,800,000 | One year | - | 49,800,000 | 49,800,000 |
| Yanbu Cement Company | Saudi National Bank | 49,500,000 | Six months | 49,500,000 | - | - |
| Yanbu Cement Company | Saudi National Bank | 100,000,000 | One year | 100,000,000 | - | - |
| Yanbu Cement Company | Saudi National Bank | 50,000,000 | One month | - | 50,000,000 | 50,000,000 |
| Yanbu Cement Company | Saudi EXIM Bank | 75,000,000 | One year | 75,000,000 | - | - |
| Yanbu Cement Company | Saudi EXIM Bank | 75,000,000 | One year | 75,000,000 | - | - |
| Yanbu Cement Company | Banque Saudi Fransi | 50,000,000 | Two months | - | 50,000,000 | 50,000,000 |
| Yanbu Cement Company | Banque Saudi Fransi | 25,000,000 | Three months | 25,000,000 | - | - |
| Yanbu Cement Company | Banque Saudi Fransi | 30,000,000 | Three months | 30,000,000 | - | - |

Paid and Outstanding statutory payments (Thousands of Saudi Riyals).

| Description | 2024 | | A Brief Description | Reasons |
|--|-------------|--|---|--|
| | Amount Paid | Outstanding Amount until the end of the Fiscal Year and Unpaid | | |
| Zakat | 13,249 | 16,558 | Zakat and Tax Authority payments | Statutory Zakat due for the years 2023 and 2024 |
| Withholding Tax | 527 | - | Zakat and Tax Authority payments | Payment of income tax for non-resident individuals receiving revenue from sources within Saudi Arabia. |
| Value Added Tax (VAT) | 53,430 | 1,065 | Zakat and Tax Authority payments | Value Added Tax payment |
| Customs Duties | 2,175 | - | Zakat and Tax Authority payments | Paid on foreign purchases |
| The General Organization for Social Insurance (GOSI) | 12,759 | 1,059 | General Organization for Social Insurance payments | Payment of employee social insurance contributions |
| Fees for Raw material Quarry Exploitation | 44,245 | 13,690 | Ministry of Industry and Mineral Resources payments | Payment of quarry exploitation fees |
| Miscellaneous Fees (Work Permits - Municipality - Passports) | 1,215 | - | Miscellaneous payment | Payment of government fees and subscriptions |

The Company's Dividends Distribution Policy

The Company's annual Net Profits are distributed as follows:

- The Ordinary General Assembly, upon the proposal of the Board of Directors, may decide to disburse the reserve not allocated for a specific purpose in the interest of the company or shareholders, and the competent authority shall establish rules on the use of reserves.
- After reserves are set aside, a percentage of not less than 5% of the paid-up capital of the Company shall be distributed over shareholders.
- The Board of Directors' remuneration is disbursed based on the remuneration policy for member of the Board Members, its committees, and the executive management.
- Balance of the profits (or part thereof) may be distributed thereafter as an additional share to shareholders, or carry over or any, part thereof based on the proposal of the Board of Directors to the next fiscal year.
- The company may distribute interim dividends to its shareholders on an annual, semi-annual, or quarterly basis in accordance with the regulations issued by the Capital Market Authority, based on an (annual) authorization issued by the General Assembly to the Board of Directors to distribute interim dividends.

Profit Distribution for the Year 2024 (SAR)

| Description | Dividends distributed for the first half of 2024 (SAR) | Dividends distributed for the second half of 2024 (SAR) | Total |
|---|--|---|-----------------|
| Disbursement Date | June 11, 2024 | December 30, 2024 | |
| Distribution percentage to the nominal value of the share | 7.5% | 5% | 12.5% |
| Total | SAR 118,125,000 | SAR 78,750,000 | SAR 196,875,000 |

Audit Committee's Opinion

Audit Committee's Opinion on the Integrity of Financial and Administrative Systems

The committee was not identified any matters that would lead it to believe that there are any material deficiencies requiring disclosure regarding the integrity of the financial and administrative systems and their relevance to the preparation of financial statements and reports. The committee also confirms that the control systems are operating efficiently and effectively, and that all observations and recommendations presented to it have been duly addressed.





04

Operational
Performance Summary

Operational Excellence

As part of its 2025 strategy, Yanbu Cement Company continued to enhance its operational excellence by adopting the latest advancements in digital transformation and sustainability technologies. An effective operational excellence model was developed, leveraging cutting-edge technologies. The focus was on the digital transformation strategy as a key driver for improving operational processes, utilizing artificial intelligence solutions to analyze data more rapidly and accurately. This contributed to faster decision-making and increased plant efficiency. Additionally, smart visual presentations were implemented to simplify complex data for operational teams, enhancing internal communication and motivating them to make informed decisions. The principles of agility, flexibility,

and continuous improvement (Kaizen) were further integrated by strengthening the plant's organizational structure, enabling the company to swiftly adapt to rapid changes in the work environment. In 2024, the company achieved a significant increase in production compared to 2020, reflecting substantial progress in production processes and ability to efficiently address challenges.

Yanbu Cement Company remains committed to continuous development and the integration of sustainability technologies to achieve operational excellence and fulfill its strategic goals. The company also continues to seek new opportunities to enhance efficiency and adopt innovative technologies, to drive sustainable growth and reinforce its leading position in the industrial sector.

Digitalization in the Manufacturing Sector

In line with the Ministry of Industry and Mineral Resources' announcement of the "Factories of the Future" program, which supports factories in adopting Fourth Industrial Revolution (4IR) technologies and implementing global best practices in smart manufacturing, Yanbu Cement Company has successfully enhanced the profitability of its plant and reduced production costs by adopting the Smart Industries Readiness Index (SIRI). This index, recognized by the World Economic Forum (WEF), serves as the framework Saudi Arabia has adopted to measure the level of smart manufacturing and evaluate the digital maturity of factories.

The company conducted a SIRI assessment through an accredited assessor from INSIT, achieving second place among factories in the Kingdom. This accomplishment was made possible by the company's implementation of the latest applications of the Fourth Industrial Revolution, particularly AI-driven automation programs. The AI system monitors key indicators of industrial processes, such as temperature and feed rates, and analyzes this data to make decisions comparable to those made by human operators. The system continuously learns from past process analyses

enhancing its predictive capabilities.

The adoption of these technologies has led to a significant increase in production capacity and a reduction in fuel and electricity consumption at the plant. Fuel consumption decreased by 3%, while electricity consumption dropped by 11% between 2020 and 2024.

At Yanbu Cement Company, we continue to utilize the latest technologies to ensure that our products meet the highest local and international quality standards. We have an integrated automated system for sample collection at all stages of the production process, where samples are analyzed, inspected, and proactive preventive measures are taken. The automated system adjusts the raw material ratios based on previous analysis results without the need for human intervention.

We have also implemented an automated system that links the customer database with the sales system and the automated loading system. Through this system, customer trucks are automatically directed to designated loading points and loaded using an automated loading robot. Additionally, we adopt the concept of preventive maintenance for critical production equipment by applying a root cause analysis methodology for malfunctions. We also utilize cloud computing to determine the minimum automatic order threshold for consumable spare parts.



Quality Control

Yanbu Cement Company has implemented comprehensive and fully integrated quality management systems, including both international and national quality certificates (ISO 9001, 14001, 45001, and 50001), as well as certification from the Saudi Standards Metrology and Quality Organization (SASO). The company is committed to a continuous improvement methodology to enhance the efficiency of production processes and meet both national and international product quality standards. All production units, facilities, and chemical and physical laboratories are equipped with the latest technologies, samples are automatically collected at real-time rates for quality control and analysis using X-ray and active radiation devices, and the entire process is fully automated through

Some of the Most Important Certifications Include:

- The Quality Mark from the Saudi Standards, Metrology, and Quality Organization (SASO).
- Quality Management System Certification - ISO 9001
- Environmental Management System Certification - ISO 14001
- Occupational Health and Safety Management System Certification ISO - 45001
- Energy Management System Certification - ISO 50001
- Environmental Product Declaration (EPD) Certification for all company products.

state-of-the-art robotic systems.

Quality standards

Yanbu Cement Company is committed to ensuring that its products comply with various Saudi, American, and European quality standards, enabling it to meet a wide range of customer requirements based on any specified standard. The company continuously strives to enhance and improve the quality of its products to meet the highest local and international benchmarks, making this a key strategic objective. These efforts have been recognized through numerous global and local quality certifications, reaffirming the company's adherence to strict quality control measures at every stage of production. Furthermore, Yanbu Cement places strong emphasis on research and development by conducting ongoing studies aimed at optimizing production processes, thereby further enhancing competitiveness and leadership in the cement industry.



Information Technology

Yanbu Cement Company has achieved a series of remarkable accomplishments in the field of information technology, which have enhanced digital transformation and operational efficiency within the company. Among the most notable achievements is the Tayseer (ERP) Project, which is the company's largest digital transformation initiative, providing integrated cloud services. The company also developed an advanced system for automating sales operations using the latest technologies to improve operational efficiency.

In the context of enhancing the user experience, the company launched an interactive system via WhatsApp that allows employees and customers to easily and quickly inquire about their data, thereby strengthening their communication with the company and opening new channels for interaction. The company also worked on programming internal technological systems to manage and automate manual processes, such as the factory visit system and the residential area maintenance system, which contributed to improving

efficiency and streamlining operations.

To improve system integration, the company developed a unified system for seamless connectivity with Oracle Cloud, enabling automatic notifications via SMS, WhatsApp, and email services.

The company's website underwent a comprehensive redesign incorporating AI tools and Search Engine Optimization (SEO) techniques, leading to significant improvement in its ranking. In the field of cybersecurity, the company launched awareness programs under the ('Waei' initiative), aimed at raising employees' awareness of cybersecurity threats and prevent measures, particularly related to security breaches of devices and mobile phones. Additionally, networks have been secured with advanced solutions to ensure business continuity and prevent breaches, with a compliance rate of 60% with the cybersecurity regulations issued by the National Cybersecurity Authority.

Yanbu Cement Company remains committed to fostering an innovative, secure, and sustainable work environment, reinforcing its leadership in technological innovation and achieving the highest levels of operational efficiency.

Safety and Occupational Health

Yanbu Cement Company places the safety and health of its employees and their families at the top of its priorities. It strives to achieve this by strengthening its security and safety policies and procedures. The company has focused its efforts on achieving several key objectives, including:

- Achieving highest quality standards in safety and occupational health.
- Promote awareness and spread the culture of occupational safety and health among all employees.
- Reducing occupational safety and health-related work injury rates.
- Identify and mitigating occupational safety and health hazards.

The Latest Developments in Occupational Safety and Health for 2024:

As part of its efforts to improve the work environment and ensure the safety of its employees, the company worked throughout 2024 to enhance the culture of safety and safe behavior while increasing employee awareness. This was achieved through adopting a self-safety approach and setting clear standards for compliance. Additionally, safety awareness platforms were created, and regular inspection tours were organized. The company also provided theoretical and practical training for emergency situations. The company reaffirmed the principle of "safety is a shared responsibility," where individual commitment to personal safety in the workplace comes first, followed by active participation in reporting observations and hazards at work sites.

As a result of these efforts, several notable achievements have been realized, most notably:

• Safety Key Performance Indicator :

An overall rate of 98% was achieved, surpassing the target of 95% for 2024. This KPI reflects the performance of all departments involved in manufacturing and their commitment to safety. The attendance rate of company employees and permanent contractor workers in safety training sessions reached 95%, with over 2,700 internal safety awareness sessions held.

• Mock Evacuation Drills:

A total of 16 simulated fire and evacuation drills were conducted, across most work areas to enhance employee readiness during emergency situations.

• Safety Inspection Tours :

A total of 50 safety inspection tours were conducted by the

safety department, surpassing the target of 40 tours by 25%. The Focus was on raising and effectively addressing observations and hazards at work sites.

Through these initiatives, Yanbu Cement Company strives to improve a safe and sustainable work environment, ensuring the safety of all employees, which reflects its ongoing commitment to occupational safety and health standards



Risk Management

Yanbu Cement Company has established a comprehensive risk management framework by implementing an integrated program aimed at identifying, assessing, and mitigating risks to ensure business sustainability. This proactive approach allows for the development of effective strategies to minimize risk impact and reduce the likelihood of occurrence, thereby protecting the company's reputation, enhancing stakeholder confidence, and avoiding financial losses. Additionally, risk management plays a crucial role in supporting strategic decision-making, optimizing resource allocation, and enhances the efficiency of business strategies.

