

ANNUAL REPORT 2022

التصنيع TASNEE

# RICH HISTORY PROMISING FUTURE



بسم الله الرحمن الرحيم

In The Name of Allah The Merciful and Compassionate



Custodian of the Two Holy Mosques  
**King Salman Bin Abdul Aziz Al-Saud**



His Royal Highness  
**Prince Mohamed Bin Salman Bin Abdulaziz Al-Saud**



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## Our Vision

To optimize stakeholders' returns and contribute to industrialization by pursuing ambitious opportunities.



## Our Mission

To consistently operate at high standards of agility, efficiency, sustainability and innovation in the petrochemicals industry.



## Our Values



### EXCELLENCE

We believe that good is not good enough, we strive to do more with agility and speed. We show excellence in our processes.



### INTEGRITY

We do what is right as a role model to others and treat people with respect, never bending the rules.



### SEEKING KNOWLEDGE

We actively interact with the stakeholders. We are open to continuous learning and creative thinking.



### TEAMWORK

We respect individual skills and backgrounds, and we believe that we are smarter together.



## Board of Directors' Report for 2022

### Dear Tasnee Shareholders,

The Board of Directors of the National Industrialization Company "Tasnee" is pleased to present to the shareholders the company annual report prepared in accordance with the Corporate Governance Rules, Rules on the Offer of Securities and Continuing Obligations, and the Company's ByLaws. Covering Tasnee's activities and performance for the fiscal year ending 31 December 2022, this report is accompanied by audited consolidated financial statements, and notes attached thereto, and include the most important developments in company's performance and activities.



The National Industrialization Company "Tasnee" is a Saudi joint-stock company, founded by Ministerial Resolution No. 601 in 19 September 1984, under CR No. 1010059693 dated 25 June 1985, where the current share capital is SAR 6,689,141,660.

The Company's major activities involve investing in the industrial field; transferring advanced industrial technology to Saudi Arabia for the manufacturing and processing of petrochemicals, engineering and mechanical industries, management and possession of industrial projects, and marketing of its various products. The activities of Tasnee subsidiaries include manufacturing and marketing of industrial products. In petrochemicals, the activities include production of ethylene, polyethylene, propylene, polypropylene, butyl acrylate, acrylic acid, super absorbent polymers and butanol.

The Company's industrial activity includes the production of titanium sponge, dry and liquid vehicle batteries and lead, all types of plastic products, and acrylic sheets. Other activities include marketing plastic products and batteries; providing technical services; conducting technical testing of equipment; and operating industrial, chemical, petrochemical, and metallurgical, water desalination and power generation plants. The company is one of the largest global investors in titanium dioxide.

## Financial Highlights

Saudi Riyals '000

Revenues

3,882,862

Gross Profit

864,289

Cost of Revenue

3,018,573

EBITDA

1,730,827

Total Assets

24,657,902

Net Profit/Loss

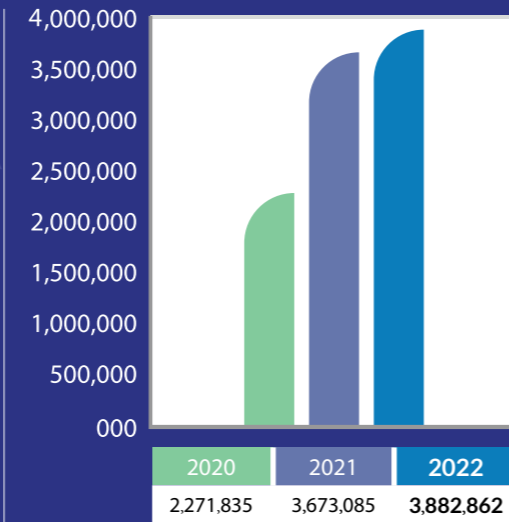
666,346

Total Liabilities

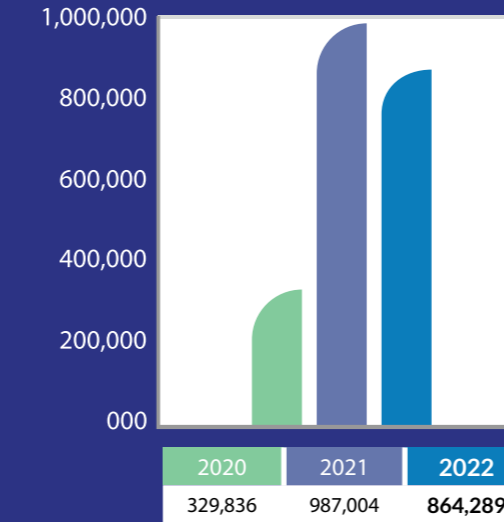
12,262,471

Earning Per Share

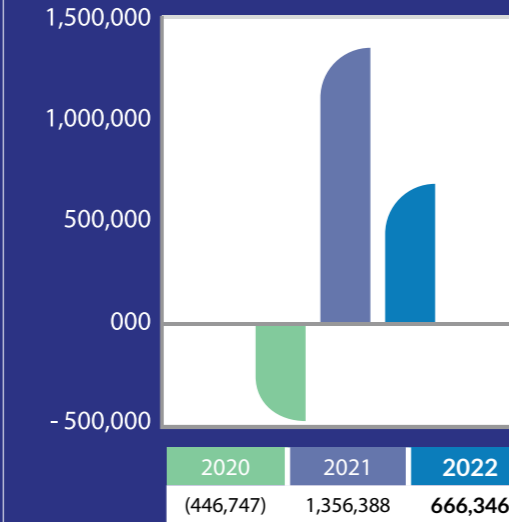
SR 1.00



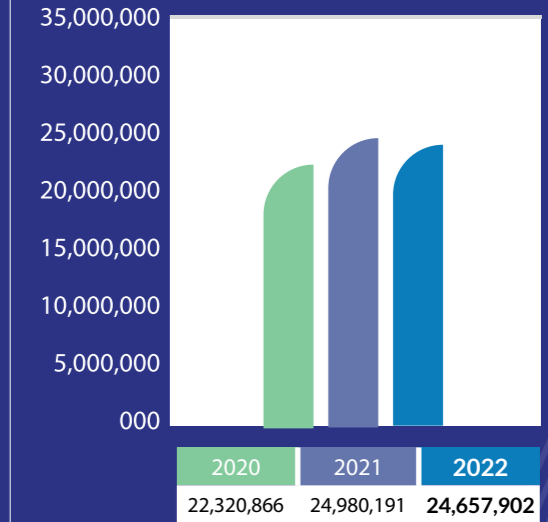
Revenues



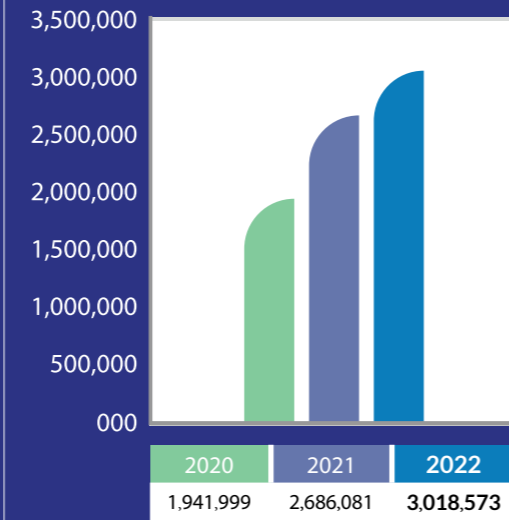
Gross Profit



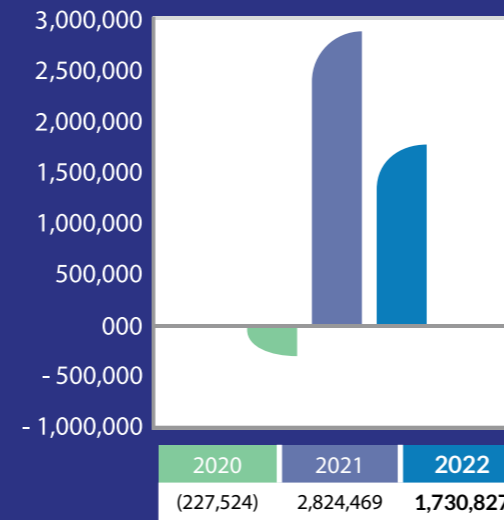
Net Profit



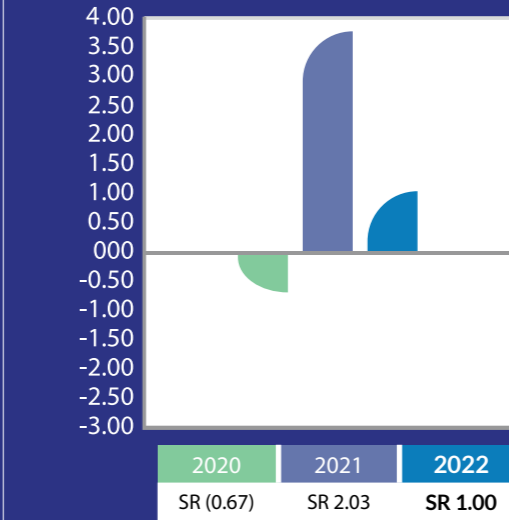
Total Assets



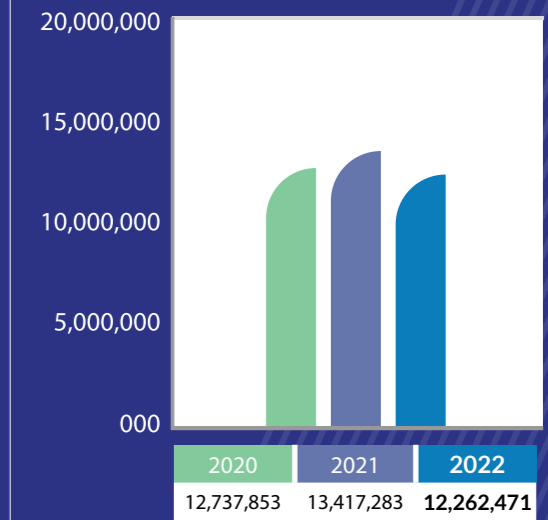
Cost of Revenue



EBITDA



Earning per Share



Total Liabilities

# 1- Board of Directors, Committees, and Executive Management

## The Board Members



Eng. Mubarak A. Al Khafrah  
Chairman



Eng. Talal I. Al Maiman  
Vice Chairman



Mr. Bader A. Al Dakhil  
Board Member



Mr. Saud S. Al Juhani  
Board Member



Eng. Abdulrahman S. Al-Sayyari  
Board Member



Mr. Mutlaq Al Morished  
Board Member & CEO



Mr. Musaab S. Al Muhaideb  
Board Member



Eng. Abdullatif K. Al-Mulhim  
Board Member



Mr. Fahad A. Al Mishal  
Board Member



Mr. Ahmed N. Al Theabi  
Board Member

## Executive Management



Mr. Mutlaq Al Morished  
Board Member & CEO



Mr. Fawaz Al Fawaz  
Executive VP - Finance  
& Support Functions



Dr. Fadi Trabzuni  
Executive VP - Metallurgy



Dr. Zekeriyya Gemici  
Executive VP - Strategy and Growth



Eng. Khalid Al Khater  
VP - Manufacturing



Eng. Yasser Al Daajani  
VP - Commercial & Business



Dr. Suliaman Al Khattaf  
VP - Technology & Innovation



Eng. Saeed Al Ajrafi  
VP - Downstream

### 1-1 Formation of the Board of Directors, Status of Membership and Board Meetings

Subject to Article (13/1) of the Company's Bylaws, the Board of Directors consists of 10 members. The 25th Ordinary General Assembly held on 20/04/2022, elected Board members for the 13th term. The Board's term is three years from 06/07/2022 until 05/07/2025. The Board of Directors conducted 5 meetings in 2022 as follows:

	Board Member	Membership Status	Meetings				
			09/03/2022	20/04/2022	04/07/2022	14/09/2022	28/12/2022
1	Eng. Mubarak A. Al Khafrah	Non-Executive	√	√	√	√	√
2	Dr. Talal A. Al Shair*	Non-Executive	√	√	-	-	-
3	Dr. Nazeeh H. Naseef*	Non-Executive	√	√	-	-	-
4	Eng. Talal I. Al Maiman	Non-Executive	√	√	√	√	√
5	Mr. Badr A. Al Dakheel	Non-Executive	√	√	√	√	√
6	Mr. Saud S. Al Juhani	Non-Executive	√	√	√	√	√
7	Mr. Mutlaq H. Al-Morished	Executive	√	√	√	√	√
8	Mr. Musaab S. Al Muhaideb	Independent	√	√	√	√	√
9	Eng. Abdulrahman S. Al-Sayyari	Independent	√	√	√	√	√
10	Eng. Abdullatif K. Al-Mulhim	Independent	√	√	√	√	√
11	Mr. Fahad A. Al Mishal**	Independent	-	-	√	√	√
12	Mr. Ahmed N. Al Theabi **	Independent	-	-	√	√	√

\* His membership ended within the previous Board term dated 05/07/2022.

\*\* He joined the Board within the current Board term dated 06/07/2022.

### 1-2 Names of Companies, committees, and corporate bodies where the member serves or has served as a Board member or director:



1- Eng. Mubarak A. Al Khafrah

Chairman  
Non-Executive Member

#### Educational Qualification

Al Khafrah holds a B.Sc. in Industrial Engineering from the United States (1973) and a postgraduate diploma from Canada (1976).

#### Work Experience

Eng. Al Khafrah assumed many leadership positions in government entities including Deputy Minister for Industrial Affairs at Ministry of Industry and Electricity, member of the Shura Council, member of the Board of Directors in the Saudi Industrial Development Fund, the Royal Commission for Jubail and Yanbu, and The Saudi Standards, Metrology and Quality Organization. In addition, he assumed several positions in the Ministry of Industry and Electricity, including Secretary General of Foreign Investment, Director of the Engineering and Projects Department, Director of the Industrial Protection Department, Chairman of the Foreign Investment Committee and Chairman of the Technical Committee on Exemption of Fees for Imported Industrial Commodity.

He is currently the chairman of Saudi German Business Dialogue (NUMOV) and vice chairman of U.S.-Saudi Arabian Business Council. He was the vice chairman of Saudi-Japanese Business Council, Board member in General Organization of Petroleum and Minerals (Petromin), Technical and Vocational Training Corporation, Saudi-British Business Council, Riyadh Region Council and Chairman of the Economic Committee of the Council and member of Offset Program Committee

#### Current Board Memberships

Chairman, Al Khafrah Holding Group

Chairman, Industrial Development company (IDC)

Board member, Gulf Chemicals of Industrial Oils

Chairman, Tasnee and Sahara Olefins Company

Chairman, Saudi Polyolefins Company

Chairman, Saudi Ethylene and Polyethylene

#### Previous Board Memberships

Chairman, Alawwal Bank

Chairman, Air Liquide Al Khafrah Industrial Gases

Chairman, Malath Cooperative Insurance & Reinsurance Company

Board member, Saudi Basic Industries Corporation (SABIC)

Chairman, National Company for Glass Industries

Board member, Saudi Consulting House

Board member, Gulf Organization for Industrial Consulting

Board member, Saudi Arabian Industrial Investments Company

Chairman, Eastern Petrochemical Company (SHARQ), SABIC Affiliate.

Vice Chairman, Arabian Axles



## 2- Eng. Talal I. Al Maiman

Vice Chairman\*  
Non-Executive Member

### Educational Qualification

Eng. Al Maiman has a Bachelor's Degree in Industrial Engineering from the University of Evansville, Indiana (1979); a Diploma in Computer Science from Herndon, Virginia (1981); and a Master's in Business Administration from the University of Liverpool, UK (2009). He also took a diploma in executive management under the name (Harvard Management Program) from Harvard University in 1986.

### Work Experience

Eng. Al Maiman is the CEO of Kingdom Holding Company since 1996. In addition, he assumed several positions in the Saudi Arabian Monetary Authority and the Ministry of Interior. He is also the Chairman of the Strategic Committee, member of the Executive Committee as well as the Nominations and Remuneration Committee of Banque Saudi Fransi. Also, he is a member of the Executive Committee of the National Industrialization Company, and a member of the Executive Committee of Flynas Company.

Current Board Memberships
Board Member, Kingdom Holding Company
Vice Chairman, Banque Saudi Fransi
Vice Chairman, Flynas Company
Chairman, Real Estate Investment Company Ltd.
Chairman, Kingdom Schools Company Ltd.
Chairman, Trade Center Co. Ltd.
Chairman, Kingdom Real Estate Development Company Ltd.
Board Member, Jeddah Economic Company
Chairman, Five Capital
Chairman, Saudi Fransi Capital
Chairman, Kingdom Investment & Development Company

Previous Board Memberships
Chairman, Care Shield Holding Company
Board Member, Savola Group
Board Member, Saudi Research and Marketing Group



## 3- Mr. Badr A. Al Dakhil

Board Member  
Non-Executive Member

### Educational Qualification

Mr. Al Dakhil has a Bachelor's in Computer Science from Colorado State University, USA (2002) and a Master's in Computer Science from King Saud University in 2006. He has a long experience in IT, management and strategic planning at the General Organization for Social Insurance.

### Work Experience

Mr. Al Dakheel is the Director General of Digital Development and Excellence at the General Organization for Social Insurance (GOSI) and CEO of Masdar Data Solutions Company. He assumed several positions at the General Organization for Social Insurance including General Manager of Systems and Support, Director of Applications and Systems Development and Technical Team Leader. He is also a member of the Audit Committee and the Risk and Governance Committee of the National Industrialization Company.

Current Board Memberships
Board Member, Masdar Data Solutions Company
Board Member, Mudad Business Information Technology Company
Board Member, Saudi Financial Technology Company



## 4- Mr. Saud S. Al Juhani

Board Member  
Non-Executive Member

### Educational Qualification

Mr. Al Juhani holds a Bachelor's in Management Information Systems from King Fahad University for Petroleum and Minerals, Kingdom of Saudi Arabia (2001); a diploma in Actuarial Science from Mohanna Establishment in Lebanon (2003); a higher diploma in Actuarial Science from Kent University in UK (2007); and a Master's in Actuarial Science from Kent University (2008).

### Work Experience

Mr. Al Juhani is the Assistant Governor for Insurance Affairs at the General Organization for Social Insurance (GOSI). In addition, he assumed several positions at the Public Pension Agency, including Assistant Governor for Insurance Affairs and Director General of the Planning, Development and Studies Department. He is also a member of the Nominations and Remuneration Committee and the Risk and Governance Committee of the National Industrialization Company.

Current Board Memberships
Board Member, The Saudi National Bank (SNB)
Previous Board Memberships
Chairman, Tabuk Cement Company
Board Member, Saudi Industries Development Company

\* Since the beginning of the current Board Term dated 06 July 2022



### 5- Mr. Mutlaq H. Al-Morished

**Board Member & CEO  
Executive Member**

#### Educational Qualification

Mr. Mutlaq Al Morished holds a Master's in Business Management from Stanford University; a Master's in Nuclear Engineering from Princeton University; and a Bachelor's in Nuclear Physics and Mathematics from Denver University.

#### Work Experience

Mr. Al-Morished is the CEO of the National Industrialization Company since 2015. He assumed the presidency of the Hadid Company, Sadaf Company and SABIC Capital Company in the Netherlands. In addition, he assumed several leadership positions in the Saudi Basic Industries Corporation (SABIC) including Executive Vice President of Finance, Head of the Metals Business Unit and Executive Vice President of Support Business. He also was member and consultant of Council of Economic Affairs of the Supreme Economic Council, Board member in the Saudi Airlines General Corporation, Board member in the General Authority for Military Industries. He is also Board member in Gulf Union for Petrochemicals and Chemical Manufacturers (GPCA) and GCC Board Directors Institute.

#### Current Board Memberships

Chairman, National Metal Manufacturing & Casting Company

Board member, A.M. Bin Saedan Real Estate Co.

Board member, Bahrain Aluminum Company (ALBA)

Board member, Saudi Polyolefins Company (SPC)

Board member, Saudi Ethylene and Polyethylene Company (SEPC)

Board member, National Titanium Dioxide Company (Cristal)

Board member, Advanced Metal Industries Cluster Co. (AMIC)

Board member, City Group (Saudi Arabia)

Board member, Tronox

#### Previous Board Memberships

Board member, Inma Bank

Board member, Alinma Tokyo Marine

Board member, Saudi Airlines General Corporation

Chairman, Saudi Kayan

Chairman, Yanbu National Petrochemical Company (Yansab)

Chairman, Alinma Investment Company

Board member, Gulf Bank of Bahrain

Chairman, SABIC Captive Insurance Company, UK

Chairman, SABIC Capital (Netherlands)



### 6- Mr. Musaab S. Al Muhaidib

**Board Member  
Independent Member**

#### Educational Qualification

Mr. Al Muhaidib holds a Bachelor's in Business Administration (Finance major) in 1999 from the University of Miami, Florida, USA, and a Master's in Business Administration in 2008 from the University of Liverpool, Britain.

#### Work Experience

Mr. Al Muhaidib is the CEO of Al Muhaidib Entertainment Ventures. He also assumed the position of CEO, Masdar Technical Supplies Company. Further, he is Board member in Riyadh Chamber of Commerce and Industry and Gulf Family Business Council. Also, he was Board member in Saudi Shooting Federation. In addition, He was the Chapter Chair of Young Presidential Organization (UPO Saudi) and INSEAD Business School in Saudi Chapter.

#### Current Board Memberships

Chairman, Middle East Paper Co. (Mepco TASI)

Vice Chairman, Al Hasan Ghazi Ibrahim Shaker - LG

Chairman, SEEDRA Ventures

Chairman, EBDA Entertainment Company

Chairman, Masdar Building Materials Company

Chairman, Goldman Sachs Company

Chairman, Saudi Endeavor

Board Member, Al Muhaidib Group

Member, Daily Mealz Consulting Council

Board Member, (Counselor) Sabbar Company

#### Previous Board Memberships

Board Member, Dur Hospitality Company

Board Member, Alrayyan Company

Board Member, Al Badia Cement Company

Board Member, Al-Latifia Trading and Contracting Company

Board Member, Thabat Contracting Company



**7- Eng. Abdulrahman S. Al Sayyari**

**Board Member**  
**Independent Member**

#### Educational Qualification

Eng. Al Sayyari holds a Bachelor's in Electrical Engineering from King Saud University in 1985.

#### Work Experience

Eng. Al Sayyari is a member of the Shura Council and a member of the Energy and Industry Committee of the Shura Council. He has assumed several leadership positions in the Saudi Industrial Development Fund, including Assistant of the General Manager and Deputy Manager of Credit Department. Also, he worked as an Advisor to the Ministry of Industry & Mineral Resources. In addition, he chairs the Nominations and Remunerations Committee and is a member of the Executive Committee of the National Industrialization Company.

#### Current Board Memberships

Board Member, Umm Al Qura Cement Company

#### Previous Board Memberships

Board Member of Marafiq Company



**8- Eng. Abdullatif K. Al Mulhem**

**Board Member**  
**Independent Member**

#### Educational Qualification

Eng. Al Mulhem holds a Bachelor's in Civil Engineering (infrastructure specialization) from Concordia University, Montreal in 2013, then he completed Mini Master's of Business Administration (Mini MBA) from Queen's University, Canada in 2016.

#### Work Experience

Eng. Al-Mulhem is the Chief Operating Officer (COO) of Khalifa Al Mulhem Holding Company. He has worked as a credit analyst and senior credit relationship manager at the Saudi Industrial Development Fund and as a civil engineer at Fluor Engineering and Construction Services Company. He is a member of the Executive Committee of the National Industrialization Company, a member of the Nominations and Remunerations Committee, a member of the Risk Committee of Bank Aljazira, a member of the Executive and Strategy Committee, and a member of the Nominations and Remunerations Committee of Walaa Cooperative Insurance Company.

#### Current Board Memberships

Board Member, Aljazeera Bank

Board member, Walaa Cooperative Insurance Company



**9- Mr. Fahad A. Al Mishal**

**Board Member\*\***  
**Independent Member**

#### Educational Qualification

Mr. Al Mishal holds a Bachelor's in Economic and Management in 1989 from the Qatar University, and an Advance Management in Senior Executive Program from London Business School.

#### Work Experience

Mr. Al Mishal was the president of Jubail Business Council (Asharqia Chamber). He assumed several leadership positions, including Vice President of Finance and Administrative Affairs in Advanced Petrochemical Company and Director of Finance and Planning at Ibn Zahr Company (a subsidiary of SABIC). He is a member of the Risk and Governance Committee of the National Industrialization Company. Also, he attended several leadership programs at London Business School, INSEAD University, France, and Oxford University, UK

#### Current Board Memberships

Chairman, Sinyar Company



**10- Mr. Ahmed N. Al Theabi**

**Board Member\*\***  
**Independent Member**

#### Educational Qualification

Mr. Al Theabi holds a Bachelor's in Business Administration from the King Abdulaziz University, and Diploma's in Accounting from Riyadh College of Technology.

#### Work Experience

Mr. Al Theabi is the Chief Human Resources Officer in Saudi Company for Hardware (SACO). He assumed the position of Director of Training and Education and Director of Human Resources at Al- Mujaz Education and Training Company and worked as a supervisor of public relations and human resources at Al-Sadhan Group. He is a member of the Nominations and Remunerations Committee of the National Industrialization Company, a member of the Nominations and Remunerations Committee of Abdullah Saad Abu Moati Company for Libraries, a member of the Labor Policies Subcommittee at the Ministry of Human Resources, a member of the Human Resources and Labor Market Committee at the Chamber of Commerce, and a member of the Mukatafa Committee for Retailers.

#### Current Board Memberships

Board Member, Abdullah Saad Abu Moati Libraries Company

\*\* He joined the Board within the current Board Term dated 06/07/2022.



11- Dr. Talal A. Al Shair

Vice Chairman\*  
Non-Executive Member

#### Educational Qualification

Dr. Al Shair holds a Bachelor's in Chemical Engineering from the University of Maine State, USA (1977); a Master's in Management from the University of Maine State in 1978; and a Ph.D. in International Business Administration from Kennedy University, Western California [Continuous Education Program] (1987).

#### Work Experience

Dr. Al Shair is the Honorary Consul of Australia in West Region. He has assumed several positions, including Chairman of the Yanbu Chamber of Commerce, member of the Madina Region Council, member of the Saudi American Relations Committee in Jeddah Chamber of Commerce, member of the Madina Region Consultancy Group, member of the National Committee for Export Promotion and member of the National Industrial Committee.

#### Current Board Memberships

Board member, Tasnee & Sahara Olefins Company  
Chairman, Fiberglass Oasis Company  
Chairman, National Titanium Dioxide Company (Cristal)  
Chairman, Advanced Metal Industries Cluster Co. (AMIC)  
Honorary Board Member, TRONOX Co.

#### Previous Board Memberships

Vice Chairman, National Industrialization Company (Tasnee)  
Board member, IAC Cooperative Insurance- Salama  
Board member, Tajeer Company  
Chairman, Grand Factories Mining Co.

\* His membership ended within the previous Board term dated 05/07/2022.



12- Dr. Nazeeh H. Naseef

Board Member\*  
Non-Executive Member

#### Educational Qualification

Dr. Naseef holds a Bachelor's degree in Industrial Engineering from the University of Saint Luis, USA (1969); a Master's degree in Industrial Engineering from the University of Saint Luis (1970); and a Ph.D. from Washington University, Saint Luis, USA in Industrial Engineering (1976).

#### Work Experience

Dr. Naseef assumed many leadership positions in government entities, including Mayor of Jeddah City, Assistant Deputy of the Ministry of Health for Executive Affairs, Assistant Deputy of the Ministry of Planning for Sectors Affairs, Director General of Engineering Affairs, Research and Industrial Development, Ministry of Industry at the Ministry of Industry, Part-time Consultant at the Saudi Fund for Development, Part-time Consultant at the Ministry of Industry, Chairman of the Saudi Export Council, Member of the Council of Makkah Region Governorate, Member of the National Committee for Export Funding and Member of the National Higher Committee for Environment. Also, he served as a member of the Executive Committee and a member of the Nomination and Remuneration Committee of the National Industrialization Company.

#### Current Board Memberships

Chairman, Arabian Medical Products Manufacturing Company (Enayah)

#### Previous Board Memberships

Board Member, National Titanium Dioxide Co. (Cristal)  
Board Member, National Industrialization Company (Tasnee)  
Chairman, AlRowad National Company for Plastic  
Board Member, Saudi Pharmaceutical Industries & Medical Appliances Corporation  
Chairman, Tabuk Electric Company

## 1-3 Executive Management



1- Mr. Mutlaq H. Al-Morished

Board Member & CEO  
Executive Member

#### Educational Qualification

Mr. Mutlaq Al Morished holds a Master's in Business Management from Stanford University; a Master's in Nuclear Engineering from Princeton University; and a Bachelor's in Nuclear Physics and Mathematics from Denver University.

#### Work Experience

Mr. Al-Morished is the CEO of the National Industrialization Company since 2015. He assumed the presidency of the Hadid Company, Sadaf Company and SABIC Capital Company in the Netherlands. In addition, he assumed several leadership positions in the Saudi Basic Industries Corporation (SABIC) including Executive Vice President of Finance, Head of the Metals Business Unit and Executive Vice President of Support Business. He also was member and consultant of Council of Economic Affairs of the Supreme Economic Council, Board member in the Saudi Airlines General Corporation, Board member in the General Authority for Military Industries. He is also Board member in Gulf Union for Petrochemicals and Chemical Manufacturers (GPCA) and GCC Board Directors Institute.