The company faces several operational risks, including the rising costs in raw material, manufacturing equipment, energy, and fuel, which directly impact operating and production expenses. Additionally, there are risks associated with fluctuations in the overall economy in the Kingdom, which may lead to a decline in

domestic demand for cement. To mitigate these risks, follows a strategy of expanding into new markets outside the Kingdom. Regarding financial risks, the company adopts a prudent approach to ensuring sufficient cash liquidity to meet operational needs and fulfill financial obligations as they arise, this is achieved through efficient management of operational activities and credit facilities to address any future commitments.

To effectively address potential risks, the company has established a permanent Steering Committee for Risk Management and Business Continuity to oversee both current and future operations. This committee is responsible for monitoring risk factors, assessing necessary resources, and ensuring execution aligns with best practices within the specified timeframe.

Risk management is considered one of the key pillars to ensure business continuity and compliance with regulatory standards.

Supply Chain

The supply chain function plays a critical role in driving operational excellence and ensuring seamless process continuity with optimal efficiency. This sector also contributes to meeting the company's needs with flexibility and speed while maintaining quality and cost standards, further enhancing the company's role as a market leader.

The supply chain sector has played a pivotal role in supporting and enriching local content, with a commitment to prioritizing products and services provided by national enterprises. This ensures that expenses are retained within the kingdom and strengthens the local economy. These efforts have yielded results, achieving a local procurement rate of 74% by leveraging local components of goods and services and developing local suppliers.

In addition, the sector is committed to achieving a strategic balance in inventory management, ensuring the continuous availability of essential materials, minimizing waste, and balancing supply and demand. The sector focuses on executing contracts with excellence by overseeing 64 contracts, which has contributed to building long-term strategic partnerships with suppliers and customers. The excellence of logistics operations is also evident through precise execution of transactions, ensuring timely delivery of supplies, which supports production continuity and maintains customer satisfaction.

Through its unwavering commitment, Yanbu Cement Company solidifies its position as a trusted national partner. While reinforcing local content today, the company also sets clear performance benchmarks to attract top local talent and drive national innovation for the future.

Business Continuity Management

Yanbu Cement Company places business continuity at the forefront of its priorities to maintain seamless operation even amid unforeseen event such as natural disasters, cyberthreats, or pandemics. The company has designed and implemented a comprehensive Business Continuity Management Plan (BCMP) aimed to safeguard employee safety, restore critical assets such as buildings and equipment, and sustain business operations with external stakeholders. The BCMP covers

Human Capital

Yanbu Cement Company takes pride in its employees, recognizing them as the driving force behind its success and the foundation for achieving strategic objectives. The company's Human Capital sector continues to work on creating a safe and engaging work environment that contributes to the development of employees' skills and enhances their well-being. To improve quality of life, the company has introduced advanced medical services and organized cultural and recreational activities that foster employee engagement and strengthen their sense of belonging. Furthermore, food services have been enhanced, and healthcare coverage has been expanded to include employees' families and the local community surrounding the company, affirming the company's commitment to social responsibility and the well-being of all its members.

The Human Capital sector at Yanbu Cement Company has focused on enhancing employees' capabilities and developing their skills by training 28% of employees through internal and external development programs. Additionally, the company offering training opportunities for university students to nurture national talent and develop future industry leaders. Comprehensive performance management programs have also been developed in alignment with the company's strategy, contributing to improved individual performance and enhanced professional efficiency. Moreover, in line with its commitment to leadership excellence, the company launched

the recovery of vital records, the restoration IT systems affected by cyber threats, and the implementation of crisis management and communication protocols, all of which contribute to minimizing the impact of disruptions, reducing financial losses, and maintaining customer satisfaction.

This plan is structured on periodic and comprehensive business impact analyses to ensure its effectiveness. establishes a systematic framework for implementing protocols and guidelines that reinforce the continuity of operational processes across all company units.

specialized leadership development programs to prepare future leaders for emerging challenges and strategic success. Internal communication has been improved through digital channels, which contribute to enhancing transparency and fostering effective interaction between employees. Additionally, programs have been launched to promote a balance between professional and personal life for employees, offering a flexible work environment that meets their specific needs.

Yanbu Cement Company has implemented qualitative improvements in its Enterprise resource planning (ERP) system to increase operational efficiency. The company has also leveraged global consultancy expertise to enhance recruitment practices and performance management. Continuing its efforts to promote localization, the percentage of national workforce reached 54%, reflecting the company's commitment to supporting national competencies and achieving the goals of Saudi Arabia's Vision 2030. On another front, the Enterprise resource planning sector focused on enhancing operational policies and procedures, leading to streamlined processes and improved efficiency. Additionally, New technologies were also introduced, helping to accelerate procedures and improve interaction between employees and management.

As part of encouraging creativity and community involvement, the company organized internal events and competitions aimed at stimulating innovation among employees. The company also placed great emphasis on employee participation in community initiatives, which enhances the spirit of collaboration and integration within the company and leads to further successes.



05

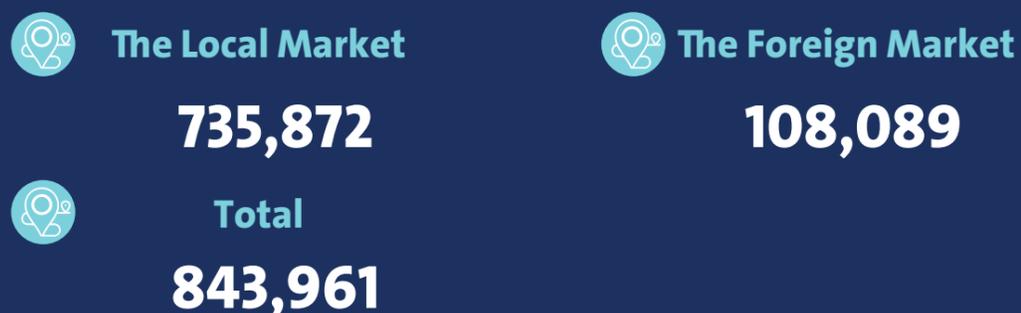
**A Description of the Main
Types of Activities of the
Company and its
Subsidiaries**

A Description of the Main Types of Activities of the Company and its Subsidiaries

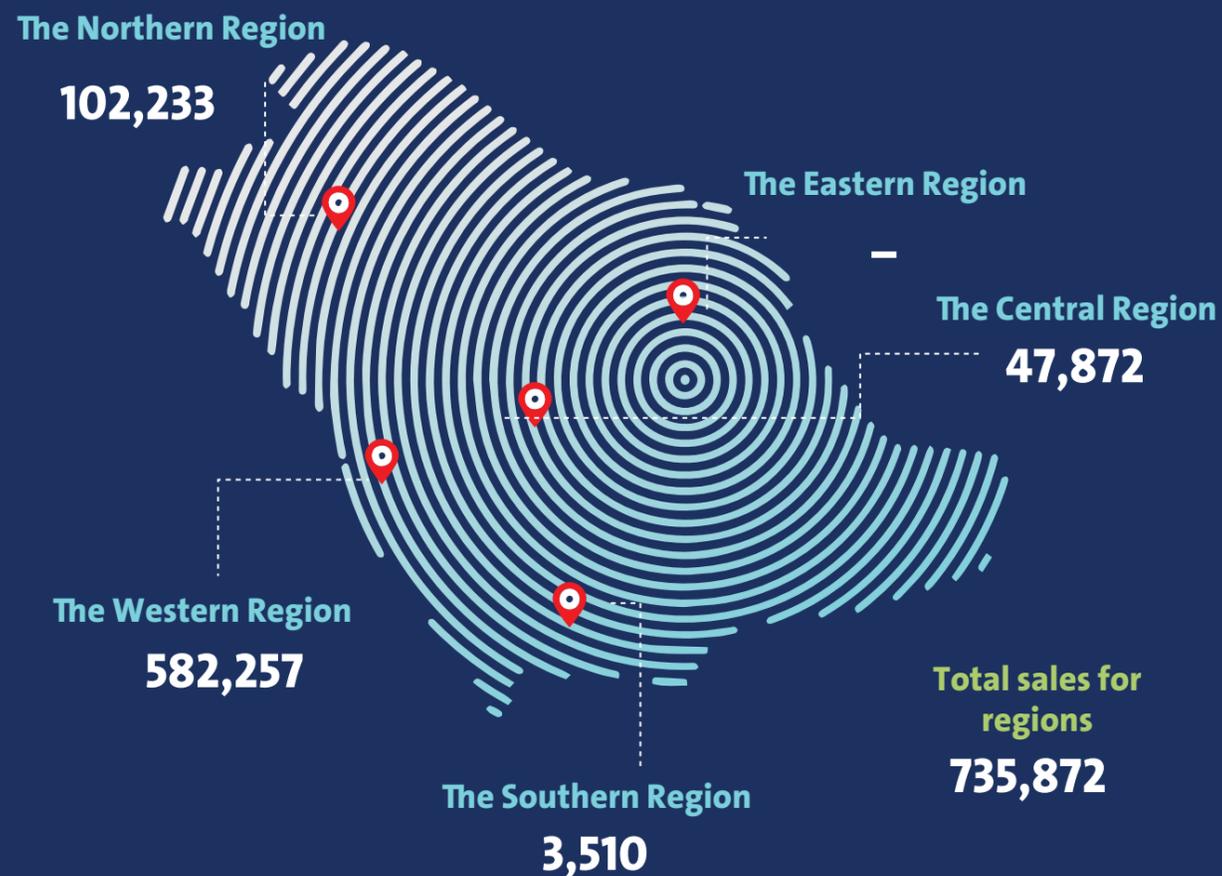
1. Yanbu Cement Company

The manufacture and producing cement, its derivatives and components, as well as trading in cement, and carrying out all activities directly or indirectly related to this purpose.

Geographic analysis of the company's total revenues for 2024 (Thousands of Saudi Riyals).



Geographic Analysis of Local Sales Revenues (Thousands of Saudi Riyals).



Geographic Analysis of Export Sales Revenue (Clinker and Cement) (Thousands of Saudi Riyals).



A Description of the Main Types of Activities of the Company and its Subsidiaries

2. Yanbu Saudi Kuwaiti Paper Products Co. Ltd.



It is a fully owned subsidiary of Yanbu Cement Company. Founded in 2005 with an initial capital of 12.5 million Saudi Riyals, which was later increased to 50 million Saudi Riyals, reflecting the expansion of its activities and investments. The company specializes in providing sustainable packaging solutions using eco-friendly, multi-layered Kraft paper bags. With an annual production capacity of approximately 160 million bags, the company efficiently meets the diverse needs of multiple market sectors. The company packaging solutions cater to a broad range of industries, including bulk materials such as cement, lime, gypsum, and other construction materials. This reinforces its position as a strategic partner for the construction sector in the region.

Vision

To be the leading paper bag manufacturer in the Middle East and establish a trusted brand to be the leading provider of innovative and sustainable packaging solutions

Mission

To be the trusted partner in delivering high-quality and cost-effective packaging solutions tailored to our clients' needs

| Company Name | Capital | The company's ownership percentage. | Main activity | Country of its principal operations | Country of incorporation |
|---|----------------|-------------------------------------|------------------------------|-------------------------------------|--------------------------|
| Yanbu Saudi Kuwaiti Paper Products Co. Ltd. | 50,000,000 SAR | 100 % | Paper products manufacturing | Saudi Arabia | Saudi Arabia |