#### Current Board Memberships

Chairman, National Metal Manufacturing & Casting Company  
Board member, A.M. Bin Saedan Real Estate Co.  
Board member, Bahrain Aluminum Company (ALBA)  
Board member, Saudi Polyolefins Company (SPC)  
Board member, Saudi Ethylene and Polyethylene Company (SEPC)  
Board member, National Titanium Dioxide Company (Cristal)  
Board member, Advanced Metal Industries Cluster Co. (AMIC)  
Board member, City Group (Saudi Arabia)  
Board member, Tronox

#### Previous Board Memberships

Board member, Inma Bank  
Board member, Alinma Tokyo Marine  
Board member, Saudi Airlines General Corporation  
Chairman, Saudi Kayan  
Chairman, Yanbu National Petrochemical Company (Yansab)  
Chairman, Alinma Investment Company  
Board member, Gulf Bank of Bahrain  
Chairman, SABIC Captive Insurance Company, UK  
Chairman, SABIC Capital (Netherlands)



## 2- Mr. Fawaz M. Al Fawaz

EVP Finance  
& Support Functions

### Educational Qualification

Mr. Al Fawaz holds a Bachelor's in Accounting from King Saud University and has attended several specialized courses in international centers. These include courses in Advanced Management, Financial Strategic Leadership of Companies and Shared Services, Management of Credit and Risks, Management of International Treasury, Financial Control, and Companies Governance.

### Work Experience

Mr. Al Fawaz is the Executive Vice President of Finance and Support Functions at the National Industrialization Company. He held several leadership positions in the Saudi Basic Industries Corporation (SABIC) including Vice President of Finance, General Manager of Finance, General Manager of Accounting Services and Assistant Vice President of Finance at Sabic Marketing Company (Affiliate of Sabic). Also, he chairs the audit committee for Tasnee & Sahara Olefins Company, Industrialization and Energy Services (TAQA) and Saudi Chemical Holding Company. Previously, he chaired the audit committee of Rua Al Madinah Holding Company, Malath Insurance Company, Bahrain Aluminum Company (ALBA) and Yanbu National Petrochemical Company (YANSAB). In addition, he served as a member of the Education and Training Committee in the Saudi Organization for Certified Public Accountants and a member of the Consultancy Committee of the Capital Market Authority.

### Current Board Memberships

Board Member, Tasnee & Sahara Olefins Company  
Board Member, Industrialization and Energy Services (TAQA)  
Chairman, Saudi Acrylic Acid Company  
Board Member, Saudi Chemical Holding Company  
Chairman, Saudi Logistics Company (SAL)  
Board member, Saudi Polyolefins Company (SPC)  
Board member, National Titanium Dioxide Company (Cristal)  
Board member, Advanced Metal Industries Cluster Co. (AMIC)

### Previous Board Memberships

Board Member, Rua Al Madinah Holding Company  
Chairman, Saudia Air Cargo Company  
Board Member, Malath Insurance Company  
Board Member, Bahrain Aluminum Company (ALBA)  
Vice Chairman, Yanbu National Petrochemical Company (YANSAB)  
Board Member, SABIC Center for Research and Development in India  
Board Member, SABIC Capital (Netherlands)



## 3- Dr. Fadi M. Trabzuni

EVP, Metallurgy

### Educational Qualification

Dr. Trabzuni holds both a Master's and a Bachelor's in Chemical Engineering from King Saud University. He has a Ph.D in Engineering of Designs from Bradford University, Britain (2007) and a Master's in Executive Business Administration from the International Institute for Development of Directors, Lausanne, Switzerland (2016).

### Work Experience

Eng. Trabzuni is the Executive Vice President of Metallurgy SBU at the National Industrialization Company and the CEO of AMIC Toho Company. He previously worked as Executive Vice President of the Titanium Sector at the National Industrialization Company and held several leadership positions in the National Titanium Dioxide Company (Cristal) including Vice President for Strategy and Business Development, Vice President for Operations and Technology and Vice President for Research and Development. Also, he was Director of Manufacturing Operations Development at the Saudi Basic Industries Corporation (SABIC).

### Current Board Memberships

Board Member, Advanced Metal Industries Co. (AMIC)  
Chairman, AMIC Company -Toho Titanium - Limited  
General Manager, Gulf Titanium Limited Company



## 4- Dr. Zekeriyya Gemici

EVP, Strategy & Growth

### Educational Qualification

Dr. Gemici holds a Bachelor's in Chemistry and Biological Sciences, with a focus on Genetics and Development, from Cornell University, USA (2005). He completed a PhD in Chemical Engineering Practice at the Massachusetts Institute of Technology, USA (2010) and an MBA at the MIT Sloan School of Management, USA (2010).

### Work Experience

Dr. Gemici is Executive Vice President of Strategy and Growth SBU, Chairman of the Cybersecurity Steering Committee, Secretary of the Investment Committee and a member of the Risk Committee in the National Industrialization Company (Tasnee). He also assumed the position of Acting Executive Vice President of Downstream SBU at Tasnee. In addition, he has served as CEO and Founder of RADITEK, Associate Partner and Engagement Manager at McKinsey & Company, Senior Associate at Booz & Company and Technical Consultant at Heptagon OY

### Current Board Memberships

Chairman of the Board , National Inspection and Testing Company (FAHSS)  
Chairman of the Board , TUV Middle East Co. Ltd (TUV ME)  
Chairman, Saudi Acrylic Polymers Co. (SAPCO)  
Chairman, Saudi Acrylic Monomers Co. Ltd (SAMCO)  
Board Member, Saudi Acrylic Acid Company (SAAC)  
Board member, Saudi Polyolefins Company (SPC)  
Board member, Saudi Ethylene and Polyethylene Company (SEPC)  
Board Member, Advanced Metal Industries Complex Company (AMIC)  
Board Member, AMIC Toho Titanium Company (ATTM)



**5- Eng. Khalid A. Al Khater**  
VP, Manufacturing

#### Educational Qualification

Eng. Al-Khater holds a Bachelor's in Chemical Engineer from King Fahad University Of Petroleum & Minerals (KFUPM) in 2000. He has attended several leadership courses in International Centre for Training & Development such as Leading Business into the Future, Leading Creatively, Leadership Development Program, Enhancing Leadership Skills with Effective Interpersonal Interaction, Finance and Accounting.

#### Work Experience

Eng. Al Khater is Vice President for Manufacturing BU at the National Industrialization Company (Tasnee). He serves as a member of the Responsible Care Committee (RCC) and Global HSE Steering Committee in Gulf Petrochemicals and Chemicals Association (GPCA). He has attended several leadership courses in International Centre for Training & Development such as Leading Business into the Future, Leading Creatively, Leadership Development Program, Enhancing Leadership Skills with Effective Interpersonal Interaction, Finance and Accounting.

#### Current Board Memberships

Board member, Saudi Ethylene and Polyethylene Company (SEPC)  
Board member, Saudi Acrylic Polymers Co. (SAPCO)  
Board member, Saudi Acrylic Monomers Co. Ltd (SAMCO)  
Board member, Saudi Butanol Co. (SABUCO)



**6- Eng. Yasser F. Al-Daajani**  
VP, Commercial & Business

#### Educational Qualification

Eng. Yasser Al-Daajani holds a bachelor's degree in chemical engineering from King Fahad University of Petroleum & Minerals (KFUPM) and has attended several specialized courses in Advanced Management and Leadership, Marketing and Sales, Supply Chain Management and Finance.

#### Work Experience

Eng. Al-Daajani is Vice President for Commercial and Business BU at the National Industrialization Company (Tasnee). He has assumed the position of General Manager of Business Planning at Tasnee. He attended several specialized courses in international centers. These include courses in Advanced Management and Leadership, Marketing and Sales, Supply Chain Management and Finance

#### Current Board Memberships

Board member, Saudi Polyolefins Company (SPC)  
Board Member, Saudi Acrylic Acid Company (SAAC)  
Board Member, Saudi Acrylic Monomer Company (SAMCO)  
Board Member, Saudi Acrylic Polymer Company (SAPCO)  
Board Member, Evonik Tasnee Marketing Co. (ETM)



**7- Dr. Sulaiman S. Al Khattaf**  
VP, Technology & Innovation

#### Educational Qualification

Dr. Al-Khattaf holds PhD in Chemical Engineering from University of Western Ontario, Canada in 2001. Bachelor and Master's in chemical engineering from King Fahad University of Petroleum and Minerals (KFUPM) in 1992 and 1995 respectively.

#### Work Experience

Dr. Al Khattaf is Vice President for Technology and Innovation BU at the National Industrialization Company (Tasnee) and a member of the Research and Innovation Committee of Gulf Petrochemicals and Chemicals Association (GPCA). He has assumed the position of Consultant at the Ministry of Petroleum and Mineral Resources, Professor of Chemical Engineering and Director of the Refining & Petrochemicals Center which is Research Institute at King Fahd University of Petroleum and Minerals. Dr Al-Khattaf leads several research projects in oil refining & petrochemical industries for many national and international companies. Also, he was a visiting researcher at OPEC HQ (Vienna).

#### Current Board Memberships

Board member, Saudi Polyolefins Company (SPC)



**8- Eng. Saeed A. Al-Ajrafi**  
VP, Downstream

#### Educational Qualification

Eng. Al Ajrafi holds a Master's in Business Administration (MBA) from Preston University (2008), a Bachelor's in Mechanical Engineering from King Fahad University of petroleum and Minerals (KFUPM) (1997), and a Business and Leadership Program, Stanford University (2020). In addition, He attended several courses in Advanced Management and Leadership and he has a long experience working for national and international organizations in the downstream industries.

#### Work Experience

Eng. Al Ajrafi is Vice President for Downstream BU at the National Industrialization Company (Tasnee). He is also a member of Hail Chamber of Commerce and a member of the Plastics Committee of the Gulf Petrochemicals and Chemicals Association (GPCA). In addition, He has more than 25 years of experience working for national and international organizations in the downstream industries.

#### Current Board Memberships

Board member, Avient SA (formerly Clariant SA)  
Board member, National Inspection and Testing Company (FAHSS)  
Board member, TUV Middle East Co. Ltd (TUV ME)  
Board member, National Batteries Company

## 1-4 Audit Committee Independent Members from out of the Board of Directors



**1-Mr.Sami A. Alshenaiber**

**Audit Committee Chairman  
Independent Member**

### Educational Qualification

Mr. Alshenaiber holds a Bachelor's in Management Science (specializing in Accounting) from King Saud University (1987) and a Master's in Business Administration (MBA) specializing in accounting and Finance Administration, Sheffield University (1992).

### Work Experience

Mr. Alshenaiber is the Chief Financial Officer at Riyadh Airports Company (RAC). He also assumed the position of Deputy Director General of Shared Services at the Human Resources Development Fund (HADAF), Director of Financial and Administrative Affairs at Saudi Company for Hotels and Tourist Areas (Dur), Director of Financial Affairs at the Saudi Ceramic Company, Financial Manager and Supervisor of Procurement and Human Resources at Dr. Mohammed Bin Rashid Alfaqeeh and Partners Company, Vice President for Financial Affairs at United Company for Investment and Real Estate Development (Almuttached) and accountant at General Corporation for Desalination of Salt Water.

### Current Board Memberships

Board Member, United Company for Investment and Real Estate Development (Almuttached).

### Previous Board Memberships

Board member, National Industrialization Company (Tasnee)



**2- Mr. Maher S. Alaiyadhi**

**Audit Committee Member  
Independent Member**

### Educational Qualification

Mr. Alaiyadhi holds a Bachelor's in Accounting from King Fahd University of Petroleum and Minerals in the Kingdom of Saudi Arabia in 1995. He obtained a group of certificates and qualifications such as Certified Internal Auditor (CIA), Certificate in Risk Management Assurance (CRMA), Certified Port Facility Security Officer (PFSO), and C-CIA Certified Chinese Internal Auditor (the first foreigner to obtain this certificate).

### Work Experience

Mr. Alaiyadhi is the Chief Internal Audit Officer at the Royal Commission for Al-Ula (RCU). He also serves as an audit committee member at the Riyadh 3rd health cluster. Also, he has assumed several positions in Saudi Aramco including Director of Audit, Chief Auditor of Saudi Aramco Dow Chemical Company "Sadara", Support Services Vice President of Saudi Center of International Strategic Partnership (SCISP), Chief Auditor at Aramco Beijing Services (ABS) and Deputy Chief Auditor of Fujian Refining and Petrochemical Company Limited JV. He has worked as a financial representative at SADAF (a subsidiary of SABIC), and as a senior auditor at Deloitte. Mr. Alaiyadhi has more than 20 years of experience in internal auditing and governance.

## 1-5 Brief Description of Board Committees' Functions and Tasks

The organizing charters of Executive Committee, Audit Committee, Nomination and Remuneration Committee, and Risk and Governance Committee, include descriptions for terms of reference of each of these Committees, and provisions of their formation, terms of membership, tasks and responsibilities, powers and authorizations, procedures and methods of their work and meetings, and obligations and rewards of the members. The formation of these Committees is as follows:

### Executive Committee:

The Executive Committee is responsible for examining the Company's strategic plan and recommending it to the Board of Directors for approval, examining the financial and operating performance, adopting policies, procedures, debt instruments and loans of the Company and its subsidiaries in accordance with its specific powers granted by the Board and approve the appointment of the Company's representatives in the subsidiaries' Boards of directors. The Committee may seek the assistance of external professional advisers if necessary.

The Executive Committee conducted 3 meetings during 2022 as follows:

Member's name	Type of membership	Meetings		
		03/03/2022	04/09/2022	20/12/2022
Eng. Mubarak A. Al Khafrah	Chairman	√	√	√
Dr. Talal A. Al Shair*	Member	√	-	-
Dr. Nazeeh H. Nasseef*	Member	-	-	-
Eng. Talal I. Al Maiman	Member	√	√	√
Eng. Abdulrahman S. Al Sayyari	Member	√	√	-
Mr. Mutlaq H. Al-Morished**	Member	-	√	√
Eng. Abdullatif K. Al-Mulhim**	Member	-	√	√

\* His membership in the Committee ended within the previous Board term dated 05/07/2022.

\*\* He joined the Committee within the current Board term dated 06/07/2022.

**Nominations and Remuneration Committee:**

In accordance with its approved Charter, the Nominations and Remuneration Committee is formed by a resolution from the Board of Directors and consists of minimum (3) and maximum (5) independent Board members. The Committee is concerned with suggesting policies and criteria of membership in the Board of Directors and Executive Management, recommending to the Board of Directors to nominate members and re-nominate them in accordance with approved policies, identify weaknesses and strengths in the Board, review the structure of the Board and Executive Management and make recommendations on required changes and expertise. The Committee is also concerned with ensuring the independence of the independent members of the Board of Directors and that there is no conflict of interest with any member. The Committee shall also review the remuneration policy for the members of the Board of Directors, its Committees and executive management, and submit them to the Board, as well as recommending to the Board the remuneration of members of the Board of Directors, the executive committees and senior executives of the Company.