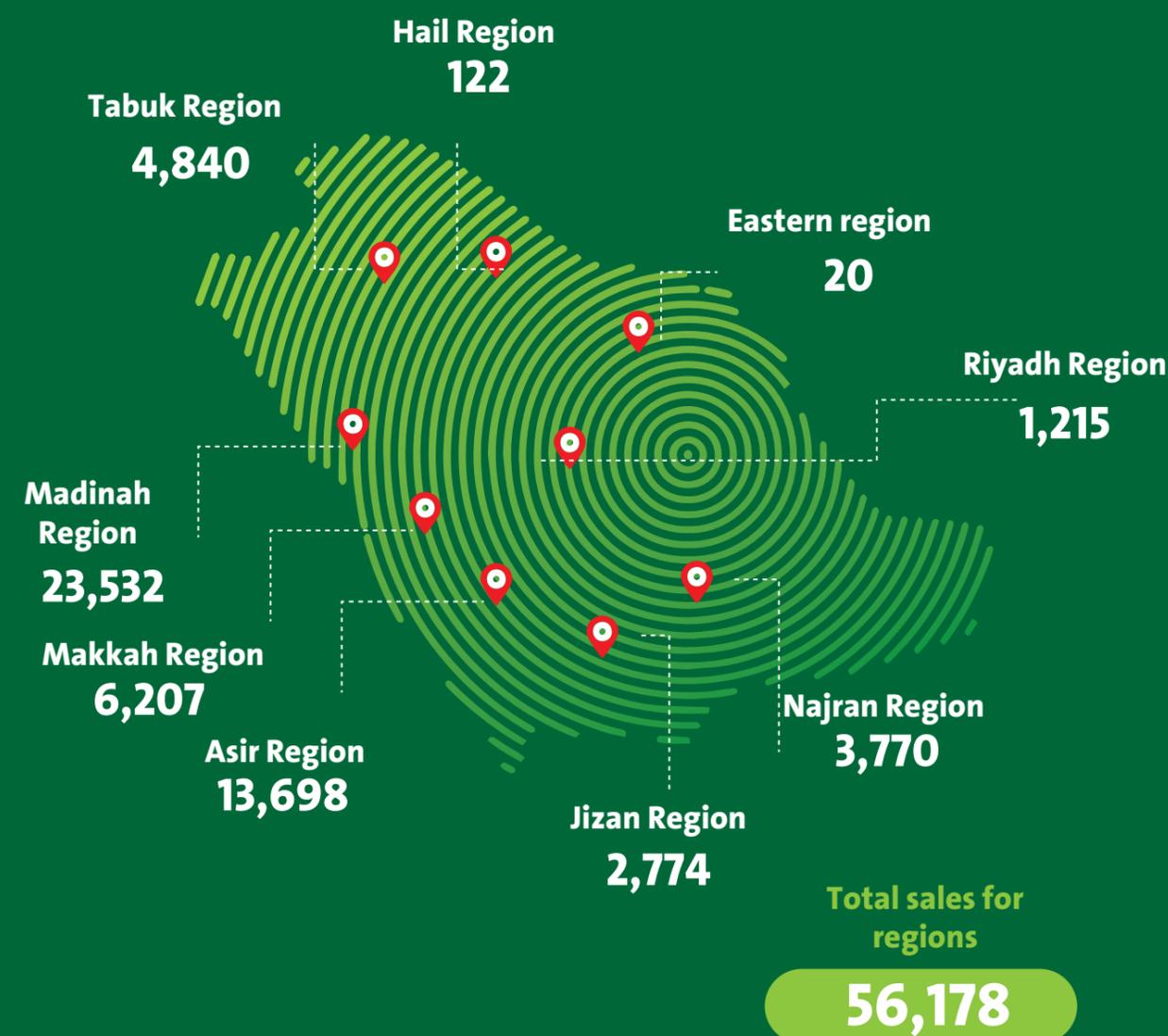
Geographical Analysis of Total Revenues of Yanbu Saudi Kuwaiti Paper Products Co. for the Year 2024 (Thousands of Saudi Riyals)

The Local Market
56,178

The Foreign Market
—

Total
56,178

Geographical analysis of total revenues of Yanbu Saudi Kuwaiti Paper Products Co. in the local market (Thousands of Saudi Riyals)



Geographical analysis of total revenues of Yanbu Saudi Kuwaiti Paper Products Co. in the foreign market (Thousands of Saudi Riyals)

| Country | Total |
|----------------------------|----------|
| NA | — |
| Total foreign sales | — |

A Description of the Main Types of Activities of the Company and its Subsidiaries

3. Cement Knowledge Center for Training



In a pioneering initiative across the Middle East and North Africa, Yanbu Cement Company, in collaboration with the Danish engineering firm FLSmidth, has launched the "Cement Knowledge Center for Training." This Center stands as a distinguished model in developing local competencies and enhancing national expertise in the cement industry. In alignment with the objectives of Saudi Vision 2030, which aims to empower Saudi capabilities in various industrial sectors.

The center has an annual capacity of up to 100 trainees annually, and offers a diverse of training programs including short, medium, and long-term training programs. These programs are meticulously designed to equip trainees with both practical and theoretical, knowledge, strengthening their competencies in the cement industry, thereby contributing to the achievement of sustainability and innovation in the industrial sector.

| Company Name | Capital | Company's equity share | Main activity | Country of its principal operations | Country of incorporation |
|--|-------------|------------------------|--|-------------------------------------|--------------------------|
| Cement Knowledge Center for Training Co. | 500,000 SAR | 49 % | providing technical and administrative courses | Saudi Arabia | Saudi Arabia |

Geographical Analysis of Total Revenues of Cement Knowledge Center for Training Co. for the Year 2024 (Thousands of Saudi Riyals)

 **The Local Market**
1,384

 **The Foreign Market**
-

 **Total**
1,384

Engineers Professional Development Program (EPDP):

The Cement knowledge Center offers a range of specialized training programs and courses in the cement industry, most notably the Engineers Professional Development Program (EPDP). The program aims to qualify newly graduated Saudi engineers for the labor market within six months. The program culminates in the development of a practical project that addresses a persistent challenge in the cement industry by proposing innovative solutions. The program contributes to graduating professional engineers who significantly contribute to the growth of the cement industry sector and the localization of essential expertise.

2024 Class Graduation Ceremony

The year 2024 witnessed the graduation of a new class from the Engineers Professional Development Program, with 20 Saudi engineers representing several cement companies in Saudi Arabia. This achievement reflects the Knowledge Center's commitment to developing national competencies and enhancing local capabilities to support the cement industry in the Kingdom. The Company held a graduation ceremony for the 2024 class, attended by officials from the Ministry of Industry and Mineral Resources, as well as representatives from the Ministry of Human Resources and Social Development. During the event, 20 professional engineers specializing in the cement industry were officially accredited—a significant milestone in strengthening local expertise in this vital sector.





06

**Governance,
Compliance, and
Related Disclosures**

Governance and Compliance

Yanbu Cement Company recognizes that governance and compliance form the solid foundation for achieving success and sustainability in a competitive business environment. Based on this principle, the Company has adopted a comprehensive approach based on the highest standards to ensure the transparent and integrity-driven management of its operations, while being committed to protecting the rights of investors and all stakeholders and promoting their interests. The Company places great importance on providing accurate information in a timely manner, believing that trust and transparency are the keys to sustainable relations.

The Company's strategy relies on the principles of good governance, which include disclosure, transparency, responsibility, and accountability. These principles are the pillars of decision-making and gaining the trust of stakeholders. They contribute to improving institutional performance and enhancing the ability to make strategic decisions that serve long-term goals, while adhering to the laws and regulations governing the Company's activity.

Yanbu Cement Company views governance and compliance not merely as regulatory requirements, but as an integral part of its corporate culture and its approach to achieving sustainable growth and enhancing its competitive position in the local market, as well as building a strong reputation in the industrial sector. It is keen to instill the values of integrity and responsibility in its corporate culture, with all its employees committed to professional behaviors that reflect these values.

Yanbu Cement Company Wins Excellence Award Among the Best Companies Improving in Governance Indicators Over the Past Three Years

In this context, Yanbu Cement Company is proud to be honored among the "Top Ten Companies Improving in Governance Indicators Over the Past Three Years" during the Third International Corporate Governance Conference held in 2024, under the supervision of the Corporate Governance Center at Al Faisal University. This recognition reflects the Company's firm commitment to implementing best governance practices and promoting a culture of compliance and ethical conduct, making it a model to be emulated in responsible and transparent business management according to the highest international standards.

This achievement is a testament to the success of Yanbu Cement Company in establishing governance principles in all aspects of its business. The Company affirms its continued pursuit of institutional excellence, focusing on promoting sustainable growth and adopting best global practices to ensure transparency and accountability, thereby consolidating its position as a model to be followed in the industrial sector.



Implemented and Non-Implemented Provisions of Corporate Governance Regulations, and justification thereof.

The Company acknowledges the implementation of all provisions contained in the Corporate Governance Regulations, except for the following:

| Article and Paragraph Number According to the Corporate Governance Regulations Issued on 18/01/2023 | Partially Implemented | Not Implemented | Reasons of Non-Implementation |
|--|-----------------------|-----------------|-------------------------------|
| <p>Article Thirty-Nine: (The Assessment)</p> <p>A. The Board shall develop, based on the proposal of the nomination committee, the necessary mechanisms to annually assess the performance of the Board, its members and committees and the Executive Management using key performance indicators linked to the extent to which the strategic objectives of the Company have been achieved, the quality of the risk management and the efficiency of the internal control systems, among others, provided that weaknesses and strengths shall be identified and a solution shall be proposed for the same in the best interests of the Company.</p> <p>B. The procedures of performance assessment shall be in writing and clearly stated and disclosed to the Board members and parties concerned with the assessment.</p> <p>C. The performance assessment shall entail an assessment of the skills and experiences of the Board, identification of the weaknesses and strengths of the Board and shall attempt to resolve such weaknesses using the available methods, such as nominating competent professional staff able to improve the performance of the Board. The performance assessment shall also entail the assessment of the mechanisms of the Board's activities in general.</p> <p>D. The individual assessment of the Board members shall take into account the extent of effective participation of the member and his/her commitment to performing his/her duties and responsibilities, including attending the Board and its committees' meetings and dedicating adequate time thereof.</p> <p>E. The Board shall carry out the necessary arrangements to obtain an assessment of its performance from a competent third party every three years.</p> <p>F. Non-Executive Directors shall carry out a periodic assessment of the performance of the chairman of the Board after getting the opinions of the Executive Directors, without the presence of the chairman of the Board in the discussion on this matter, provided that weaknesses and strengths shall be identified and a solution shall be proposed for the same in the best interests of the Company.</p> | - | ✓ | Guiding article |
| <p>Article Sixty-Seven: Composition of the Risk Management Committee</p> <p>The Company's Board shall, by resolution therefrom, form a committee to be named the "risk management committee." Chairman and majority of its members shall be Non-Executive Directors. The members of that committee shall possess an adequate level of knowledge in risk management and finance.</p> | - | ✓ | Guiding article |

Implemented and Non-Implemented Provisions of Corporate Governance Regulations, and justification thereof.

The Company acknowledges the implementation of all provisions contained in the Corporate Governance Regulations, except for the following:

| Article and Paragraph Number According to the Corporate Governance Regulations Issued on 18/01/2023 | Partially Implemented | Not Implemented | Reasons of Non-Implementation |
|---|-----------------------|-----------------|---|
| <p>Article Sixty-Eight: (Competencies of the Risk Management Committee) The competencies of the risk management committee shall include the following: 1 . developing a strategy and comprehensive policies for risk management that are consistent with the nature and volume of the Company's activities, monitoring their implementation, and reviewing and updating them based on the Company's internal and external changing factors; 2 . determining and maintaining an acceptable level of risk that may be faced by the Company and ensuring that the Company does not go beyond such level; 3 . Ensuring the feasibility of the Company continuation, the successful continuity of its activities and determining the risks that threaten its existence during the following twelve (12) months; 4 . Overseeing the Company's risk management system and assessing the effectiveness of the systems and mechanisms for determining and monitoring the risks that threaten the Company in order to determine areas of inadequacy therein; 5 . Regularly reassessing the Company's ability to take risks and be exposed to such risks (through stress tests as an example); 6 . Preparing detailed reports on the exposure to risks and the recommended measures to manage such risks, and presenting them to the Board; 7 . providing recommendations to the Board on matters related to risk management; 8 . ensuring the availability of adequate resources and systems for risk management; 9 . reviewing the organizational structure for risk management and providing recommendations regarding the same before approval by the Board; 10 . Verifying the independence of the risk management employees from activities that may expose the Company to risk; 11 . Ensuring that the risk management employees understand the risks threatening the Company and seeking to raise awareness of the culture of risk; and 12 . Reviewing any issues raised by the audit committee that may affect the Company's risk management.</p> | ✓ | - | The tasks of the Risk Management Committee have been combined with the tasks of the Audit Committee |
| <p>Article Sixty-Nine: Meetings of the Risk Management Committee The Risk Management Committee shall convene periodically at least once every six months, and as may be necessary.</p> | - | ✓ | Guiding article |

| Article and Paragraph Number According to the Corporate Governance Regulations Issued on 18/01/2023 | Partially Implemented | Not Implemented | Reasons of Non-Implementation |
|--|-----------------------|-----------------|--|
| <p>Article Eighty: Regulating the Relationship with Stakeholders The Board shall establish clear and written policies and procedures regulating the relationship with Stakeholders with the aim of protecting them and safeguard their rights, which shall include the following, in particular: 1 . methods to compensate Stakeholders when their rights established by laws or protected by contracts are infringed; 2 . methods for resolving complaints or disputes that may arise between the Company and the Stakeholders; 3 . methods for building good relationships with customers and suppliers and maintaining the confidentiality of their information; 4 . rules of professional conduct for Company managers and employees that are prepared in compliance with the proper professional and ethical standards and regulate their relationship with Stakeholders, provided that the Board shall establish mechanisms for supervising the implementation of, and compliance with such rules; 5 . the Company's social contributions; 6 . ensuring that the Company's transactions with Board members and Related Parties are entered into on terms identical to the terms of transactions with Stakeholders without any discrimination or bias; 7 . Stakeholders obtaining of information relevant to their activities to enable them to perform their duties. Such information shall be correct and sufficient and shall be provided in timely manner and on a regular basis; and 8 . treating Company employees pursuant to the principles of justice and equality and without discrimination.</p> | ✓ | - | Some policies have been prepared and approved by the Board |
| <p>Article Eighty-One: Reporting Non-Compliant Practices The Board shall, based upon a proposal from the audit committee, develop the necessary policies and procedures to be followed by Stakeholders when submitting complaints or reporting any violations, taking the following into consideration: 1 . facilitating the method by which Stakeholders (including Company employees) report to the Board conducts and practices of the Executive Management's that violate applicable laws, regulations and rules or raising doubts as to the financial statements or the internal audit controls or others, whether such conducts or practices are against them or not, and conducting the necessary investigation in that regard; 2 . maintaining the confidentiality of reporting procedures through facilitating direct contact with an independent member of the audit committee or other specialized committees; 3 . appointing an employee to receive and address complaints or reports sent by Stakeholders; 4 . dedicating a telephone number or an email address for receiving complaints; and 5 . providing the necessary protection to the Stakeholders.</p> | ✓ | - | The policy and mechanism of safe whistleblowing of Fraudulence, Embezzlement, or Corruption have been developed and approved by the Board of Directors |

Implemented and Non-Implemented Provisions of Corporate Governance Regulations, and justification thereof.