The Nominations and Remuneration Committee conducted 2 meetings during 2022 as follows:

Member's name	Type of membership	Meetings	
		09/03/2022	28/12/2022
Eng. Abdulrahman S. Al-Sayyari**	Chairman	-	√
Mr. Saud S. Al Juhani	Chairman in the previous term, member in the current term	-	√
Dr. Nazeeh H. Naseef*	Member	√	-
Eng. Abdullatif K. Al Mulhim*	Member	√	-
Mr. Ahmed N. Al Theabi **	Member	-	√

\* His membership in the Committee ended within the previous Board term dated 05/07/2022.

\*\* He joined the Committee within the current Board term dated 06/07/2022.

**Risk and Governance Committee:**

The Risk and Governance Committee is formed by a resolution from the Board of Directors and consists of minimum (3) and maximum (5) of the Board members or others who have an appropriate level of knowledge and experience. The Committee concentrates on all functions related to risk management, governance and compliance, and makes its recommendations to the Board . Among the most important tasks of the Risk and Governance Committee are:

- Working with the executive management to develop a comprehensive framework for risk management, governance, compliance, and related policies that are compatible with the nature of the Company's business, activities, and the Company's objectives and strategy.
- Determining the acceptable levels of risks that the Company may wish to take and review them periodically.
- Reviewing the comprehensive compliance policies periodically to ensure their consistency with changes that may occur in the internal or external environments.

The Risk and Governance Committee conducted 2 meetings during 2022 to implement its tasks, as follows:

Member's name	Type of membership	Meetings	
		19/10/2022	28/12/2022
Mr. Saud S. Al Juhani	Chairman	√	√
Mr. Fahad A. Al Mishal	Member	√	√
Mr. Musaab S. Al Muhaidib	Member	√	√
Mr. Badr A. Al Dakheel	Member	√	√

**Audit Committee:**

The Audit Committee carries out its duties according to the charter approved by the General Assembly, the most important of which is reviewing the Company's consolidated interim quarterly and annual financial statements and approving them after discussion with management and the external auditor, reviewing quarterly and annual audited financial statements and recommending them to the Board of Directors to approve and submit to the General Assembly for approval after ensuring their fairness, clarity, and compliance with the followed accounting policies, studying any important or emerging issues included in it and verify the accounting estimates and the disclosures adequacy and extent of applying the accounting policies and standards in the material matters mentioned therein, in addition to studying the adopted accounting policies and give opinion and recommendation to the Board of Directors thereon. The Committee studies and reviews internal audit reports monitor corrective actions, supervises performance and activities, ensures effectiveness in the performance of tasks and duties, and prepares reports on the opinion of the Committee on the adequacy of the internal control system in the Company and the actions it has undertaken within its scope as defined in the approved charter. The Committee also recommends the external auditors' nomination, dismissal, and fees to the Board of Directors. The Committee verifies independence, objectivity, and fairness and reviews the scope, performance, audit plan, and work, including the audit report and notes on the financial statements of the external auditors.

The Audit Committee conducted 5 meetings during 2022 to implement its tasks, as follows:

Member's name	Type of membership	Meetings				
		08/03/2022	26/04/2022	03/08/2022	30/10/2022	28/12/2022
Mr. Sami A. Al Shenaiber	Chairman	√	√	√	√	√
Mr. Badr A. Al Dakhil	Member	√	√	√	√	√
Mr. Musaab S. Al Muhaidib	Member	√	√	√	√	√
Mr. Maher S. Alaiyadi*	Member	-	-	√	√	√

\*\* He started his membership in the Committee as a new independent member from out of the Board within the current Board term started 06/07/2022.

## 1-6 Procedures taken by the Board of Directors to inform its members, especially the non-executives, about shareholders' suggestions and remarks on the Company and its performance:

The Board of Directors is keen to address shareholders' suggestions, opinions, and remarks which come through direct contacts with the investors' relations, through the following communication channels:

- Sending their inquiries by visiting the "Contact Us" page on the Company's official website (www.Tasnee.com).
- Sending an email via (ir@tasnee.com).
- Calling the phone number (00966 112222205).

## 1-7 Explanation of any arrangements or assignment agreement whereby a member of company Board or one of the senior executives assigns any remuneration:

There are no arrangements or assignment agreement whereby a member of company Board or one of the senior executives assigns any remuneration during 2022.

**1-8 Board Evaluation:**

The Board of Directors conducts an annual evaluation through a survey that is filled by the members. The Board of Directors decided to assign the GCC Board Directors Institute (GCC BDI) to prepare a comprehensive assessment of the performance of the Board of Directors and its Committees.

**1-9 Board Members Ownership:**

	Board Members	Representative of	Number of Shares which represent his interest					
			Beginning of the year			End of the year		
			For Board member	For his dependents	For party he represents	For Board member	For his dependents	For party he represents
1	Mr. Mubarak A. Al Khafrah	Personal Capacity	2,290	-	-	2,290	-	-
2	Dr. Talal A. Al Shair*	Shairco for Trading, Industry & Contracting	1,452	-	4,840,154	1,452	-	2,270,004
3	Dr. Nazih H. Naseef*	SPIMACO	-	-	-	-	-	-
4	Eng. Talal I. AlMaiman	Kingdom Holding Company	21,661	-	41,674,394	21,661	-	41,674,394
5	Mr. Badr A. Al Dakhil	General Organization of Social Insurance	1,800	-	73,596,993	1,800	-	73,596,993
6	Mr. Saud S. Al Juhani	General Organization of Social Insurance	-	-	73,596,993	-	-	73,596,993
7	Mr. Mutlaq H. Al-Morished	Personal Capacity	-	3,900	-	-	3,900	-
8	Mr. Musaab S. Al Muhaideb	Personal Capacity	-	-	-	-	-	-
9	Eng. Abdulrahman S. Al-Sayyari	Personal Capacity	260,000	6,320	-	290,000	6,570	-
10	Eng. Abdullatif K. Al-Mulhim	Personal Capacity	1,376,914	-	-	1,428,503	-	-
11	Mr. Fahad A. Al Mishal**	Personal Capacity	-	-	-	300	-	-
12	Mr. Ahmed N. Al Theabi **	Personal Capacity	-	-	-	-	-	-

\* His membership ended within the previous Board term dated 05/07/2022.

\*\* He joined the Board within the current Board term dated 06/07/2022.

## 1-10 Senior Executives Ownership

	Senior Executives	Position	Number of Shares which represent his interest			
			Beginning of the year		End of the year	
			For Senior Executive	For his dependents	For Senior Executive	For his dependents
1	Mr. Mutlag H. Al Morished	Board Member & Chief Executive Officer	-	3,900	-	3,900
2	Mr. Fawaz M. Al Fawaz	Executive Vice President, Finance & Support Functions	5,000	-	5,000	-
3	Dr. Fadi M. Tarabzoni	Executive Vice President, Metallurgy	-	-	-	-
4	Dr. Zekeriyya Gemici	Executive Vice President, Strategy & Growth	-	-	-	-
5	Dr. Sulaiman S. Al Khattaf	Vice President, Technology and Innovation	-	400	-	-
6	Eng. Khalid A. Al Khater	Vice President, Manufacturing	-	-	-	-
7	Eng. Yasser F. Al Daajani	Vice President, Commercial and Business	-	-	10,000	-
8	Eng. Saeed A. Al Ajrafi	Vice President, Downstream	5,000	-	10,000	-

There is no interest in contractual securities or debt instruments for any of Company Board members, senior executives or their relatives.

## 1-11 Board Members' Remunerations:

The policy of awards and compensation of the Board and its Committees as well as the executive management is aligned with the Company Bylaws and the policy of Remunerations policy of Board members, Committee members and executive management that was approved by the General Assembly on 31/12/2017, complying with the terms and conditions of the Corporate Governance Regulations issued by Capital Market Authority. The policy explains the standards on which the awards of Board members and Committees members and executive management are based, and underscore the importance of conformity with the Company's strategy and goals. Awards are given in order to encourage Board members and executive management to lead the Company to success. Accordingly, the awards are based on long-term performance, tasks, responsibilities, qualifications, practical experiences, skills and level of performance. They include session attendance allowances, lump sum amounts or part of net company profit with the possibility of combining these benefits in accordance with the Companies' Law, Corporate Governance Regulations and Company's Bylaws.

Board Members	Fixed Remunerations									Variable Remunerations						End of service award	Grand total	Expenses allowance
	Specific Amount***	Allowance for attending Board Meetings	Committees Membership	Committee members awards	Allowance for attending Committee meetings	In-Kind benefits	Remunerations for technical, managerial and consultative work	Remunerations of the Chairman, Managing director, or the secretary if a member	Remunerations of the Chairman, Managing director, or the secretary if a member	Total	A percentage of profits	Periodical Remuneration **	Short term incentive plans	Long term incentive plans	Granted shares			
Non-executive Members																		
Eng. Mubarak A. Al Khafrah	211,362	15,000	Executive	100,000	9,000	*164,638	-	-	500,000	-	-	-	-	-	-	-	500,000	-
Dr. Talal A. Al Shair*	175,000	6,000	Executive	50,000	3,000	-	1,500,000	-	1,734,000	-	-	-	-	-	-	-	1,734,000	-
Dr. Nazih H. Naseef*	175,000	6,000	Executive/Nominations and Remuneration	100,000	3,000	-	-	-	284,000	-	-	-	-	-	-	-	284,000	-
Eng. Talal I. Al Maiman	350,000	15,000	Executive	100,000	9,000	-	-	-	474,000	-	-	-	-	-	-	-	474,000	-
Mr. Badr A. Al Dakhil	314,000	15,000	Risk/Audit	150,000	21,000	-	-	-	500,000	-	-	-	-	-	-	-	500,000	-
Mr. Saud S. Al Juhani	323,000	15,000	Risk/Nominations and Remuneration	150,000	12,000	-	-	-	500,000	-	-	-	-	-	-	-	500,000	-
Total	1,548,363	72,000		650,000	57,000	164,638	1,500,000	-	3,992,000	-	-	-	-	-	-	-	3,992,000	-
Independent Members																		
Mr. Musaab S. Al Muhaideb	314,000	15,000	Risk/Audit	150,000	21,000	-	-	-	500,000	-	-	-	-	-	-	-	500,000	-
Eng. Abdulrahman S. Al-Sayyari	326,000	15,000	Executive/ Nominations and Remuneration	150,000	9,000	-	-	-	500,000	-	-	-	-	-	-	-	500,000	-
Mr. Abdullatif K. Al-Mulhim	350,000	15,000	Executive/Nominations and Remuneration	100,000	9,000	-	-	-	474,000	-	-	-	-	-	-	-	474,000	-
Mr. Fahad A. Al Mishal**	175,000	9,000	Risk	50,000	6,000	-	-	-	240,000	-	-	-	-	-	-	-	240,000	-
Mr. Ahmed N. Al Theabi **	175,000	9,000	Nominations and Remuneration	50,000	3,000	-	-	-	237,000	-	-	-	-	-	-	-	237,000	-
Total	1,340,000	63,000		500,000	48,000	-	-	-	1,951,000	-	-	-	-	-	-	-	1,951,000	-
Executive Members																		
Mr. Mutlaq H. Al-Morished	350,000	15,000	Executive	100,000	6,000	-	-	-	471,000	-	-	-	-	-	-	-	471,000	-
Total	350,000	15,000		100,000	6,000	-	-	-	471,000	-	-	-	-	-	-	-	471,000	-
Members of Audit Committee from outside the Board																		
Mr. Sami A. Alshenaiber	-	-	Audit	100,000	15,000	-	-	-	115,000	-	-	-	-	-	-	-	115,000	-
Mr. Maher S. Alaiyadhi	-	-	Audit	50,000	9,000	-	-	-	59,000	-	-	-	-	-	-	-	59,000	-
Total	-	-		150,000	24,000	-	-	-	174,000			-	-	-	-	-	174,000	

\* His membership ended within the previous Board term dated 05/07/2022.

\*\* He joined the Board within the current Board term dated 06/07/2022.

\*\*\* The Board of Directors recommends to the General Assembly to approve paying an award of SAR 350,000 for every Board member for the year 2022. This was added to the 26th Ordinary General Assembly Meeting Agenda for voting.

\* A car is provided to the Chairman.

## 1-12 Senior Executives' Remunerations (SR'000):

Following aggregate is for four senior executives who received the highest awards and compensation, including the CEO and the CFO	Fixed Remunerations				Variable Remunerations						End of service award	Total Remunerations for Board executive, if any	Aggregate Amount
	Salaries	Allowances	In-Kind Benefits	Total	Periodical Remuneration	profits	Short term incentive plans	Long term incentive plans	Granted shares	Total			
<b>Total</b>	<b>12,609</b>	<b>3,793</b>	<b>0</b>	<b>16,402</b>	<b>0</b>	<b>0</b>	<b>10,254</b>	<b>5,743</b>	<b>0</b>	<b>15,997</b>	<b>0</b>	<b>121</b>	<b>32,399</b>

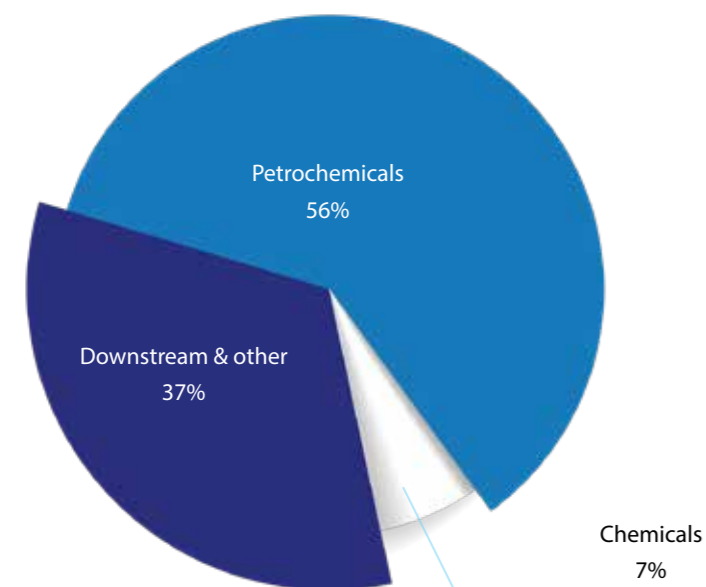
## 2- Operational and Strategical Performance



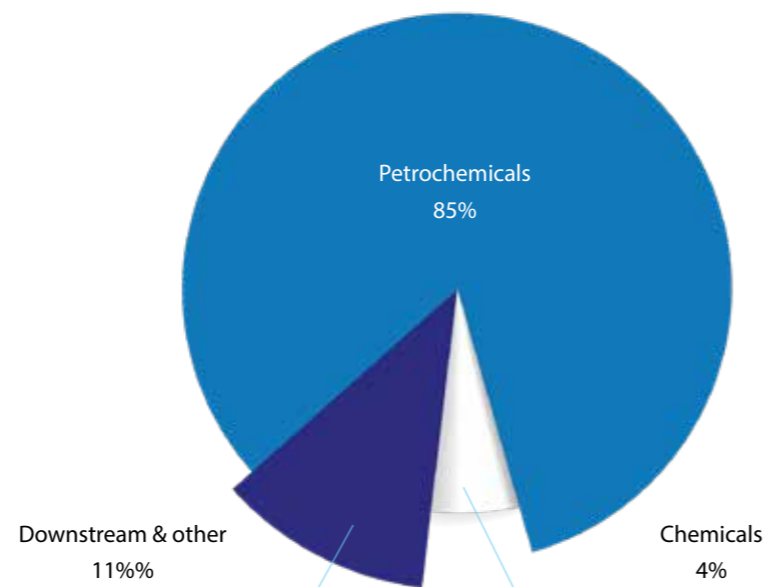
## 2- Operational and Strategic Performance

### 2-1 Revenues per Activities (SR'000)

Activity	Revenues per Activities as per IFRS		Revenues per Activities	
	Revenue	Percentage	Revenue	Percentage
Chemicals	260,144	7%	572,498	4%
Petrochemicals	2,195,012	56%	10,803,333	85%
Downstream & other	1,427,706	37%	1,427,706	11%
Total	3,882,862	100%	12,803,537	100%



Revenues per Activities as per IFRS

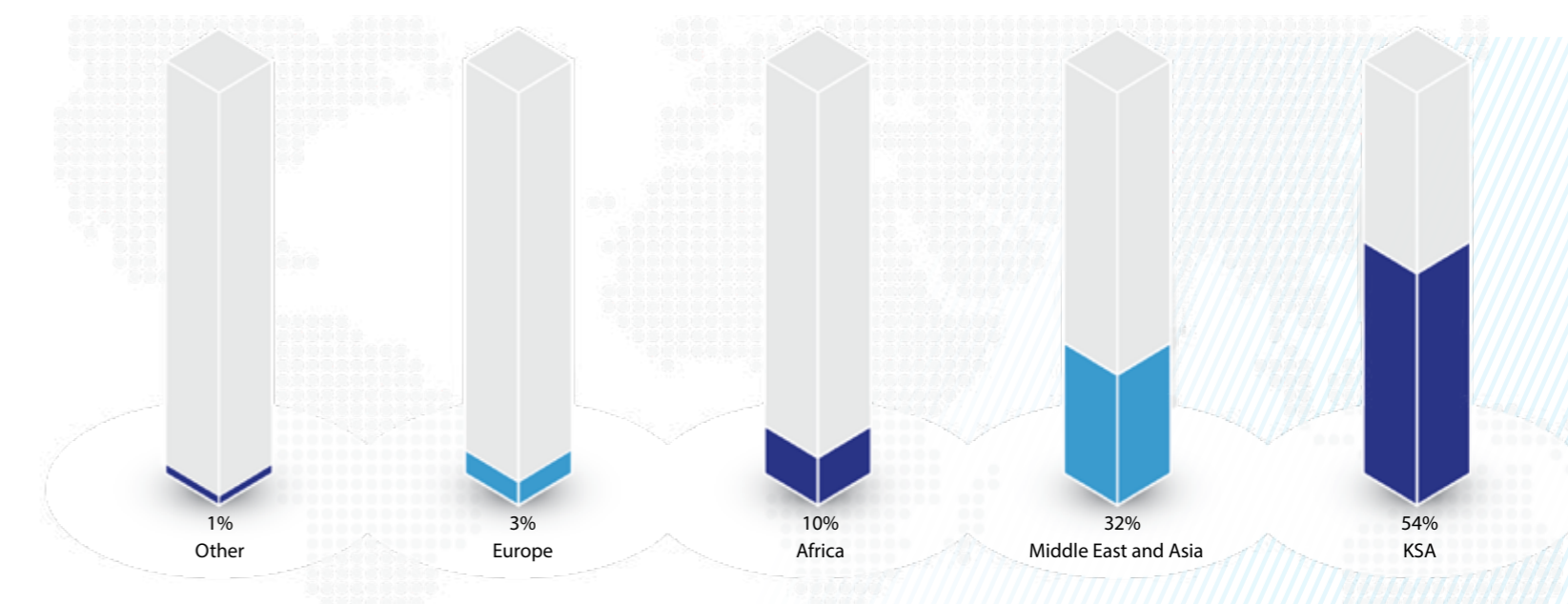


Revenues per Activities

### 2-2 Geographic Analysis of Revenues (SR'000)

The revenues achieved result mainly from the marketing of petrochemical, chemical and industrial products and are based on audited consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS), as follows:

Region	Chemicals	Petrochemicals	Downstream & other activities	Total	Percentage
KSA	260,144	1,079,120	767,753	2,107,017	54%
Middle East and Asia	-	639,111	466,546	1,105,657	29%
Africa	-	86,892	46,642	133,534	3%
Europe	-	343,440	133,820	477,260	12%
Other	-	46,449	12,945	59,394	2%
Gross total	260,144	2,195,012	1,427,706	3,882,862	100%



## 2-3 Future Plans and Expectations

The company's strategic plans as determined by the Board of Directors is focused on developing its business and always plans to continue to improve its performance by increasing the efficiency of operations, reliability of plants, reducing costs, enhancing its earnings through optimal utilization of its assets, human and financial resources, and leveraging its capabilities through digital transformation through supply and value chains.

The company is searching for various investment opportunities and strategic partnerships as well as exploring new horizons inside and outside the Kingdom which contributes to the growth of profits and the rights of its shareholders and strengthen its competitiveness.

### Plants Reliability

Part of plants reliability improvement, the company plans for scheduled shutdown to execute the maintenance activities during 2023 as follows:

- Saudi Ethylene and Polyethylene Company (SEPC) plans for scheduled shutdown of 34 days in High Density Polyethylene (HDPE) plant.
- Saudi Acrylic Monomers Company (SAMCO) plans for scheduled shutdown of 47 days in Crude Acrylic Acid (CAA) plant, 34 days in Butyl Acrylate (BA) plant and 35 days in Glacial Acrylic Acid (GAA) plant.
- Saudi Acrylic Polymers Company (SAPCO) plans for scheduled shutdown of 38 days in Super Absorbent Polymer (SAP) plant.

### Environment

In line with the kingdom 2030 vision, Tasnee have developed a decarbonisation roadmap including the latest technologies and configurations to decarbonise Tasnee's petrochemical complex in Jubail, with the ultimate goal of achieving net zero carbon gas emissions by 2060.

In the beginning, an emission baseline audit was conducted to establish current direct emissions (scope1) and indirect emissions (scope 2) and a reference point based on operations in 2025 was established including future brownfield expansions. Scope 1 has been estimated to ~65% whereas scope 2 has been estimated to be ~35% of the total annual emissions.

The roadmap includes a hybrid approach featuring hydrogen refuelling and post-combustion carbon capture as well as addressing plant reliability issues. A phased deployment of the roadmap is considered between 2025-2060 to allow for a smoother expenditure profile. This will give flexibility to Tasnee when planning for financing and project sanctioning. It will also allow the possibility to adapt to new policies and key drivers (such as technology development) which may affect the timing of deployment in the future.

As a quick initiative for decarbonization, Tasnee is evaluating the installation of solar system at its R&D facility in Jubail covering 20% of its annual electrical consumption.

### Economic outlook

Global economic activity is experiencing a slowdown driven by higher inflation due to food and energy prices as well as lingering supply-demand imbalances. This was triggering point to counter action by central banks through tightening financial conditions in an attempt to tame inflation. Other major factors that further slowdown the economy is China's Zero-COVID policy and supply chain challenges which subdued international trade. Global growth is forecasted by IMF to slow from 6.0 percent in 2021 and 3.2 percent in 2022 to 2.7 percent in 2023 with potential recession scenario in certain economies. IMF mentioned that this is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic. All these factors led to major uncertainty in the market as customers and suppliers struggled to predict demand with acceptable accuracy level as the market was continuously evolving and impacting supply and demand. In addition to these macroeconomic challenges, the petrochemical industry was mired with significant oversupply, high freight costs, high and fluctuating energy costs, environmental regulations and targets which further pressured overall profitability.

## 2-4 Subsidiaries, Associates, Joint Ventures and Joint Operation Companies:

No.	Name of company	Company headquarters	Company activity	Capital in (SR'000)	Type	Ownership
1	Tasnee & Sahara Olefins Company	Riyadh	Establishment, management, and possession of petrochemical and chemical projects and marketing their products	2.830.000	Closed joint stock	60.45%
2	Saudi Ethylene and polyethylene Co.	Jubail Industrial city	Producing ethylene and polyethylene and propylene	2.737.520	Limited liability	45.34%
3	Saudi Acrylic Acid Company Ltd.	Headquarters in Riyadh, and main operations in Jubail Industrial city	Establishing and operating projects of acrylic acid and its derivatives	1.777.000	Limited liability	52.29%
4	Saudi Acrylic Monomer Company	Jubail	Production of Glacial acrylic acid and raw acrylic acid and Butyl acrylate	1.084.500	Limited-liability	39.22%
5	Saudi Acrylic Polymers Co. Ltd.	Jubail	Production of super absorbent polymers	416.400	Limited-liability	39.22%
6	Saudi Butanol Company Ltd.	Jubail	Production of butanol	486.000	Limited-liability	17.43%
7	Al-Rowad National Company for Plastic Ltd.	Riyadh	Establishment of industrial projects of plastics and transforming	268.000	Limited-liability	100%
8	Rowad Global Packaging Company Ltd.	Dammam	Production of Polypropylene films and polyethylene	130.000	Limited-liability	100%
9	Rowad International Geosynthetics Company Ltd.	Dammam	Manufacturing of industrial membranes	20.000	Limited-liability	100%
10	Saudi Clariant Company for Dyes	Riyadh	Producing industrial dyes and paint	50.000	Limited-liability	40%
11	National Lead Smelting Company Ltd.	Riyadh	Recycling of industrial used batteries and producing lead, polypropylene and sodium sulphate from consumed batteries	44.000	Limited-liability	100%
12	Technical Tertravalent Lead Smelting Plant Ltd.	Jeddah	Producing pure and mixed lead and polypropylene	4.000	Limited-liability	100%
13	National Batteries Company Ltd.	Riyadh	Producing car batteries	60.000	Limited-liability	90%
14	National Operation and Industrial Services Co. (Khadamat) (under liquidation)	Riyadh	Marketing, selling and distributing industrial products	30.000	Limited-liability	100%

No.	Name of company	Company headquarters	Company activity	Capital in (SR'000)	Type	Ownership
15	National Marketing and Industrial Services Company Ltd.	Riyadh	Import, export, whole sale, retail, marketing to others, selling and distribution of industrial products	30	Limited-liability	100%
16	National Inspection & Technical Testing Co. Ltd. (FAHSS)	Dammam	Providing technical services in the field of testing, calibration, maintenance and quality management systems inside Kingdom of Saudi Arabia	7.170	Limited-liability	74.90%
17	TUV Middle East	Bahrain	Providing technical services in the field of testing, calibration, maintenance and quality management systems in Arabian Gulf countries	700.000 Bahraini Dinar	Limited-liability	74.90%
18	Taldeen Plastic Solutions Company	Hail	Producing, forming, importing, exporting and distributing of all plastic products	210.000	Limited-liability	100%
19	Al-Khadra Environment Company for Industrials Waste Management (Khadra)	Jeddah	Buying, selling, collecting and recycling of batteries, plastic and industrial materials	5.000	Limited-liability	100%
20	National Titanium Dioxide Company Ltd. (Cristal)	Jeddah	Establishing and industrial projects for Titanium and related materials	2.362.500	Limited-liability	79%
21	Advanced Metal Industries Cluster Company, Ltd. (AMIC)	Jeddah	Establishing and managing industrial projects for Titanium and related materials	1.687.500	Limited-liability	89.5
22	Advanced Metal Industries Cluster and Toho Titanium Metal Co. (Ltd) ATTM	Yanbu	Producing Titanium Sponge	450.000	Limited-liability	58.18
23	National Industrialization Petrochemicals Marketing Company	Riyadh	Marketing chemical, petrochemicals and plastic materials	5.000	Limited-liability	100%
24	Saudi Polyolefin Company	Jubail	Producing polypropylene	600.000	Limited-liability	75%
25	Nipras National Technology Company (NNTC)	Jubail	Developing the scientific and technical side in petrochemicals and related industries	6.500	Limited-liability	100%
26	National Metals Manufacturing and Casting (MAADANIYAH)	Jubail	Iron, transforming and base engineering industries	281.121	Listed	34.93%
27	Tasnee North Africa Company	Tunis, Tunisia	Marketing the company petrochemicals materials in North Africa	5.000 Tunisian Dinar	Limited-liability	100%

No.	Name of company	Company headquarters	Company activity	Capital in (SR'000)	Type	Ownership
28	Tronox Holdings plc (Tronox)	Stamford, Connecticut, United States	Establishing and industrial projects for Titanium and related materials	USD 2,000,000	Listed	19.21%
29	Evonik Tasnee Marketing Company (ETM)	Riyadh	Wholesale of chemical fertilizers and livestock feed for pharmaceutical feed additives	26,667	Limited-liability	25%
30	Rowad United Marketing Company (RUMC)	Riyadh	Marketing plastic products	100	Limited-liability	100%

In addition to group of non-operational companies for other investments, these are as follows:

No.	Name of company	Company headquarters	Company activity	Capital in (SR'000)	Type	Ownership
1	National Worldwide Industrial Advancement Co. Ltd.	Riyadh	Investment in industrial project related to the company	500	Limited-liability	100%
2	National Gulf Company for Petrochemical Technology	Riyadh	Investment in industrial projects related to the company	500	Limited-liability	100%
3	National Industrialization Company for Industrial Investments	Riyadh	Investment in industrial projects related to the company	500	Limited-liability	100%
4	National Industrialization Company for Petrochemicals	Riyadh	Investment in industrial projects related to the company. It did not practice any activity during the period	500	Limited-liability	100%
5	Cristal International Holdings BV	Amsterdam, Netherlands	Investment in industrial projects related to the company	USD 10.000	Limited-liability	79%
6	Advanced Smelting Industries Co. Ltd	Riyadh	Establishing and managing industrial projects for Titanium and related materials	100	Limited-liability	89.5%

## 2-5 Loans and instruments obtained by the company and its subsidiaries as per financial statements reviewed as per the international financial reporting standards “IFRS” (SR’000):