The Company acknowledges the implementation of all provisions contained in the Corporate Governance Regulations, except for the following:

| Article and Paragraph Number According to the Corporate Governance Regulations Issued on 18/01/2023 | Partially Implemented | Not Implemented | Reasons of Non-Implementation |
|---|-----------------------|-----------------|--|
| <p>Article Eighty-Two: Employee Incentives The Company shall establish programs for developing and encouraging the participation and performance of the Company's employees. The programs shall particularly include the following:</p> <ol style="list-style-type: none"> forming committees or holding specialized workshops to hear the opinions of the Company's employees and discuss the issues and topics that are subject to important decisions; establishing a scheme for granting Company shares or a percentage of the Company profits and pension programs for employees, and setting up an independent fund for such program; and establishing social organizations for the benefit of the Company's employees. | - | ✓ | Guiding article |
| <p>Article Eighty-Three: Professional Conduct Policy The Board shall establish a policy for professional conduct and ethical values at the Company, which shall particularly take the following into consideration:</p> <ol style="list-style-type: none"> ensuring that each member of the Board or the Executive Management and employees perform his/her duties of loyalty and care to the Company, and undertake the measures that may protect the Company's interests and contribute to its development and increase its value, and shall not, at all times, priorities his/her own interests over the interests of the Company; a Board member shall represent all shareholders of the Company and take all actions to achieve the best interests of the Company and its shareholders, while protecting the rights of the other Stakeholders rather than only the interests of the group that elected him; entrench among the Board members and Senior Executives the principle of compliance with all relevant laws, regulations and instructions; preventing the Board members or the Executive Management from abusing their positions with the aim of achieving benefits for himself/herself or a third party; ensuring that the Company's assets and resources are only used to achieve the Company's purposes and objectives, and not to achieve personal interests; and establishing accurate, well-formed, and clear rules regulating the authority to access the Company's internal information and timing to access it, in a way that prevents the Board members, the Executive Management and others from making personal use or disclosing the same to any person, except within the prescribed limits or as permitted by law | ✓ | - | The Code of Conduct and Professional Ethics Policy has been developed and approved by the Board of Directors |

| Article and Paragraph Number According to the Corporate Governance Regulations Issued on 18/01/2023 | Partially Implemented | Not Implemented | Reasons of Non-Implementation |
|---|-----------------------|-----------------|---|
| <p>Article Eighty-Four: Social Responsibility The Ordinary General Assembly, based on the Board recommendation, shall establish a policy that guarantees a balance between its objectives and those of the community for purposes of developing the social and economic conditions of the community.</p> | ✓ | - | The Social Responsibility Policy has been developed and approved by The Board of Directors) |
| <p>Article Eighty-Five: Social Initiatives The Board shall establish programs and determine the necessary methods for proposing social initiatives by the Company, which include:</p> <ol style="list-style-type: none"> establishing indicators that link the Company's performance with its social initiatives and comparing it with other companies that engage in similar activities; disclosing the objectives of the Company's social responsibility to its employees and raising their awareness and knowledge of social responsibility; disclosing plans for achieving social responsibility in the periodical reports on the activities of the Company's; and establishing awareness programs to the community to familiarize them with the Company's social responsibility. | - | ✓ | Guiding article |
| <p>Article Ninety-Two: Formation of a Corporate Governance Committee If the Board forms a corporate governance committee, it shall assign to it the competencies stipulated in Article (91) of these Regulations. Such committee shall oversee any matters relating to the implementation of governance and shall provide the Board with its reports and recommendations at least annually.</p> | ✓ | - | The tasks of the Corporate Governance Committee have been combined with the tasks of the Nominations and Remuneration Committee |

Board of Directors, their Classifications, Committee Members, their Current and Previous Positions, Qualifications, and Experiences

The Board of Directors includes a selection of leaders with rich, comprehensive, and diverse experiences, allowing for the formation of an integrated mixture of skills and experiences that support the Company's progress. The Board plays a pivotal role in guiding the Company's strategy, collaborating with the executive management to achieve the Company's goals and enhance its position in the market.



Mr. Fahd bin Sulaiman Al Rajhi - Non-Executive Member

Current Position

Chairman of the Board of Directors of Yanbu Cement Company

Previous Position

Vice Chairman of the Board of Directors of Yanbu Cement Company

Qualifications

- Bachelor of Science in Industrial Management - King Fahd University of Petroleum and Minerals, 1983.

Experience

- Board Chairman of Yanbu Cement Company.
- Board Vice Chairman of Sahara International Petrochemical Company (Sipchem) and Chairman of the Executive Company.
- Board Chairman of Al Rajhi Ekhwan Group Company.
- Board Chairman of the Saudi German Company for Nonwoven Products.
- Board Chairman of Advanced Flexible Packaging Company.
- Board Vice Chairman of Musharaka Capital Company.
- Member of the Board of Directors of the International Methanol Company.
- Board Member of King Abdullah Humanitarian Foundation and Member of Executive Committee.



Mr. Mohammed bin Abdullah Al Khereiji - Non-Executive Member

Current Position

Vice Chairman of the Board of Directors of Yanbu Cement Company

Previous Position

Chairman of the Board of Directors of Al Khereiji Holding Group

Qualifications

- Law Degree, Cairo University, 1973.
- Diploma in Marketing, Global Marketing Institute
- Marketing Management Certificate, the Global Marketing Institute, Cambridge (USA), 1976.
- Diploma in Change Management, Harvard University, 2000.

Experience

- Membership in several joint stock companies and executive committees.



Mr. Ibrahim bin Hamad Al-Rashid - Independent Member

Current Position

Businessman

Previous Position

CEO of Social Development Bank

Qualifications

- Bachelor of Computer Science, King Saud University
- Master of Computer Science, Florida Institute of Technology, USA, 2002.

Experience

- Chairman Of Rawafed Company
- Vice Chairman of Takamul Holding Company
- Business Relations and Development Manager at Al Rajhi Bank, CIO.
- General Director of the "Yusr" e-Government Transactions Center.
- Consultant at Al-Rashid Accountants and Auditors.
- Chief Information Officer at the Technical and Vocational Training Corporation.



Mr. Ali bin Abdullah Al-Aayed - Executive Member

Current Position

CEO of Yanbu Cement Company

Previous Position

CEO of the Saudi Technology Development and Investment Company

Board and Executive Committee Member

Qualifications

- Bachelor of Science in Industrial Management - King Fahd University of Petroleum and Minerals, 1979.
- Financial Analysis Program, Chase Manhattan Bank, New York, USA, 1981.

Experience

- Former Board member of the Al Watania for Industry company, and member of the Executive Committee.
- Former General Manager of the Saudi Industrial Development Fund.
- Former Board Chairman of the Saudi Egyptian Industrial Investments Company (Egyptian company).
- Former Board Member of October Pharma (Egyptian company).
- Former Board Member, Audit Committee, and Executive Committee Member of the Power and Water Utility Company for Jubail and Yanbu (Marafiq).
- Former Board Vice Chairman and Chairman of the Audit Committee of the Arab Industrial Fibers Company (Ibn Rushd).
- Former Board member and Chairman of the Audit Committee, Social Development Bank.
- Former member of the Economic Balance Committee (Council of Economic and Development Affairs).
- Former member and Chairman of the Audit Committee, National Industrial Clusters Program.
- Former member of the Supreme Preparatory Committee for Local Manufacturing.
- Former Board member of the Saudi German Development and Investment Company Limited (SAGCO).
- Former Board member of the Saudi Ceramics Company.
- Former CEO of the Saudi Technology Development and Investment Company.
- Former Board member of Alexandria Carbon Black Company (Egyptian company).

Board of Directors, their Classifications, Committee Members, their Current and Previous Positions, Qualifications, and Experiences



Eng. Riyadh bin Abdulrahman Aba Al-Khail - Independent Member

Current Position

Senior Governance and Quality Management Consultant at Saudi Telecom Company

Previous Position

Executive Director of Licensing and Registration at the Ministry of Investment

Qualifications

- Electrical Engineering, King Saud University
- Higher Diploma, Cambridge University, UK

Experience

- General Manager of Licensing at the General Investment Authority.
- Project Management Consultant at the Saudi Industrial Development Fund.
- Supervisor of the financial audit project for foreign establishments licensed by the General Investment Authority.
- Director of the Riyadh Investor Services Center.
- Member of the Licensing Committee at the General Investment Authority.
- Representative of the General Investment Authority at the Customs Exemptions Committee.



Mr. Turki bin Mused Al-Mubarak - Independent Member

Current Position

Businessman

Previous Position

Director and Managing Partner at Al-Asna Trading Company.

Qualifications

- Bachelor of Accounting, King Saud University 2003.

Experience

- Director and Managing Partner of Al-Asna Trading Company
- Part-time consultant at Al-Yemni Holding Group.
- Manager of the Investment Department at Samba Financial Group.
- Assistant Manager of the Investment Department at Samba Financial Group.



Mr. Abdulaziz bin Sulaiman Al Rajhi - Non-Executive Member

Current Position

Businessman

Previous Position

Businessman

Qualifications

- Bachelor of Financial Management, Prince Sultan University

Experience

- Board Chairman of Al Rajhi Investment Company and Watania Agricultural Company.
- CEO of Sulaiman Alrajhi Holding Company.
- General Secretary of the Sulaiman Al Rajhi Endowment.
- Board Member of several companies, including Al Rajhi International Company and Jabal Omar Company.
- Founder and Board member of Alrajhi United Holding Investment Company.
- Founder and Board member of Raj Real Estate Company, in addition to managing some private businesses.



Eng. Abdulaziz bin Abdullah Al-Habardi - Independent Member

Current Position

Retired

Previous Position

Chairman of the Arab Petrochemicals Company (Petrokemya)

Qualifications

- Bachelor of Mechanical Engineering, King Fahd University of Petroleum and Minerals, 1984.

Experience

- Member of the Board of Directors of Advanced Petrochemical Company
- Vice Chairman of the Board of Directors of Advanced Polyolefins Company
- Member of the Audit Committee of Advanced Polyolefins Company
- Former member of the Board of Directors of Saudi Kayan Petrochemical Company
- Former member of the Board of Directors of the Arabian Petrochemical Company
- Former member of the Board of Directors of the Eastern Petrochemical Company
- Former Chairman of the Board of Directors of Gas Company, a subsidiary of SABIC



Mr. Fahd bin Ibrahim Al-Jomaih - Independent Member

Current Position

Director of Middle East and North Africa Investments Department at the Public Investment Fund

Previous Position

Senior Vice President of Middle East and North Africa Investments Department at the Public Investment Fund

Qualifications

- Master of Business Administration, University of Portsmouth, UK, 2007.
- Master of International Investments and Banking, University of Reading, UK, 2006.
- Bachelor of Business Administration, Northeastern University, USA, 2004.

Experience

- Investments Manager at Abdul Latif Jameel Investments Company.
- Vice President of Banking Investments at the Saudi French Bank.
- Associate - Banking Investments at the Saudi French Bank.



Mr. Omar Jahidi - Independent Member

Current Position

Senior Director - Head of Mergers and Acquisitions - Investment Consulting At the Public Investment Fund

Previous Position

Director of Investment Banking Consulting at HSBC

Qualifications

- Master of Management and Corporate Finance - EM Lyon Business School, France, 2008.
- Bachelor of Business Administration, Al Akhawayn University, Ifrane, Morocco, 2006.

Experience

- Assistant Manager of Mergers and Acquisitions - HSBC.
- Assistant - Mergers and Acquisitions - HSBC.

Companies wherein the Board Member is a Member in its Current and Previous Board or One of its Managers

| Member's name | Names of Companies in which a Board Member is a Member of their Current Board or a Manager | Inside/Outside the Kingdom | Legal entity | Names of Companies in which a Board Member is a Member of their Previous Board or a Manager | Inside/Outside the Kingdom | Legal entity |
|---------------------------------------|--|----------------------------|------------------------|---|----------------------------|--------------------|
| Mr. Fahd bin Sulaiman Al Rajhi | Yanbu Cement Company | Inside KSA | Listed Joint Stock | Al Watania Poultry | Inside KSA | Closed Joint Stock |
| | Sahara International Petrochemical Co. | Inside KSA | Listed Joint Stock | Naqwa Company | Inside KSA | Closed Joint Stock |
| | Al Rajhi Ekhwan Group Company | Inside KSA | Closed Joint Stock | Al Watania for Industries | Inside KSA | Closed Joint Stock |
| | International Methanol Company | Inside KSA | Closed Joint Stock | Saudi Cement Company | Inside KSA | Listed Joint Stock |
| | Saudi German Non-Woven Products Company | Inside KSA | Closed Joint Stock | Saudi Industrial Investment Group | Inside KSA | Listed Joint Stock |
| | Musharaka Capital | Inside KSA | Closed Joint Stock | - | - | - |
| | Advanced Flexible Packaging Company | Inside KSA | Limited Liability | - | - | - |
| | King Abdullah Humanitarian Foundation | Inside KSA | Public Interest Entity | - | - | - |
| Mr. Mohammed bin Abdullah Al Khereiji | Al Khereiji Holding Group | Inside KSA | Limited Liability | Global Trade and Contracting Center | Inside KSA | Limited Liability |
| | Abdullah Al Khereiji Sons Real Estate Company | Inside KSA | Limited Liability | Makkah International Market | Inside KSA | Limited Liability |
| | Hill International Company | Inside KSA | Limited Liability | Global Environmental Services Management Company Ltd. | Inside KSA | Limited Liability |
| | Al Khereiji Company | Inside KSA | Closed Joint Stock | Jeddah Holding Company | Inside KSA | Limited Liability |
| | WorldCare International | Outside KSA | Limited Liability | Amen Company | Inside KSA | Limited Liability |
| | Ithmar Bank | Outside KSA | Closed Joint Stock | Faisal Investment Bank | Outside KSA | Limited Liability |
| | Yanbu Cement Company | Inside KSA | Listed Joint Stock | Tihama Company | Outside KSA | Joint stock |
| | Faisal Investment Bank of Egypt | Outside KSA | Joint stock | Edera Company | Inside KSA | Listed Joint Stock |
| | - | - | - | Dar Al-Maal Al-Islami | Outside KSA | Limited Liability |
| | - | - | - | Medical Equipment and Services | Inside KSA | Limited Liability |

| Member's name | Names of Companies in which a Board Member is a Member of their Current Board or a Manager | Inside/Outside the Kingdom | Legal entity | Names of Companies in which a Board Member is a Member of their Previous Board or a Manager | Inside/Outside the Kingdom | Legal entity |
|--|--|----------------------------|-------------------------|---|----------------------------|----------------------|
| Mr. Ali bin Abdullah Alayed | Yanbu Cement Company | Inside KSA | Listed Joint Stock | Saudi Ceramics Company | Inside KSA | Listed Joint Stock |
| | Yanbu Cement Knowledge Center for Training | Inside KSA | Mixed Limited Liability | Ibn Rushd Company | Inside KSA | Unlisted Joint Stock |
| | - | - | - | Saudi German Development and Investment Company | Inside KSA | Limited Liability |
| | - | - | - | Saudi Egyptian Industrial Investments Company | Outside KSA | Joint stock |
| | - | - | - | Marafiq Company | Inside KSA | Listed Joint Stock |
| | - | - | - | October Pharma Company | Outside KSA | Joint stock |
| | - | - | - | Alexandria Carbon Black Company | Outside KSA | Joint stock |
| | - | - | - | Social Development Bank | Inside KSA | Government Entity |
| | - | - | - | Al Watania for Industries | Inside KSA | Closed Joint Stock |
| Mr. Ibrahim Hamad Al-Rashid | Yanbu Cement Company | Inside KSA | Listed Joint Stock | - | - | - |
| | Future Work Company | Inside KSA | Closed Joint Stock | - | - | - |
| | Saudi Fund for Small and Emerging Companies | Inside KSA | Closed Joint Stock | - | - | - |
| | National Gas and Industrialization Company | Inside KSA | Listed Joint Stock | - | - | - |
| Eng. Riyadh bin Abdulrahman Aba Al-Khail | Yanbu Cement Company | Inside KSA | Listed Joint Stock | - | - | - |
| Mr. Turki bin Musaed Al-Mubarak | Yanbu Cement Company | Inside KSA | Listed Joint Stock | Technical Company for Technology Localization | Inside KSA | Unlisted Joint Stock |
| | Saudi Public Transport Company (SAPTCO) | Inside KSA | Listed Joint Stock | - | - | - |
| Mr. Abdulaziz bin Sulaiman Al Rajhi | Alrajhi Union Holding | Inside KSA | Closed Joint Stock | Sulaiman Alrajhi Holding | Inside KSA | Limited Liability |
| | Raj Real Estate | Inside KSA | Limited Liability | Alrajhi International | Inside KSA | Limited Liability |
| | Alpha Investments | Inside KSA | Limited Liability | Sulaiman Alrajhi Real Estate Investments | Inside KSA | Limited Liability |
| | Yanbu Cement Company | Inside KSA | Listed Joint Stock | - | - | - |
| | Al-Watania Agricultural | Inside KSA | - | - | - | - |

Companies wherein the Board Member is a Member in its Current and Previous Board or One of its Managers

| Member's name | Names of Companies in which a Board Member is a Member of their Current Board or a Manager | Inside/Outside the Kingdom | Legal entity | Names of Companies in which a Board Member is a Member of their Previous Board or a Manager | Inside/Outside the Kingdom | Legal entity |
|--------------------------------|--|----------------------------|--------------------|---|----------------------------|--------------------|
| Eng. Abdulaziz bin Abdullah | Yanbu Cement Company | Inside KSA | Listed Joint Stock | Saudi Kayan Petrochemical Company (Kayan) | Inside KSA | Listed Joint Stock |
| Al-Habardi | Advanced Petrochemical Company | Inside KSA | Listed Joint Stock | National Industrial Gases Company (GAS) | Inside KSA | Limited Liability |
| | Advanced Polyolefins Company | Inside KSA | Closed Joint Stock | The Arab Petrochemicals Company (Petrokemya) | Inside KSA | Limited Liability |
| | - | - | - | Eastern Petrochemical Company (SHARQ) | Inside KSA | Limited Liability |
| | - | - | - | Saudi Petrochemical Company (SADAF) | Inside KSA | Limited Liability |
| Mr. Fahd bin Ibrahim Al-Jomaih | Yanbu Cement Company | Inside KSA | Listed Joint Stock | - | - | - |
| | D360 Bank | Inside KSA | Closed Joint Stock | - | - | - |
| | Saudi Tadawul Group | Inside KSA | Listed Joint Stock | - | - | - |
| | Industrial Company for Electronics | Inside KSA | Closed Joint Stock | - | - | - |
| | The Saudi Technology Development and Investment Company | Inside KSA | Closed Joint Stock | - | - | - |
| | Al Jomaih Equipment Company | Inside KSA | Limited Liability | - | - | - |
| | Pergola Holding Company | Inside KSA | Limited Liability | - | - | - |
| | International Refreshments Company | Inside KSA | Limited Liability | - | - | - |
| Mr. Omar Jahidi | Yanbu Cement Company | Inside KSA | Listed Joint Stock | - | - | - |

Board Meetings

Board Meeting Attendance Record

| Name | Position | Classification | First 24/03/2024 14/09/1445 | Second 16/05/2024 08/10/1445 | Third 16/05/2024 08/10/1445 | Fourth 13/06/2024 07/12/1445 | Fifth 25/06/2024 19/12/1445 | Sixth 30/09/2024 27/03/1446 | Seventh 07/12/2024 06/06/1446 | Total Attendance |
|--|----------------------------|----------------|-----------------------------|------------------------------|-----------------------------|------------------------------|-----------------------------|-----------------------------|-------------------------------|------------------|
| Mr. Fahd bin Sulaiman Al Rajhi | Chairman of the Board | Non-Executive | Attended | Attended | Attended | Attended | Attended | Attended | Attended | 7 |
| Mr. Mohammed bin Abdullah Al Khereji | Vice Chairman of the Board | Non-Executive | Attended | Attended | Attended | Attended | Attended | Attended | Attended | 7 |
| Mr. Ali bin Abdullah Alayed | Member - CEO | Executive | Attended | Attended | Attended | Attended | Attended | Attended | Attended | 7 |
| Mr. Ibrahim bin Hamad Al-Rashid | Member | Independent | Attended | Attended | Attended | Attended | Absent | Attended | Attended | 6 |
| Eng. Riyadh bin Abdulrahman Aba Al-Khail | Member | Independent | Attended | Attended | Attended | Attended | Attended | Attended | Attended | 7 |
| Mr. Turki bin MUSAED Al-Mubarak | Member | Independent | Attended | Attended | Attended | Attended | Attended | Attended | Attended | 7 |
| Mr. Abdulaziz bin Sulaiman Al Rajhi | Member | Non-Executive | Attended | Attended | Attended | Attended | Attended | Attended | Absent | 6 |
| Eng. Abdulaziz bin Abdullah Al-Habardi | Member | Independent | Attended | Attended | Attended | Attended | Attended | Attended | Attended | 7 |
| Mr. Fahd bin Ibrahim Al- Jomaih | Member | Independent | Attended | Attended | Attended | Attended | Attended | Attended | Attended | 7 |
| Mr. Omar Jahidi | Member | Independent | Attended | Attended | Attended | Attended | Attended | Attended | Attended | 7 |



Board of Directors Committees

First: Executive Committee:

The Executive Committee consists of four members of the Board. The committee held (9) meetings during the year 2024. The committee supports the Board of Directors by submitting recommendations on strategic plans and estimated annual budgets, in addition to following up, ensuring their implementation, and measuring their effectiveness in achieving the desired goals, reviewing and updating them from time to time.

Executive Committee Meeting Attendance Record

| Name | Position | Classification | First 07/03/2024 26/08/1445 | Second 17/03/2024 07/09/1445 | Third 16/05/2024 08/10/1445 | Fourth 11/06/2024 05/12/1445 | Fifth 22/09/2024 19/03/1446 | Sixth 17/11/2024 15/05/1446 | Seventh 24/11/2024 22/05/1446 | Eighth 06/12/2024 05/06/1446 | Ninth 29/12/2024 28/06/1446 | Total Attendance |
|---|--------------------|----------------|-----------------------------------|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|-----------------------------------|-------------------------------------|------------------------------------|-----------------------------------|---------------------|
| Eng. Riyad bin Abdulrahman Aba Al-Khail | Committee Chairman | Independent | Attended | Attended | Attended | Attended | Attended | Attended | Attended | Attended | Attended | 9 |
| Mr. Ali bin Abdullah Alayed | Member | Executive | Attended | Attended | Attended | Attended | Attended | Attended | Attended | Attended | Attended | 9 |
| Eng. Abdulaziz bin Abdullah Al-Habardi | Member | Independent | Attended | Attended | Attended | Attended | Attended | Attended | Attended | Attended | Attended | 9 |
| Mr. Omar Jahidi | Member | Independent | Attended | Attended | Attended | Attended | Attended | Attended | Attended | Attended | Attended | 9 |

Second: Audit Committee:

The Audit Committee consists of three (3) non-executive members. The committee held (8) meetings during the year 2024. The Audit Committee supports the Board of Directors by reviewing the effectiveness of risk management and internal auditing, reviewing financial statements, verifying the effectiveness of anti-fraud procedures, in addition to establishing mechanisms that allow company employees to submit their comments on any violations in financial or other reports confidentially.