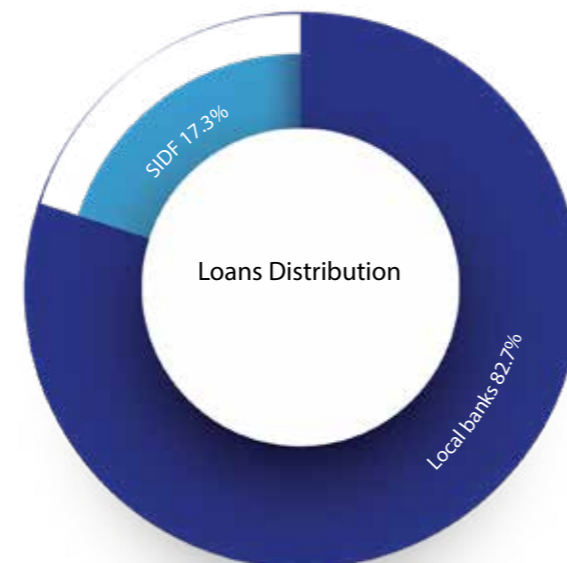
Company	Description	Original Loan amount	Opening Balance	Transferred	Drawdowns	Repayments	Closing Balance	Tenure	Lender
National Industrialization Company	Long term loans	5,000,000	4,620,000	-	-	(690,000)	3,930,000	7 – 10 years	Multiple
Advanced Metal Industries Cluster Company*	Long term loans	608,129	975,000	(500,000)	-	(162,500)	312,500	8 years	Commercial
Advanced Smelting Industries Co. Ltd	Long term loans	600,000	-	500,000	-	-	500,000	14 Years	SIDF
Saudi Acrylic Acid Company	Long term loans	1,312,990	928,007	-	-	(35,000)	893,007	5 – 9 years	Multiple
Rowad National Company for Plastic	Long term loans	744,180	63,600	-	-	(22,000)	41,600	3 – 5 years	SIDF
Taldeem Plastics Solutions Company	Long term loans	118,520	129,759	-	-	(27,505)	102,254	3 – 6 years	SIDF
Saudi Butanol Company**	Long term loans	288,333	128,321	-	-	(46,662)	81,659	8 years	SIDF
Sub Total		8,672,153	6,844,687	-	-	(983,667)	5,861,020		
Differed and Accrued Financial Charges			(39,103)	-	-		(59,107)		
<b>Total</b>			<b>6,805,584</b>				<b>5,801,913</b>		

\*600M SIDF loan was transferred from Advanced Metal Industries Cluster Company to Advanced Smelting Industries Company.

\*\*Partially consolidated (33.33%)

## 2-6 Details of Loans (SR’000)

Parties	Amounts	Percentage
Commercial banks	4,845,507	82.7%
Saudi Industrial Development Fund (SIDF)	1,015,513	17.3%
Total	5,861,020	100%



## 2-7 Description of Debt Instruments

### Convertible debt instruments:

In 2022, the Company did not issue or grant any convertible debt instruments into shares or to any options or subscription memorandum or any similar rights.

### Transfer or Subscription rights as per debt instruments

In 2022, the Company did not issue or grant any transfer or underwriting rights as per debt instruments transferable to shares or any options or underwriting memorandums or any similar rights.

### Recoverable debts instruments rights:

In 2022, the Company had no recoverable, purchasable or cancellable debt instruments.

## 2-8 Operational Results:

The net profit for the year ended 31 December 2022 amounted to SR 666 million compared to a net profit of SR 1,356 million for the previous fiscal year 2021. The decrease in net profit is primarily attributable to decrease in share of profit from investments in joint ventures and associates mainly due to lower average selling prices and sales volumes for petrochemical products, higher feedstock costs, logistics expenses, financial charges and impairment provision of non-financial assets related to one of the Group's subsidiaries (Advanced Metal Industries Cluster Co.), despite higher revenue driven by improved average selling prices and sales volumes for certain products, partial reversal of impairment provisions for financial assets, increase in finance and other income and decrease in general and administrative expenses and zakat provisions.

## 2-9 Basic Differences in Operational Results (SR'000):

	2022	2021	Changes	Change Percentage	Remarks
Sales/ Revenues	3,882,862	3,673,085	209,777	6%	Due to higher sales volumes and improved selling prices of certain products..
Cost of Revenue	3,018,573	2,686,081	332,492	12%	Primarily due to the costs associated with higher sales volumes in addition to higher raw material prices..
Gross Profit	864,289	987,004	(122,715)	(12%)	Due to lower selling prices for some of the products and increase in the costs of revenue caused by higher raw material prices.
Other Income (Expenses)	178,220	37,199	141,021	379%	Mainly due to higher dividends on investments and contribution surplus over the operating expenses related to research and development.
Operational Profit (loss)	1,320,783	2,515,113	(1,194,330)	(48%)	Primarily attributable to decrease in share of profit from investments in joint ventures and associates mainly due to lower average selling prices and sales volumes for petrochemical products, higher feedstock costs, logistics expenses and impairment provision of non-financial assets related to one of the Group's subsidiaries, despite higher revenue driven by improved average selling prices and sales volumes for certain products, partial reversal of impairment provisions for financial assets and decrease in general and administrative expenses.

## 2-10 Company assets, liabilities and business results for the last 5 financial years (SR'000):

Tasnee owns a good financial position and financial indicators. The following table explains the results of its efforts in the last five financial years:

	2022	2021	2020	2019	2018
Revenue	3,882,862	3,673,085	2,271,835	2,978,533	3,065,339
Cost of Revenue	3,018,573	2,686,081	1,941,999	2,577,277	2,636,600
Gross Profit	864,289	987,004	329,836	401,256	428,739
Net Profit	666,346	1,356,388	(446,747)	(1,676,315)	1,202,094
Current Assets	6,308,603	6,409,266	5,172,444	5,332,532	9,840,282
Non Current Assets	18,349,299	18,570,925	17,148,422	17,436,617	23,725,559
Total Assets	24,657,902	24,980,191	22,320,866	22,769,149	33,565,841
Current Liabilities	5,448,096	4,767,853	3,640,695	3,681,998	7,743,384
Non Current Liabilities	6,814,375	8,649,430	8,894,529	13,033,719	16,629,614
Total Liabilities	12,262,471	13,417,283	12,576,527	20,777,103	22,203,642

## 2-11 Explanation of any divergence from accounting standards approved by Saudi Chartered Accountants Authority:

The Company prepared its financial statements for 2022 with the comparative numbers of 2021 and in accordance with the International Accounting Standards (IFRS) approved by the Saudi Organization of Certified Public Accountants (SOCPA).

### 3- Corporate Governance



## 3- Corporate Governance

### 3-1 Implemented and Non-Implemented Provisions of Corporate Governance Regulations and the reasons therefor:

The company applies the provisions of the Corporate Governance Regulations issued by the Capital Market Authority except for the following paragraph:

Article/Clause number	Wording of the Article/Clause that has not been implemented	Reasons for non-implementation
85	The Company establishes programs to develop and stimulate the participation and performance of the Company's employees, provided that they include in particular the following: 1) Forming committees or holding specialized workshops to listen to the views of the Company's employees and discuss with them the issues and topics that are the subject of important decisions. 2) Programs to grant employees shares in the Company or a share of the profits it realizes and retirement programs, and the establishment of an independent fund to spend on these programs. 3) Establishing social institutions for Company employees.	This is a guiding article. The company provides communication channels with employees through human resources department, and provides incentives for employees in proportion to their performance according to the approved policies and procedures.
88	The Board of Directors sets the programs and the necessary means to present the Company's initiatives in the field of social activity, and this includes the following: 1- Establishing measurement indicators linking the Company's performance with the previous initiatives in social activity, and comparing this with other companies of similar activity. 4- Establishing community awareness programs to introduce the Company's social responsibility.	This is a guiding article. The General Assembly of the shareholders of the Company has previously adopted a social responsibility policy that defines the mechanisms of the Company's social contribution. The company's role in social responsibility and the programs it provides to the community are covered as part of its media content, and through annual reports, sustainability reports, the company's website and internal announcements to employees.
93 (b)	The disclosures in this article and in the Board report shall be pursuant to the appended schedule.	Executives management's remuneration is disclosed in aggregate as the Company seeks to avoid risks related to the competitiveness of human capital.

### Tasnee's Governance, Risk, and Compliance

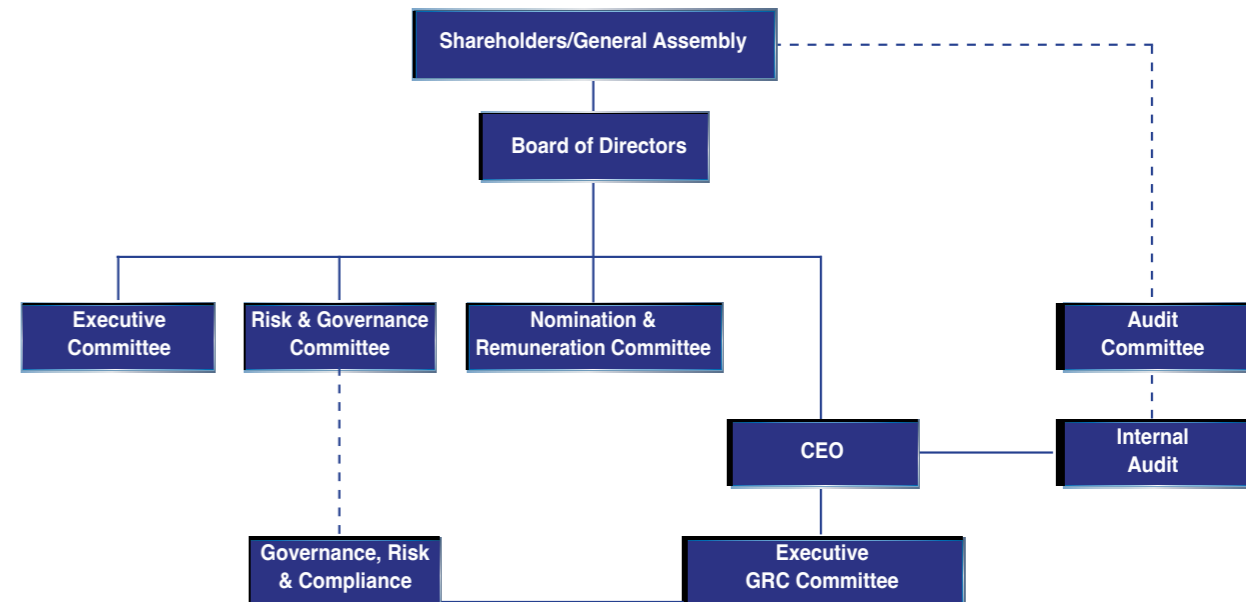
Tasnee Governance, Risk, and Compliance (GRC) framework sets out our company-wide approach to solid governance principles, robust risk management, and compliance with all applicable regulatory requirements in order to achieve the GRC objectives. Our GRC structure is based on the top-down principles which sets a strong tone at the top in managing GRC activities with consistency and transparency.

During the year the Board has established the Board Risk and Governance Committee with the mandate to further augment the risk management effectiveness and the governance process.

An internal committee has been formed 5 years ago consists of Executive Management in charge of Governance, Risk and Compliance (GRC Committee), to provide oversight across the Company and its affiliates to oversee performance, develop and maintain our regulatory framework, and identify, prioritize, and manage all compliance issues.

The Company has a strong risk culture of considering all our stakeholders' in adhering to our standards and culture in executing the Company's strategy.

### Tasnee Governance Structure



Operating primarily in petrochemical and chemical industry, companies witnessed changes in business environment, including geopolitical and economic changes, inflationary pressures and high interest rates resulting in challenges and opportunities. The Company has developed the necessary policies, frameworks and procedures based on internationally accepted risk management standards in order to reduce the impact of negative risks and invest in positive opportunities. Our revamped risk management program ensures that potential risks, including emerging risks, are timely identified, analyzed, quantified, effectively managed, and reported quarterly to the Board of Directors.

As the Company activity includes producing and marketing petrochemical and chemical products, which may come with safety risks. The Company's operations incorporate world class safety procedures, and it invests significantly in staff training and awareness on all its safety procedures and retains the appropriate insurance on its assets and business. The Company has a robust business continuity and resiliency program which ensures safety of its people and assets, and continuity of products or services delivery in the event of crisis/disaster.

The Company gets the main part of the feedstock from the main supplier (Saudi Aramco) at prices similar to those of petrochemical companies in Saudi Arabia, and any fluctuation in feedstock prices affects its profitability. The Company achieved positive results from implementation of both performance improvement and rationalization of expenditure programs in 2022 and will continue these programs in the future. The Company is continually working on reducing the risk of price fluctuations of petrochemical and industrial products by cutting down production costs, without compromising on quality and safety, and increasing the quantities produced, thus increasing both quantities sold, and revenues generated.

The Company's activities result in different financial risks, including market, credit, and liquidity risks. These risks are managed by constant identification, measurement, and control. The Company employs various methods to mitigate these financial risks, such as utilizing the necessary derivative financial instruments for hedging exposure to foreign exchange risks and interest rates on loans, and credit risks. The Company does not use derivative financial instruments for speculative purposes.

In order to mitigate risk effects on its profitability, cash flows and ability to achieve its strategic goals, the Company has adopted programs for continually identifying, analyzing and evaluating these risks in order to avoid or minimize negative impact on the business and be prepared to deal with any potential future risks as well.

To ensure compliance with the dynamic and evolving regulatory environment in the Kingdom, the Company actively monitors the actual and potential changes in the laws and regulations so that we can address and manage the impact of those changes. Tasnee GRC function have comprehensive guidelines to stay abreast of the regulatory changes and to ensure compliance with national, and to the extent applicable international, laws, statutes, regulations.

## Top Key Risks

### Information Technology & Operational Technology Security and Reliability

- Disruption in operations, technology, and unauthorized access to sensitive data.
- Existing vulnerabilities in industrial control systems (ICS) or Operational Technology (OT) and potential cyberthreats.
- Keeping up with the new emerging cyberthreats which may disrupt the business and cause damage to Tasnee's brand

### Human Capital

Retention and attraction of critical employees to ensure business continuity is not disrupted amid stiff labor market competition.

The challenge to attract & retain high performing professionals due to:

- Emerging industries in Saudi Arabia together with government incentive.
- Establishment of new organizations/projects to achieve vision 2030
- Recent changes in Saudi labor law.
- Relaxation of laws to attract foreign companies to establish Regional Hub in KSA.

## Health Safety Environment (HSE) and Process Safety Management (PSM)

- Recurring Process Safety incidents due to non-compliance to PSM system requirements and ineffective system implementation.
- Challenges with workplace safety and integrity of operating systems and processes that handle hazardous substances.