Audit Committee Meeting Attendance Record

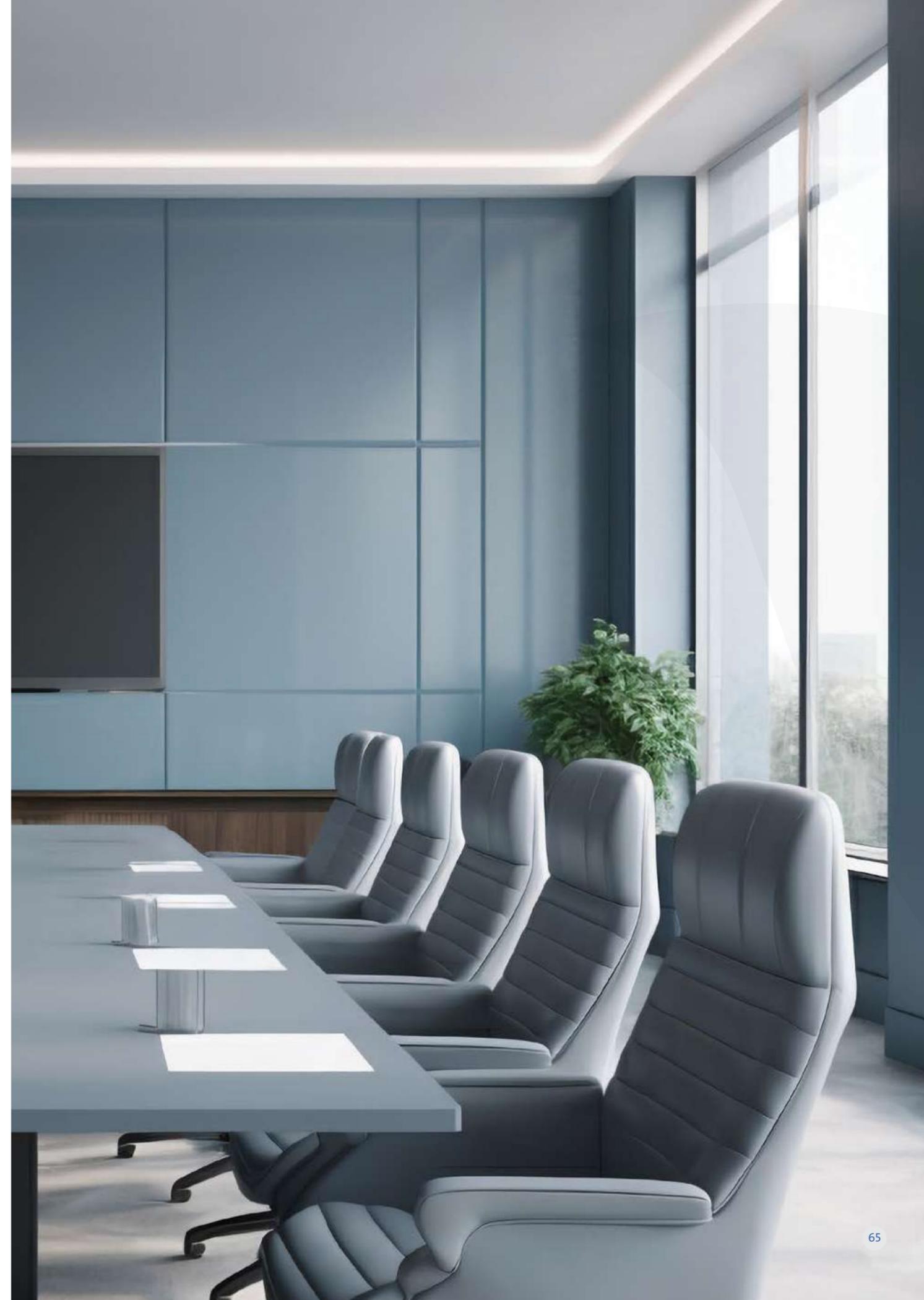
| Name | Position | Classification | First 13/03/2024 03/09/1445 | Second 18/03/2024 08/09/1445 | Third 12/05/2024 04/10/1445 | Fourth 25/06/2024 19/12/1445 | Fifth 24/07/2024 18/01/1446 | Sixth 01/10/2024 28/03/1446 | Seventh 23/10/2024 20/04/1446 | Eighth 31/12/2024 30/06/1446 | Total Attendance |
|------------------------------------|--------------------|-----------------|-----------------------------------|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|-----------------------------------|-------------------------------------|------------------------------------|---------------------|
| Mr. Ibrahim bin Hamad Al-Rashid | Committee Chairman | Independent | Attended | Attended | Attended | Attended | Attended | Attended | Attended | Attended | 8 |
| Mr. Fahd bin Ibrahim Al-Jomaih | Member | Independent | Attended | Attended | Attended | Attended | Attended | Attended | Attended | Attended | 8 |
| Mr. Abdulaziz bin Abdullah Al-Naim | Member | External Member | Attended | Attended | Attended | Attended | Attended | Attended | Attended | Attended | 8 |

Third: Nominations and Remuneration Committee:

The Nominations and Remuneration Committee consists of three (3) members of the Board. The Nominations and Remuneration Committee held (4) meetings during 2024. The committee supports the Board of Directors regarding nominations by proposing clear policies and standards for membership in the Board of Directors and Executive Management, verifying the independence of independent members, and ensuring the absence of any conflict of interest. In addition to identifying weaknesses and strengths in the Board of Directors and proposes solutions to address them. In terms of remuneration, it prepares a clear policy for the remuneration of members of the Board of Directors, committees emanating from the Board, and Executive Management to enhance and motivate the administrative system and retain distinguished personnel.

Nominations and Remuneration Committee Meeting Attendance Record

| Name | Position | Classification | First 21/03/2024 11/09/1445 | Second 03/06/2024 26/11/1445 | Third 10/09/2024 07/03/1446 | Fourth 19/11/2024 17/05/1446 | Total Attendance |
|--------------------------------------|--------------------|----------------|-----------------------------------|------------------------------------|-----------------------------------|------------------------------------|---------------------|
| Mr. Turki bin Mused Al-Mubarak | Committee Chairman | Independent | Attended | Attended | Attended | Attended | 4 |
| Mr. Mohammed bin Abdullah Al Khariji | Member | Non-Executive | Attended | Attended | Attended | Attended | 4 |
| Mr. Abdulaziz bin Sulaiman Al Rajhi | Member | Non-Executive | Attended | Attended | Attended | Excused | 3 |



Executive Management Members, Their Current and Previous Positions, Qualifications, and Experience:

Mr. Ali bin Abdullah Alayed

Current Position

CEO of Yanbu Cement Company
Board and Executive Committee Member

Previous Position

CEO of the Saudi Technology Development and Investment Company

Qualifications

- Bachelor of Science in Industrial Management - King Fahd University of Petroleum and Minerals, 1979.
- Financial Analysis Program, Chase Manhattan Bank, New York, USA, 1981.

Experience

- Former Board member of the Al Watania for Industry company, and member of the Executive Committee.
- Former General Manager of the Saudi Industrial Development Fund.
- Former Board Chairman of the Saudi Egyptian Industrial Investments Company (Egyptian company).
- Former Board Member of October Pharma (Egyptian company).
- Former Board Member, Audit Committee, and Executive Committee Member of the Power and Water Utility Company for Jubail and Yanbu (Marafiq).
- Former Board Vice Chairman and Chairman of the Audit Committee of the Arab Industrial Fibers Company (Ibn Rushd).
- Former Board member and Chairman of the Audit Committee, Social Development Bank.
- Former member of the Economic Balance Committee (Council of Economic and Development Affairs).
- Former member and Chairman of the Audit Committee, National Industrial Clusters Program.
- Former member of the Supreme Preparatory Committee for Local Manufacturing.
- Former Board member of the Saudi German Development and Investment Company Limited (SAGCO).
- Former Board member of the Saudi Ceramics Company.
- Former CEO of the Saudi Technology Development and Investment Company.
- Former Board member of Alexandria Carbon Black Company (Egyptian company).

Mr. Waleed bin Mohammed bin Mayouf

Current Position

Chief Financial Affairs Officer of Yanbu Cement Company

Previous Position

Vice President to CEO for Finance of Yanbu Cement Company

Qualifications

- Bachelor of Accounting, College of Administrative Sciences, King Saud University, 1990.
- Diploma in English Language and Accounting from the Institute of Economics, USA, 1994-1995.

Experience

- Director of Enterprise Risk Management and Board Secretary at the National Shipping Company of Saudi Arabia (BAHRI).
- Financial Manager - National Chemical Carriers Company (Bahri Chemicals).
- Documentary Credits Director at Saudi Basic Industries Corporation (SABIC).

Eng. Hatim bin Mohammed Imam

Current Position

Chief Human Capital Officer of Yanbu Cement Company

Previous Position

Vice President to CEO for Human Capital Management of Yanbu Cement Company

Qualifications

- Licensed Aircraft Technician Diploma (FFA), University of Washington, USA, 1999.
- Bachelor of Business Administration (BBA), University of Washington, USA, 2001.
- Bachelor of Computer Science (B.SC), University of Washington - USA, 2003.
- Master in Human Resources (M.SC), University of Washington, USA, 2004.

Experience

- CEO of Human Resources and Administrative Affairs at Delmon Products Saudi Limited Company (Saudi Arabia and GCC countries).
- Deputy CEO of Human Resources and Shared Services Sector at Tabuk Agricultural Development Company (TADCO).
- Executive Director of Human Resources and Administrative Affairs at Samaco Cars Co.
- General Manager of Human Resources and Administrative Affairs at Al-Miftah Car Rental Company.
- General Manager of Human Resources and Administrative Affairs at Almarai Company - Western Bakeries (Lusine).
- General Manager of Human Resources and Administrative Affairs at Attieh Steel Limited Company (Saudi Arabia and GCC countries).

Dr. Adeib bin Ahmed Al-Jafari Al-Tayyar

Current Position

Chief of Marketing and Sales Officer of Yanbu Cement Company

Qualifications

- Higher Diploma in Programming, British Energy Institute - United Kingdom, 1986.
- Master of Business Administration, Hull University, United Kingdom, 1998.
- Ph.D. in Marketing, MUST University, United States, 2012.

Previous Position

Vice President to CEO for Marketing and Sales of Yanbu Cement Company

Experience

- Sales Manager for Saudi Arabia and the Arabian Gulf at Al-Obaikan Industrial Company.
- Middle East Sales Manager at SABIC.
- Manager of Sales and Marketing at Petro Rabigh Company.

Eng. Ali bin Yahya Al-Zailaie

Current Position

Chief Manufacturing Officer of Yanbu Cement Company

Board Member of the Cement Knowledge Center for Training

Qualifications

- Bachelor of Applied Chemical Engineering, King Fahd University of Petroleum and Minerals, 2001.
- Master of Business Administration, Arab Academy for Science, Technology and Maritime Transport, 2010.

Previous Position

Vice President to CEO for Manufacturing of Yanbu Cement Company

Experience

- Laboratory Specialist at the Saudi Standards, Metrology and Quality Organization.
- Factory Operator at Abdullah Hashem Industrial Equipment and Gases Company.
- Cement Mill Supervisor - Third Line at Yanbu Cement Company.
- Production and Facilities Manager at Arab Cement Company.
- Plant Manager at Eastern Cement Company

Mr. Nabeel bin Mohammed Baghdadi

Current Position

Chief Legal Affairs, Governance and Compliance Officer of Yanbu Cement Company

Previous Position

Advisor to CEO for Legal Affairs and Governance of Yanbu Cement Company

Qualifications

- Master of Regulations (Law) from King Abdulaziz University 2002.
- Bachelor of Regulations (Law) from King Abdulaziz University 1992.

Experience

- Advisor to the CEO of Legal Affairs.
- Advisor to the General Manager of Legal Affairs.
- Assistant CEO of Legal and Administrative Affairs.
- Assistant General Manager of Administrative Affairs.
- Senior Manager of the Legal Affairs Department.
- Head of the Personnel Affairs Department.
- Assistant Head of the Personnel Affairs Department.

Membership of Committees and Secretariat

- Secretary of the Board of Directors of Yanbu Cement Company (15th - 16th sessions).
- Secretary of the Board of Directors of Yanbu Saudi-Kuwaiti Paper Products Company (6th - 7th sessions).
- Secretary of the Audit Committee of Yanbu Cement Company (14th - 15th - 16th sessions).
- Managing Director of Yanbu Saudi-Kuwaiti Paper Products Limited Company.
- Member of the Board of Directors of Yanbu Saudi-Kuwaiti Paper Products Limited Company.
- Secretary of the Board of Directors of Yanbu Saudi-Kuwaiti Paper Products Limited Company.

Executive Management Members, Their Current and Previous Positions, Qualifications, and Experience:

Mr. Abdulrahman bin Mohammed Badahdah

Current Position

Chief Supply Chain Officer of Yanbu Cement Company

Previous Position

Vice President to CEO for Supply Chain of Yanbu Cement Company

Qualifications

- Master of Business Administration (MBA), Arab Academy for Science and Technology, Egypt, 2008.
- Bachelor of Petroleum Geology and Sedimentology, King Abdulaziz University, 2001.

Experience

- General Manager of the Supply Chain.
- General Manager of Procurement.
- Manager of the Contracts and Procurement Department.
- Head of the Human Resources Planning and Development Department.
- Manager of the Warehouses Department.
- Deputy Manager of the Warehouses Department.
- Assistant Manager of Quarries.
- Geologist in the Quarries Department.

Dr. Badr bin Ali Al-Ojaiman

Current Position

Chief Strategy and Risk Officer of Yanbu Cement Company

Previous Position

Advisor to CEO for Strategy and Risks at Yanbu Cement Company

Qualifications

- Ph.D. in Computer Science - Flinders University - Australia - 2016.
- Master of Information Technology - Griffith University - Australia - 2009.
- Bachelor of Computer Science - Edith Cowan University - Australia - 2002.

Experience

- Member of the Standing Committee for Strategic Planning and Development Initiatives at Shaqra University.
- Acting Agent in the Deanship of Information Technology at Shaqra University.
- Faculty Member and Head of Department at the College of Computer Science at Shaqra University.
- Systems Analyst and Quality Program Supervisor at the Saudi Standards, Metrology and Quality Organization.



Ownership of the Board of Directors Members and Their Relatives, the Senior Executives, Their Wives and Minor Children in the Shares or Debt Instruments of the Company or Any of its Subsidiaries:

First: Ownership of Board Members in the Shares or Debt Instruments of the Company or any of its subsidiaries:

| Board Members | Number of Shares and Ownership Percentage on 01/01/2024 | | Net Change During 2024 | | Number of Shares and Ownership Percentage on 31/12/2024 | |
|---|---|------------|------------------------|------------|---|------------|
| | Number of Shares | Percentage | Number of Shares | Percentage | Number of Shares | Percentage |
| Mr. Fahd bin Sulaiman Al Rajhi | 708,075 | 0.4496 % | - | 0.0 % | 708,075 | 0.4496 % |
| Mr. Mohamed bin Abdullah Al-Khereiji | 9,138 | 0.0058 % | - | 0.0 % | 9,138 | 0.0058 % |
| Mr. Ali bin Abdullah Alayed | 12,000 | 0.0076 % | - | 0.0 % | 12,000 | 0.0076 % |
| Eng. Riyad bin Abdulrahman Aba Al-Khail | 10,370 | 0.0066 % | - | 0.0 % | 10,370 | 0.0066 % |
| Mr. Turki bin Musaed Al-Mubarak | 100 | 0.0001 % | - | 0.0 % | 100 | 0.0001 % |
| Mr. Abdulaziz bin Sulaiman Al Rajhi | 165,020 | 0.1048 % | - | 0.0 % | 165,020 | 0.1048 % |
| Mr. Ibrahim bin Hamad Al-Rashid | - | 0.0 % | - | 0.0 % | - | 0.0 % |
| Eng. Abdulaziz bin Abdullah Al-Habardi | 500 | 0.0003 % | 500 | 0.0003 % | 1,000 | 0.0006 % |
| Mr. Fahd bin Ibrahim Al-Jomaih | - | 0.0 % | - | 0.0 % | - | 0.0 % |
| Mr. Omar Jahidi | - | 0.0 % | - | 0.0 % | - | 0.0 % |

Second: Ownership of Board Members' Relatives, their Wives and Minor Children in the Shares or Debt Instruments of the Company and its Subsidiaries

| Name | Number of Shares and Ownership Percentage on 01/01/2024 | | Net Change During 2024 | | Number of Shares and Ownership Percentage on 31/12/2024 | |
|-----------------------------------|---|------------|------------------------|------------|---|------------|
| | Number of Shares | Percentage | Number of Shares | Percentage | Number of Shares | Percentage |
| Abdulaziz Fahd Sulaiman Al Rajhi | 107,193 | 0.0681 % | (107,193) | (0.0681) % | - | 0.0 % |
| Najlaa Fahd Sulaiman Al Rajhi | 50,734 | 0.0322 % | (50,734) | (0.0322) % | - | 0.0 % |
| Al-Jawhara Fahd Sulaiman Al Rajhi | 50,354 | 0.0320 % | (50,354) | (0.0320) % | - | 0.0 % |

Third: Ownership of Senior Executives, Their Wives and Minor Children

| Name | Number of Shares and Ownership Percentage on 01/01/2024 | | Net Change During 2024 | | Number of Shares and Ownership Percentage on 31/12/2024 | |
|----------------------------------|---|------------|------------------------|------------|---|------------|
| | Number of Shares | Percentage | Number of Shares | Percentage | Number of Shares | Percentage |
| Mr. Ali bin Abdullah Al-Aayed | 12,000 | 0.0076 % | 0.0 % | - | 12,000 | 0.0076 % |
| Mr. Nabeel bin Mohammed Baghdadi | 1,200 | 0.0008 % | 0.0 % | - | 1,200 | 0.0008 % |
| Dr. Badr bin Ali Al-Ojaiman | - | 0.0 % | 0.0 % | - | 5950 | 0.0037 % |

Remuneration Mechanism

The following must be considered in determining remuneration:

- Fair and commensurate with the activities and responsibilities of the members of the board of directors, committees and executive management,
- Supportive to achieve the strategic objectives of the Board of Directors.
- Based on the recommendation of the Nominations and Remuneration Committee.
- Commensurate with the Company's activity and the skills needed to manage it.
- Considering the sector in which the company operates, its size and complexity, and the experience of the members of the Board of Directors, committees and executive management.
- Reasonably sufficient to retain the members of the Board of Directors, its committees, the executive management, and the ability to attract qualified and experienced persons.
- Directors' remunerations shall be commensurate with the number of meetings they attend.
- In all cases, the sum of what a member of the Board of Directors receives in terms of remunerations and financial or in-kind benefits shall not exceed the stipulations of the regulations.
- When forming the membership of the committee, the number of committees that a board member may serve at must be considered, as the total amount paid for the Director's membership in the board of directors and committees shall not exceed the limit decided by the regulations.

The Board of Directors believes that the remunerations during the fiscal year 2024 were distributed in accordance with the approved policy, and there are no material deviations from it.

Remuneration of Board Members, its Committees, and the Executive Management

The annual remuneration for the Board of Directors members, its committees, and the executive management are determined based on the approved policy, in accordance with the Company's Bylaws, the resolution of the General Assembly of Shareholders, and the relevant regulations in this regard, as follows:

First: Remuneration of the Board of Directors

The remuneration of the Board of Directors consists of the following:

- A specific amount;
- Allowance for attending the Board sessions.
- In-kind benefits;
- A specific percentage of net profits;
- Or a combination of two or more of these benefits.

Table of Annual Remuneration and Compensation for Board Members:

| Member | Specific (*) Amount | Fixed Remuneration | | | | | Variable Remuneration | | | | | | | | | |
|---|---------------------|------------------------------------|--|------------------|---|--|-----------------------|-----------------------|-----------------------|----------------------------|--|----------|---------------|----------|--------------------|----------|
| | | Board Meeting Attendance Allowance | Total Committee Meeting Attendance Allowance | In-kind benefits | Technical, Administrative, and Advisory Work Remuneration | Chairman, Managing Director, or Secretary Remuneration (if applicable) | Total | Percentage of Profits | Periodic Remuneration | Short-Term Incentive Plans | Long-Term Incentive Plans granted shares | Total | Severance pay | Total | Expenses Allowance | |
| First: Independent Members | | | | | | | | | | | | | | | | |
| Mr. Ibrahim bin Hamad Al-Rashid | 200,000 | 15,000 | 24,000 | - | - | - | 239,000 | - | - | - | - | - | - | - | 239,000 | - |
| Eng. Riyad bin Abdulrahman Aba Al-Khail | 200,000 | 18,000 | 27,000 | - | - | - | 245,000 | - | - | - | - | - | - | - | 245,000 | - |
| Mr. Turki bin Musaed Al-Mubarak | 200,000 | 18,000 | 12,000 | - | - | - | 230,000 | - | - | - | - | - | - | - | 230,000 | - |
| Mr. Fahd bin Ibrahim Al-Jomaih | 200,000 | 18,000 | 24,000 | - | - | - | 242,000 | - | - | - | - | - | - | - | 242,000 | - |
| Mr. Omar Jahidi | 200,000 | 18,000 | 27,000 | - | - | - | 245,000 | - | - | - | - | - | - | - | 245,000 | - |
| Eng. Abdulaziz bin Abdullah Al-Habardi | 200,000 | 18,000 | 27,000 | - | - | - | 245,000 | - | - | - | - | - | - | - | 245,000 | - |
| Total | 1,200,000 | 105,000 | 141,000 | - | - | - | 1,446,000 | - | - | - | - | - | - | - | 1,446,000 | - |
| Second: Non-Executive Members | | | | | | | | | | | | | | | | |
| Mr. Fahd bin Sulaiman Al Rajhi | 200,000 | 18,000 | - | - | - | - | 218,000 | - | - | - | - | - | - | - | 218,000 | - |
| Mr. Mohamed bin Abdullah Al-Khereiji | 200,000 | 18,000 | 12,000 | - | - | - | 230,000 | - | - | - | - | - | - | - | 230,000 | - |
| Mr. Abdulaziz bin Sulaiman Al Rajhi | 200,000 | 15,000 | 9,000 | - | - | - | 224,000 | - | - | - | - | - | - | - | 224,000 | - |
| Total | 600,000 | 51,000 | 21,000 | - | - | - | 672,000 | - | - | - | - | - | - | - | 672,000 | - |
| Third: Executive Members | | | | | | | | | | | | | | | | |
| Mr. Ali bin Abdullah Alayed | 200,000 | 18,000 | 27,000 | - | - | - | 245,000 | - | - | - | - | - | - | - | 245,000 | - |
| Total | 200,000 | 18,000 | 27,000 | - | - | - | 245,000 | - | - | - | - | - | - | - | 245,000 | - |

* Remuneration (Specific Amount) according to the second year of the sixteenth Board of Directors term, that began: from 06/2024 to

Second: Remuneration of Committee Members

Remuneration and allowances for committees and attendance allowances for committee meetings from 01/01/2024 to 31/12/2024 (SAR)

| Executive Committee Members | Remuneration * 06/2024 to 06/2025 | Meeting Attendance Allowance 01/01/2024 to 31/12/2024 | Total |
|--|--------------------------------------|--|----------------|
| Eng. Riyadh bin Abdulrahman Aba Al-Khail | 100,000 | 27,000 | 127,000 |
| Mr. Ali bin Abdullah Alayed | 100,000 | 27,000 | 127,000 |
| Eng. Abdulaziz bin Abdullah Al-Habardi | 100,000 | 27,000 | 127,000 |
| Mr. Omar Jahidi | 100,000 | 27,000 | 127,000 |
| Total | 400,000 | 108,000 | 508,000 |

(*) Remuneration for the second year of the sixteenth term will be disbursed after the term concludes on 29/06/2025

| Audit Committee Members | Remuneration * 06/2024 to 06/2025 | Meeting Attendance Allowance 01/01/2024 to 31/12/2024 | Total |
|------------------------------------|--------------------------------------|--|----------------|
| Mr. Ibrahim bin Hamad Al-Rashid | 120,000 | 24,000 | 144,000 |
| Mr. Fahd bin Ibrahim Al-Jomaih | 120,000 | 24,000 | 144,000 |
| Mr. Abdulaziz bin Abdullah Al-Naim | 120,000 | 24,000 | 144,000 |
| Total | 360,000 | 72,000 | 432,000 |

(*) Remuneration for the second year of the sixteenth term will be disbursed after the term concludes on 29/06/2025

| Nominations and Remuneration Committee Members | Remuneration * 06/2024 to 06/2025 | Board Meeting Attendance Allowance 01/01/2024 to 31/12/2024 | Total |
|--|--------------------------------------|--|----------------|
| Mr. Turki bin MUSAED Al-Mubarak | 100,000 | 12,000 | 112,000 |
| Mr. Mohammed bin Abdullah Al-Khereiji | 100,000 | 12,000 | 112,000 |
| Mr. Abdulaziz bin Sulaiman Al Rajhi | 100,000 | 9,000 | 109,000 |
| Total | 300,000 | 33,000 | 333,000 |

(*) Remuneration for the second year of the sixteenth term will be disbursed after the term concludes on 29/06/2025

Third: Executive Management Members Remunerations

The executive management is responsible for managing the Company's daily operations, proposing and implementing strategic decisions. This includes roles such as the CEO, CFO, and executive vice presidents.