## Geopolitical and Insubstantial Global Economy

Regional tensions in the Arabian Gulf combined with the changes in the global economy following Russia-Ukraine war, recessionary pressures, inflation, volatile commodity prices will aggravate the geopolitical and global economic situation.

This will have an impact on the Company from following aspects:

- Sales, Revenue and Revenues Costs
- Supply chain that impacts products shipping and raw materials

## Challenges of Compliance with ESG requirements and other Regulatory Changes

Given the dynamic, emerging and progressive regulatory environment in the Kingdom, numerous changes are introduced on a very frequent basis in the regulatory environment touching different areas including Human Resources, cyber security, environmental, financial, legislation etc. This leads to both long /short term risks as well as opportunities around the compliance with regulatory requirements especially around Environmental, Social and Governance (ESG) fronts. The ESG is becoming increasingly important for all companies. By failing to meet the ESG commitments, organizations may be exposed to a reputational risk which could impact the company competitive advantage as well as the financial results.

## 3-3 Results of the annual audit on efficiency of internal control procedures in the Company, and the view of the Audit Committee on assessing the internal controls system in the Company.

Based on the instructions of the audit committee, the internal audit department continued to provide audit services and consultations related to the scope of its work, independently and objectively, which gives value and improves the operational processes of the Company and facilitates the achievement of its strategic objectives, by using a disciplined scientific approach to evaluate the effectiveness of internal control, risk management, and governance processes.

In accordance with the best global practices applied in governance, the Internal Audit Department is functionally reporting to the Audit Committee and administratively to the Company Chief Executive Officer, with absolute authority to enter any of the company sites and access various information, documents, and issues related to the employees. It performs its tasks in accordance with the approved internal audit regulations. The Internal Audit Department carried out all its work during the year in accordance with the internal audit plan prepared on the basis of the most important risks, which was approved by the Audit Committee at the beginning of the year, with a focus on activities and operations with high risks, in order to help achieve the goals of the Company and protect its assets. A number of internal auditing processes have been implemented with the aim of determining the efficiency and effectiveness of the internal control system and procedures, and their results have been discussed and sent to the relevant departments and Strategic Business Units in the Company in order to study and address the notes and recommendations, develop the necessary corrective measures, follow up their implementation and closure within stipulated timeline with the relevant departments, and present to the Audit Committee, periodically, updated reports that clarify what has been achieved with the challenges and risks that may arise from not closing those observations and recommendations.

The Audit Committee reviewed the internal control and auditing procedures based on the tasks carried out by the Internal Audit Department, according to the plan adopted by the Audit Committee. After discussion with the Company and the external auditor on the quarter and annual results, the audit committee can give reasonable assurance about the effectiveness of the company internal audit procedures and systems, and no evidence of the existence of what should be indicated, or it is believed that there is a weakness or fundamental defect in the systems, policies and procedures of the important audit issues in the Company, noting that no absolute assurance of the effectiveness of any system of internal audit can be provided regardless of its soundness of design and the effectiveness of implementation.

### 3-4 Recommendation of the Audit Committee regarding the extent of the need to appoint an internal auditor in case such a role does not exist in the Company.

The Company has an Internal Audit Department for auditing the Company and its affiliates.

### 3-5 Audit Committee recommendations containing conflict with Board decisions or which are rejected by the Board with regards to appointing a company accounts auditor or dismissing this company, specifying their remunerations and evaluating the performance or appointing an internal auditor, and the justifications of those recommendations and the reasons why they are rejected.

There is no conflict between the Audit Committee and the Board of Directors' resolutions.

### 3-6 Disclosures and Acknowledgments:

#### 1- Conflict of Interests:

The Board of Directors acknowledges that all Board members do not have any interest either direct or indirect in the business and contracts executed for the benefit of the Company except that which is mentioned in item 3-12. The Company did not lend to any Board member or stand guarantee for any loan or liability of any kind.

#### 2- Transactions with related parties:

There were no contracts with parties related to the Board members, the Executive Management or any of their relatives, except that which is mentioned in item 3-12.

#### 3- The Board of Directors acknowledges that:

3-1 Proper books of account have been maintained;

3-2 The system of internal control is sound in design and has been effectively implemented.

3-3 There are no significant doubts concerning the Company's ability to continue its activity.

#### 4- The Auditor's Opinion about Financial Statements

The Auditor's report revealed that the company's financial statements were free from any substantial errors or reservations.

### 3-7 The Company's Auditors:

Based on the recommendation of the Audit Committee, the 25th Ordinary General Assembly appointed PricewaterhouseCoopers(PwC) and the external auditor to examine, review and audit the financial statements for the second and third quarters as well as the annual statements for the fiscal year 2022 and for the first quarter of the fiscal year 2023.

### 3-8 Dividends Distribution Policy

Dividend distribution is one of the authorities of the General Assembly and is based on the Board of Directors' recommendation. Dividend distribution depends on net profits, capital expenditure on future investment projects, cash flows forecast, loans maturities and their settlement conditions, financial position of the company, and the general economic climate.

The general policy for distributing dividends is summarized pursuant to Article 19-4 of the Company articles of association, which stipulates distribution of annual net profit after deducting all overheads and other costs as follows:

A. Allocation for Zakat

B. Taking into consideration the provisions of other relevant regulations, 10% is to be kept aside as a statutory reserve and the ordinary general assembly may stop this sparing whenever the mentioned statutory reserve reaches 30% of paid up capital.

C. To distribute a first payment which must not be less than 5% of the paid-up capital, to shareholders.

D. To distribute the remainder as an additional share of profits without prejudice to the provisions of the Articles 14-10 (B), 19-4 and 19-5 of the Company ByLaws, and due to the results of the financial results and its cash flows, the Board of Directors did not recommend the distribution of cash dividends for the financial year ending on 31 December 2022 to the General Assembly.

### 3-9 Investors Relations:

The Company always dedicates great importance to its investors and is keen to provide them with performance results and the latest developments in a timely manner, providing them the suitable means to review the Company activities, investments, financial results and all other important information. Therefore, the company has updated its website and developed a special section for investor relations on the company's website that includes all information of interest to the investor in a professional and interactive manner that matches international best practices. It includes Board reports, financial statements, sustainability reports, and disclosures published on the company's page on the stock exchange (Tadawul) website. In addition, the company held several meetings with the investment community, including local and international investors and analysts.

In addition, the Company has developed a search engine on its website for helping shareholders (or their heirs) who hold paper certificates to confirm their share ownership. Investor relations department supports those certificate holders transferring their shares into electronic portfolios after completing regulatory procedures with the Securities Depository Center Company (Edaa). Also, IR provides uncollected dividends details, if any

The company's investor relations department applies best practices and standards in order to achieve the highest levels of active participation with the investment community. The company's management continues to work on the principle of disclosure and transparency and always strives to meet the statutory requirements of the Capital Market Authority and ensure commitment to protecting the rights of shareholders and other stakeholders.

### 3-10 General Assembly and Board Participation:

The Company held one meeting of the Ordinary General Assembly during the year, on 20/04/2022, remotely. The meeting was attended by the following Board members:

No.	Name	Attendance of Meetings
		25th Ordinary General Assembly Meeting on 20/04/2022
1	Eng. Mubarak A. Al Khafrah	√
2	Dr. Talal A. Al Shair	√
3	Dr. Nazeeh H. Naseef	√
4	Eng. Talal I. Al Maiman	√
5	Mr. Badr A. Al Dakheel	√
6	Mr. Saud S. Al Juhani	√
7	Mr. Mutlaq H. Al Morished	√
8	Mr. Musaab S. Al Muhaideb	√
9	Eng. Abdulrahman S. Al-Sayyari	√
10	Eng. Abdullatif K. Al-Mulhim	√

The meeting covered the following:

1. Approving the Board of Directors' report for the fiscal year ending on 31/12/2021.
2. Approving the auditor's report for the fiscal year ending on 31/12/2021.
3. Approving the Company's financial statements for the fiscal year ending on 31/12/2021.
4. Approving the appointment of PricewaterhouseCoopers (PwC) as the external auditor, based on the recommendation of the Audit Committee; to examine, review and audit the financial statements for the second and third quarters as well as the annual statements for the fiscal year 2022 and for the first quarter of the year 2023, and to determine the auditor's fees.
5. Approving the resolution of the Board of Directors to appoint Eng. Mutlaq Hamad Al Morished (Executive Director) as a member of the Board of Directors starting from 28/09/2021 until the end of the current term of the Board , on 05/07/2022, in succession to the previous Board member Mr. Ibrahim Ali Al Qadhi (Non-Executive Director).
6. Approving the update of Nomination and Remuneration Committee Charter.
7. Approving the business and contracts that took place between the National Industrialization Petrochemicals Marketing Co. (Tasnee subsidiary company) and the Factory of Non-Woven Industrial Fabrics Company, which is a subsidiary of Al-Khafrah Holding Company in which the Chairman of the Board Eng. Mubarak Abdullah Al-Khafrah has a direct interest. The transactions include various purchase orders for polypropylene materials. The total purchase during the fiscal year ending on 31/12/2021 amounted to SAR 28,762,665 and there are no preferential conditions.

8. Approving the business transactions and contracts that took place between the National Industrialization Petrochemicals Marketing Co. (Tasnee subsidiary Company) and the Converting Industries Company Ltd. (an affiliate of Al-Shaer Trading, Industry and Contracting Company) in which the Board Member Dr. Talal Ali Al-Shair has a direct interest. The transactions include various purchase orders for polyethylene materials. The total purchase during the fiscal year ending on 31/12/2021 amounted to SAR 23,380,589 and there are no preferential conditions.

9. Approving the election of the Board of Directors' members for the next Board term of three years starting on 06/07/2022 and ending on 05/07/2025. They are: Eng. Mubarak Abdullah Al-Khafrah, Eng. Talal Ibrahim Al-Maiman, Eng. Abdullatif Khalifah Al-Melhem, Mr. Bader Ali Al-Dakheel, Mr. Saud Sulaiman Al-Juhani, Mr. Musaab Saulaiman Al-Muhaideb, Eng. Abdulrahman Sulaiman Al-Sayyari, Mr. Fahad Abdulrahman ALmishal, Eng. Mutlaq Hamad Al-Morished, and Mr. Ahmad Naja Al Theabi.

10. Approving the formation of the Audit Committee, defining its duties, working procedure and members' remuneration for the new term of three years – starting on 06/07/2022 and ending on 05/07/2025, the candidates are the following: Mr. Sami Abdulaziz Alshenaiber, Mr. Bader Ali Saleh Al Dakhil, Mr. Musaab Sulaiman Al Muhaidib, and Mr. Maher Saad Alaiyadhi.

11. Approving the disbursement of an amount of SAR 350,000 as an award for each Board member for the fiscal year ending on 31/12/2021.

12. Approving the discharge of the members of the Board of Directors for the fiscal year ended 31/12/2021.

### 3-11 Description of any interest in the category of voting right shares belonging to persons (other than Board directors, senior executives and their relatives) who sought information from the Company about those rights pursuant to Article 45 of the Registration and Entry Rules, and about any change in those rights during the last financial year:

Null.

### 3-12 Description of Any Deal between the Company and a Related Party

Related Party	Type of Relationship	Type of Deal	Duration	Total Deal Value
Eng. Mubarak A. Al Khafrah – Chairman of the Board of Directors	Direct interest	The National Industrial Marketing Company for Petrochemicals, a subsidiary of Tasnee, has entered into a purchase order for polypropylene with the Industrial Non-Woven Fabrics Company Commercial Registration No. 2055014696 (a subsidiary of Al-Khafrah Holding Company, in which the Chairman of the Board Eng. Mubarak A. Al-Khafrah has a direct interest) . There are no preferential conditions.	The supply takes place through purchase orders and not through contracts of limited duration	The total purchase value in 2022 was SR19,146,006
Dr. Talal A. Al Shair – Vice Chairman of the Board of Directors	Direct interest	The National Industrial Marketing Company for Petrochemicals, a subsidiary of Tasnee, has entered into a purchase order for polyethylene with the Converting Company Limited, its Commercial Registration No. 4700015588 (a subsidiary of Al Shair Trading, Industry and Contracting Company, in which Dr. Talal A. Al-Shair has a direct interest). There are no preferential conditions.	The supply takes place through purchase orders and not through contracts of limited duration	The total purchase value in 2022 was SR21,890,736

### 3-13 Explanation of any arrangements or assignment agreement whereby a shareholder of Company assigns any right in profits:

There are no arrangements or assignment agreement whereby a shareholder of Company assigns any right in profits.

### 3-14 Disclosure of details of treasury shares kept by the Company and usage details of these shares:

There are no treasury shares kept by the Company and usage details of these shares.

### 3-15 Statement of the value of any investments or reserves for the benefit of Company employees:

There are no investments or reserves for the benefit of Company employees.

### 3-16 Zakat and Regular Payments

Statement	2022		Brief description	Reasons
	Paid	Due until the end of the financial year and not settled		
Zakat	146,440,077	238,267,769	Includes consolidated zakat of the Company and its subsidiaries	Compulsory
Tax	235,050,821	87,125,858	Includes income tax and its down-payments, VAT and withholding tax	Compulsory
GOSI	69,707,945	-	Subscriptions	Compulsory
Visas and passports costs	947,905	-	Fees payable for exit and return visas and Iqama renewals	Compulsory
Labor Office fees	2,331,905	-	Fees payable for extraction and work permit renewals	Compulsory
<b>Total</b>	<b>454,478,653</b>	<b>325,394,627</b>		

### 3-17 Number of Company requests to shareholders record and dates and reasons for the requests:

Number of Requests	Request date	Request Reasons
1	10/01/2022	Company Procedures
2	12/04/2022	Company Procedures
3	20/04/2022	General Assembly
4	31/12/2022	Company Procedures

### 3-18 Penalties and Sanctions Applied on the Company:

No penalties or sanctions applied on the Company by the Authority or any supervisory, regulatory or judicial party during 2022.

## 4- Achievements per Sectors





## Strategy and Growth

### Tasnee Strategy

#### OUR VISION:

To optimize stakeholders' returns and contribute to industrialization by pursuing ambitious opportunities.

#### OUR MISSION:

To consistently operate at high standards of agility, efficiency, sustainability and innovation in the petrochemicals industry.