The following provisions apply to their remuneration:

- The Nominations and Remuneration Committee submits its recommendations to the Board of Directors for approval regarding the executive management remunerations and increments.
- The Board of Directors sets indicators for evaluating the performance of the executive management based on the recommendation of the Nominations and Remuneration Committee.
- The Nomination and Remunerations Committee submits its recommendations to the Board of Directors for approval regarding the key performance indicators for the executive management, and they shall be associated with the remunerations.
- The Nominations and Remuneration Committee submits its recommendations to the Board of Directors for approval, based on the CEO's suggestion of the annual remunerations for the executive management and the company's employees.

Senior Executive Remuneration for 2024 (Thousands of Saudi Riyal)

| Senior Executive Role | Fixed Remuneration | | | | Periodic Remuneration | Variable Remuneration | | | | End of Service Total Executive Remuneration for the Board | Total | |
|--|--------------------|--------------|--------------|--------------|-----------------------|-----------------------|----------------------------|---------------------------|-------------------------|---|------------|---------------|
| | Salaries | Allowances | Benefits | Total | | Granted Profits | Short-Term Incentive Plans | Long-Term Incentive Plans | Value of Shares Granted | | | |
| CEO | 1,926 | 642 | 353 | 2,921 | 928 | - | - | - | - | 121 | 200 | 4,170 |
| Chief of Financial Affairs Officer | 1,214 | 404 | 222 | 1,840 | 332 | - | - | - | - | 76 | - | 2,248 |
| Chief of Marketing and Sales Officer | 910 | 303 | 166 | 1,379 | 212 | - | - | - | - | 57 | - | 1,648 |
| Chief of Manufacturing Officer | 982 | 98 | 180 | 1,260 | 192 | - | - | - | - | 62 | - | 1,514 |
| Chief of Legal Affairs, Governance, and Compliance Officer | 745 | 248 | 99 | 1,092 | 219 | - | - | - | - | 91 | - | 1,402 |
| Total | 5,777 | 1,695 | 1,020 | 8,492 | 1,883 | - | - | - | - | 407 | 200 | 10,982 |



07

Shareholders' Rights and Investor Relations



Shareholders' Rights and Investor Relations

Shareholder Relations

To enhance the Company's relationship with both external stakeholders represented by shareholders, investors, customers, and the community and internal stakeholders represented by Company employees, who are partners in success and a major reason for its growth and prosperity while believing in the importance of corporate governance that aims to protect shareholders' rights, the Company prioritizes the care and preservation of shareholder rights. The Company ensures that shareholders can exercise their rights transparently. This is achieved by adopting strategic plans and objectives aimed to achieving sustainability and balancing corporate, social, and environmental governance, with implementing integrated programs to support this direction and to consolidate the values of transparency and accountability across all Company operations.

Enabling Shareholders and Investors to Access Information

Yanbu Cement Company is committed to transparency in its dealings with stakeholders, as it publishes financial reports, announcements and fundamental resolutions through the Capital Market Website "Tadawul", in addition to issuing its annual Board of Directors report. The Company has also established a department dedicated to following up on shareholder affairs, with the aim of enhancing communication and responding to their inquiries, reflecting its keenness to meet shareholder needs and ensure their satisfaction.

General Assembly Meetings for Shareholders in 2024 and Attending Board Members

| Name | Position | Classification | Extraordinary General Assembly No. (10) 08/11/1445 16/05/2024 | Total Attendance |
|---|---|----------------|--|------------------|
| Mr. Fahd bin Sulaiman Al Rajhi | Chairman of the Board | Non-Executive | Attended | 1 |
| Mr. Mohammed bin Abdullah Al-Khereji | Vice Chairman of the Board | Non-Executive | Attended | 1 |
| Mr. Ali bin Abdullah Alayed | Board Member - CEO | Executive | Attended | 1 |
| Mr. Ibrahim bin Hamad Al-Rashid | Member - Chairman of the Audit Committee | Independent | Attended | 1 |
| Eng. Riyad bin Abdulrahman Aba Al-Khail | Member - Chairman of the Executive Committee | Independent | Attended | 1 |
| Mr. Turki bin MUSAED Al-Mubarak | Member - Chairman of the Nominations and Remuneration Committee | Independent | Attended | 1 |
| Mr. Abdulaziz bin Sulaiman Al Rajhi | Member | Non-Executive | Attended | 1 |
| Eng. Abdulaziz bin Abdullah Al-Habardi | Member | Independent | Attended | 1 |
| Mr. Fahd bin Ibrahim Al-Jomaih | Member | Independent | Attended | 1 |
| Mr. Omar Jahidi | Member | Independent | Attended | 1 |

Procedures Taken by the Board to Inform its Members, Non-Executive Directors in Particular, of Shareholders' Suggestions and Remarks on the Company and its Performance:

The Board reviews the comments, questions, and inquiries of shareholders (if any) in its meetings through the Company's shareholder relations department, as well as through shareholder questions in general assembly meetings.

The Number of the Company's Requests of Shareholders Registry, Dates and Reasons thereof

| Number of Company Requests for Shareholder Register | Date of Request | Reasons for Request |
|---|-----------------|---------------------|
| 1 | 02/01/2024 | Other |
| 2 | 30/04/2024 | Company Procedures |
| 3 | 14/05/2024 | General Assembly |
| 4 | 21/05/2024 | dividends File |
| 5 | 23/05/2024 | Other |
| 6 | 24/05/2024 | Company Procedures |
| 7 | 11/12/2024 | dividends File |
| 8 | 31/12/2024 | Company Procedures |

Company Announcements on Tadawul Website

| Announcement Title | Announcement Date |
|---|-------------------|
| Yanbu Cement Company announces that it has received a notification from Saudi Aramco to change the prices of fuel products. | 2024/01/03 |
| Addendum announcement from Yanbu Cement Company regarding the receipt of notification to modify the prices of fuel products | 2024/01/22 |
| Yanbu Cement Co. Announces the Annual Consolidated Financial Result for the period ending on 31/12/2023 | 2024/03/13 |
| Yanbu Cement Company announces the Board of Directors' resolution to not distribute dividends for the second half of the financial year 2023. | 2024/03/24 |
| Yanbu Cement Company Board invites its shareholders to attend the Extraordinary General Assembly meeting (First meeting) via modern technology | 2024/04/22 |
| Yanbu Cement Company announces its Interim Condensed Consolidated Financial Results for the period ended on 31-03-2024 (Three months) | 2024/05/12 |
| Yanbu Cement Company Announces of the imminent end of electronic voting on the Agenda of Extraordinary General Assembly meeting (The First Meeting) via modern technology | 2024/05/15 |
| Yanbu Cement Company announces the distribute of cash dividends for the First half of the financial year 2024 | 2024/05/19 |
| Yanbu Cement Company Announces the Results of the Extraordinary General Assembly Meeting (First Meeting) | 2024/05/19 |
| Yanbu Cement Co. announces signing a Non-Binding Memorandum of Understanding with Southern Province Cement Company | 2024/06/23 |
| Addendum announcement from Yanbu Cement Company regarding the receipt of notification to modify the prices of fuel products | 2024/06/27 |
| Yanbu Cement Company announces the Interim Condensed Consolidated Financial Results for the period ended on 30-06-2024 (Six months) | 2024/07/24 |
| Yanbu Cement Company Announces the obtaining of Environmental Product Declaration (EPD) certificates for its Products | 2024/09/11 |
| Yanbu Cement Company announces the Interim Condensed Consolidated Financial Results for the period ended on 30-09-2024 (Nine months) | 2024/10/23 |
| Yanbu Cement Company announces the Board of Directors' decision to distribute cash dividends to shareholders for the Second half of the financial year 2024 | 2024/12/08 |



08

**Awards and Honors
Obtained by the
Company During 2024**

Awards and Honors Obtained by the Company During 2024

1. Yanbu Cement Company was selected as one of the leading and distinguished factories in both Saudi Arabia and the Gulf level during the second Gulf Industrial Exhibition 2024 held in Qatar. This honor comes in recognition of the company's efforts in achieving industrial excellence in the cement sector, and its adoption of the latest applications of the fourth industrial revolution in its production operations.



2. Choosing Yanbu Cement Company as one of the best improvements in corporate governance indicators over the past three years, during the third International Conference on Corporate Governance held in Riyadh on December 12, 2024, under the supervision of the Corporate Governance Center at Al Faisal University.



3. Yanbu Cement Company is proud to be honored by His Excellency the Minister of Environment, Water and Agriculture, Engineer Abdulrahman bin Abdulmohsen Al-Fadli, in recognition of the company's active contribution to supporting the National Greening Program. This honor reflects the company's firm commitment to the principles of environmental sustainability and the integration of its efforts with the Saudi Green Initiative, reflecting its contribution to promoting sustainable development and environmental protection.



4. Yanbu Cement Company received a distinguished honor after achieving an advanced position in the Future Factories Program, as part of the Riyadh International Industrial Week 2024, in recognition of its adoption of the latest smart technologies in its industrial operations.



5. Obtaining Environmental Product Declaration (EPD) certificates for all Yanbu Cement Company products. In line with its commitment to environmental responsibility and achieving the highest standards of transparency, Yanbu Cement Company has obtained environmental Product Declaration (EPD) certifications for all its flagship products. Additionally, the company has registered and published its environmental disclosure reports through the international SCS system, setting a benchmark in providing transparent information about the environmental impact of its products.

This achievement reflects the company's future vision and its commitment to supporting sustainable construction practices in the Kingdom, in alignment with global environmental standards and the aspirations of investors and stakeholders.



09

**Board of Directors'
Declarations**

Any Penalty, Sanction, Precautionary Measure, or Precautionary Restriction Imposed on the Company by the Authority or Any Other Supervisory, Regulatory, or Judicial Body:

| Entity Imposing Penalty or Sanction | Reason | Penalty | Company's Action |
|-------------------------------------|--------------------------------|---|-------------------------------------|
| Execution Court | Execution of arbitration award | Compensation of (3,809,432) Three million eight hundred and nine thousand four hundred and thirty-two riyals only | In the process of paying the amount |

Results of the Annual Review of the Effectiveness of Internal Control Procedures at the Company

Audit Committee's Opinion on the Adequacy of the Internal Control System in the Company:

Given the importance of internal control, which is one of the most critical fundamentals in protecting the company's assets and supporting it in achieving its objectives, the Board of Directors of Yanbu Cement Company is keen to verify the effectiveness of these procedures through annual review. The Board considers sound financial, operational, and administrative control procedures as a fundamental factor in reducing the risks of misuse of the company's assets and its impact on its business. Hence, the importance of reviewing these procedures annually to verify their effectiveness and efficiency and to make necessary adjustments to them.

Believing in the pivotal role of internal control, the Board of Directors has given utmost care to internal control procedures by assigning the Audit Committee to supervise the work of the Internal Audit Department. The committee's mission is to ensure the optimal implementation of the approved internal audit plan, which is based on a risk assessment approach, for the fiscal year ending on 31 December 2024.

Board of Directors' Declarations

Declaration

in accordance with the available information and in light of the report developed by the external auditor, current market information, as well as future indicators, the Board of Directors of Yanbu Cement Company (YCC) does hereby acknowledge the following:

- The accounting records have been properly prepared according to accounting standards issued by the Saudi Organization for Certified Public Accountants.
- The internal control system was set up on a proper basis and has been effectively implemented.
- The financial position and results of the company business/operations confirm its ability to continue its business/operations.
- There are no business or contracts wherein the company is a party nor an interest for any of the members of the Board of Directors, senior executives, or any person related to them.
- There is no competing business with the Company or any of its activities that any member of the Board is engaging in or was engaging in such competing businesses.

Conclusion

In conclusion, this report aimed to present the most important achievements of Yanbu Cement Company and its most prominent works and initiatives during the year, in which many achievements were accomplished in line with the Kingdom's Vision 2030, reflecting the Company's commitment to continue enhancing the Kingdom's position globally and elevating it to the ranks of advanced countries in the field of industry, especially cement. We extend our sincere thanks to investors and shareholders for their precious trust in the management of Yanbu Cement Company, asking Allah Almighty to protect the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz, and his loyal Crown Prince, His Royal Highness Prince Mohammed bin Salman bin Abdulaziz, and to guide them to achieve the best for this country and its citizens.

We also ask Allah Almighty to protect this beloved country, keep it safe from all harm, and perpetuate the blessing of security, safety, and peace.

The Board of Directors also extends thanks and gratitude to all employees of the company for their dedication and sincerity in their work, which contributed to maintaining the Company's prosperity, progress, and continued success.

May Allah grant us success. May Allah's peace, mercy, and blessings be upon you!

Board of Directors