#### OUR STRATEGIC PRINCIPLES

- SP1. Shareholders value
- SP2. Resilience and sustainability
- SP3. Care for employees and community

#### OUR STRATEGIC PILLARS

- P1: Create more value from our assets with efficiency & sustainability
- P2: Grow our petrochemicals business
- P3: Improve and reshape our portfolio

#### OUR CORPORATE GOALS

- Double our revenue by 2030
- Ensure all Tasnee portfolio companies generate positive economic return by 2026
- Be among the top quartile among Saudi Petrochemicals companies in terms of return on invested capital
- Reduce voluntary employee turnover
- Fill at least half of our managerial positions from within by 2030
- Achieve net-zero carbon emissions by 2060

#### OUR CORE VALUES

Excellence		Integrity
Teamwork		Seeking Knowledge

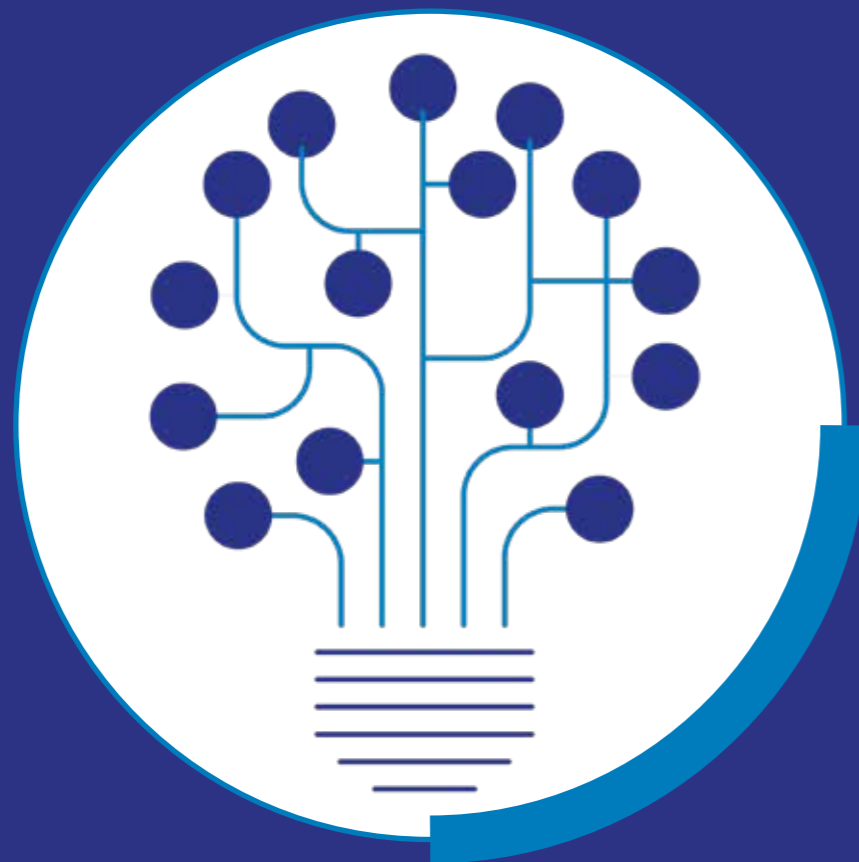
Our corporate purpose and motivation is to consistently operate at high standards of agility, efficiency, sustainability, and innovation in the petrochemicals industry. We have made sure that our fundamental strategic principles are adhered to in the design of our strategy to offer value creation for shareholders, resilience, and sustainability, while also caring for employees and the community. We have chosen to visualize our strategy around three core strategic pillars, which will serve as a framework and point of convergence for all corporate decisions. We aim to be among the top quartile Saudi Petrochemicals companies in terms of return on invested capital. We will continue to create more value from our assets with efficiency & sustainability. To ensure that our whole portfolio generates economic value for our shareholders while adhering to best-in-class environmental, social, and governance (ESG) practices, we will pursue operational excellence and cost leadership across our entire business portfolio. We are also aligned with wider Vision 2030 goals to accelerate the energy transition and accomplish sustainability goals. We will continue to give health, safety, and the environment our unequivocal attention.

We aspire to increase our revenue by two-fold by enabling investment, growth, and expansion in petrochemicals in line with KSA Vision 2030 goals. We recognize that Petrochemicals remains a promising

long-term industry in Saudi Arabia. In addition, Tasnee has established itself as an adept manager and operator of petrochemical assets. Therefore, through our Petrochemicals growth we will stimulate industrial development and increase GDP, in addition to maximizing the shareholder value creation.

Besides our Petrochemicals growth aspiration, we want to make sure that all Tasnee capital employed generates positive economic return. For this motive, reshaping and improving our corporate portfolio will continue to be a crucial part of our corporate strategy, ensuring that Tasnee capital is carefully allocated to value-creating businesses which are attractive to investors.

In recognition of our obligation to the communities in which we operate, we will engage and collaborate with our stakeholders. With a solid and consistent performance culture, investments in leadership development, internal career progression and an efficient and effective organization with strong set of values revolving around excellence, integrity, seeking knowledge and teamwork, we will assure our long-term success.



## 4-2 Technology and Innovation

Technology and Innovation (T&I) center is essential function of Tasnee that focuses on Research and Development activities and provides the wide range of technical support by its highly caliber workforce and its capability. Over the years, it improved its capabilities in the areas of plastics, materials, process modeling, technology, lab analytical technique, to support Petrochemical and downstream business.

In 2022, T&I center continued its contribution to Petrochemical and Downstream business for new development and technical support in line with Tasnee strategy. Several projects have been completed towards cost saving, new development, supporting "SAUDI MADE" drive such as the development of masterbatch for BOPP, new Plastic pallets, elimination of transition grade in polypropylene production. Non-phthalates grades drive in Tasnee is further enhanced and T&I contributed significantly to polypropylene grades validation in line with future trend and upcoming implementation of grades in market. A widespread support has been given to Downstream business for streamlining the double wall corrugated pipe and pipe fitting plants from raw material to production establishment, this resulted into new products for the market for additional revenue.

T&I has further expanded its role for Tasnee Product Stewardship as improving and

developing key function within T&I for the organization to safeguard the impact of its products on health, safety, and the environment. Also, T&I has added the superabsorbent polymer (SAP) capability in polymerization, SAP product testing and hygiene article performance testing facility.

In the other hand, T&I has successfully renewed the accreditation of ISO/IEC17025: 2017 by the International Accreditation Service (IAS) and doing several round-robin activities with global laboratories which demonstrated that T&I operates in a highly qualified system to raise the level of quality and consumer protection, showing the high qualification of T&I analytical capabilities.

T&I experts are keen on adding value by providing professional technical support, trouble shooting of plants, contributing to cost reduction by process optimization, raw material selection / qualification for its petrochemical plants. An extensive support has been provided by scientists in modeling and simulation, where full plant modeling and theoretical analysis resulted into process optimization, troubleshooting and improvement in operation of commercial plants.

T&I with a group of experts from Tasnee Petrochemical Complex and international consultant developed a decarbonization roadmap including the latest technologies

and configurations to decarbonize Tasnee's petrochemical complex in Jubail, with the ultimate aim of achieving net zero carbon gas emissions by 2060. The roadmap includes a hybrid approach featuring hydrogen refueling and post-combustion carbon capture equipment. The recommended configuration will be a phased deployment which allowed a smoother expenditure profile which gives flexibility to Tasnee when planning for financing but also allows the potential to adapt to update policy and key drivers (such as technology development) which may affect the timing of deployment in the future.

In line with the county 2030 vision and as a first initiative for decarbonization, T&I will be installing Solar system covering 20% of its yearly electrical consumption.



## 4-3 Petrochemicals Business

In 2022, Petrochemical Strategic Business Unit has continued its remarkable performance in terms of set measurable business performance goals of safety, health, environment, operational efficiency & excellence, quality, and finally sales and marketing.

**Production & Performance:** Ethylene Cracker (EC), High Density Polyethylene (HDPE), Propane De-Hydrogenation (PDH), Butyl Acrylate (BA), Butanol plants have either achieved or surpassed targeted annual production. Despite all challenges that have been encountered, HDPE has achieved its first ever highest production in addition to other major records related to pipe grade production volume and product quality. PDH has also achieved its first ever highest production in Turnaround Maintenance (TAM) year and BA has achieved its 2nd record of highest production. The overall plant's reliability index has been improved by 2% compared to last three years of performance index.

**Quality management:** Tasnee Petrochemical Complex Laboratory has had a remarkable year during Y2022. Several milestones have been admirably accomplished, for example: Tasnee Petrochemical Complex (TPC) lab has achieved a world-class score (Global benchmarking 2022 conducted by Marsh) which indicates that the company is in a very good position in terms of Product Quality Management among all other

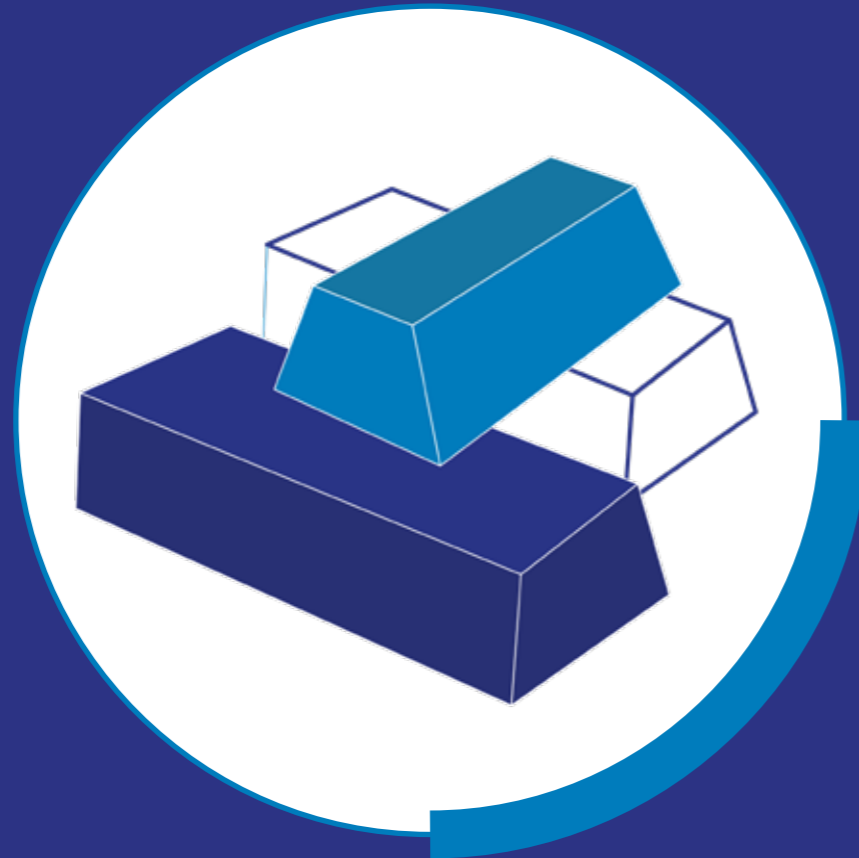
petrochemical producers. TPC lab has received "International Accreditation Body", USA-approval for "ISO 17025 accreditation". On the other hand, TPC has been audited by Royal Commission (RC), the audit was resulted in zero non-Conformance Report (NCR) recorded with full compliance with (RC) pipeline's regulations. The company has been also re-certificated for another three years in "RC-14001 certification" with zero NCR recorded. Moreover, for the first time ever, TPC has been certified in ISO55001 "Asset Integrated Complex" with zero NCR recorded. Finally, TPC has been certified in ISO50001 "Energy Management" with zero NCR recorded.

**Petrochemical Excellence Program (PEP2.0):** The program continues to focus on the value creation that is a key pillar to bring long term value in a sustainable way. The first pillar "Process Safety Initiatives" was developed to strengthen and assure a continuous improvement toward EHSS excellence. The "Assets Reliability enhancement" ultimate target was to sustain high production volume and process all additional feedstocks. As Human capital is one of our major concerns, a mitigation plan including employees' competencies, capabilities, and talent retention was developed for giving the right attention to such important issue. Last pillar is "Cost optimization" to promote employees' culture of taking care of both variable and fixed costs

optimization. Many initiatives were already executed which have had a direct impact on the overall manufacturing cost. The program was already approved by Management in June 2022 & the total potential value is ~ SAR 390 MM.

**Digitalization:** Tasnee Petrochemical Complex Management believes that digitalization is becoming increasingly important for organizations to improve flexibility and maintain market competitiveness. The digitalization journey has already started in partnership with Enterprise Business Solutions (EBS) to integrate and adopt latest digital technologies & practices into all areas.

**Sales & Marketing:** Tasnee National Petrochemical Marketing Company represented by Polymer BU was able to win all 3-Polymer products (Polypropylene, High Density Polyethylene, and Low Density Polyethylene) in marketing competition. In addition, Tasnee Marketing has successfully marketed and sold for Titanium sponge product produced by Advanced Metal Industries Cluster and Toho Titanium Metal Co. with total quantity of 108 MT. Chemical BU was also able to increase BA production volume by 29% above budget which resulted into a reduction in Tasnee and Sahara Olefins Company support. Additionally, Chemical BU has successfully managed to trade SADARA's IBA share.



## 4-4 Metallurgy Business

In 2022, the Metallurgy Strategic Business Unit (SBU) continued its efforts towards achieving sustainable business. Driven by the recovery in the market especially due to improvement in Aerospace sector and restricted supply driven by geopolitical issue, the Metallurgy SBU is correctly positioned to exploit this opportunity through accelerating ramp up and increasing capacity to meet the expected demand.

During 2022, the slag plant has improved in all plant operational areas. With the design changes made on the furnace, the slag plant team has managed to successfully start up and operate the furnace without any damage to the refractory lining which is a significant achievement when looking back at the past. The furnace has been operated for 434 days, reaching 42 megawatt (MW) power set point which is around 65% of the power design capacity. The 117,5 Ktof slag, 93 KT of Chloride Slag (CP), and 10,9 KT of Sulfate Slag (SP) . During the same time there was 60.4 KT of iron tapped.

Product sales have taken off with 67,9 KT of CP slag sold to Titanium Dioxide manufacturer, well within specification. The operations have also progressed from a startup and commissioning phase to a stable operational phase. Further successes achieved was the ability of the workforce to adapt and overcome the demands in various intense situations without serious

injuries or irreversible damage to equipment. Although still being faced with numerous challenges which are expected to be overcome by the teams while further improvements are expected to be implemented.

On the Sponge Plant (ATTM) side, 2022 was a challenging one, however, several milestones on qualification and operational side were achieved, including without limitation, we have passed the 1st surveillance audit for ISO 14001 (Environmental Management System), also we have completed the early surveillance of Safety management system ISO 45001.

AS-9100 "Aerospace Surveillance" Certificate was also obtained in February 2022 and the qualification with major OEM's Tier 1 suppliers were concluded. The Batch Management System (BMS) has been implemented and is running, also we have completed the Reaction Vessel Maintenance Workshop.

The Ramp Up for production continues and two ramp ups were carried out in Year 2022 which enables us to reach around 70% of our nameplate capacity. Also, the preparation for ramping up to reach full capacity in year 2023 is ongoing and the necessary construction work for electrolysis cells is on schedule.

On sales side all produced material is sold out mainly to export markets, also the discussions with potential partners to develop the Mid-

Stream projects is ongoing to increase the footprint, also we have succeeded in increasing the number of customers this year which enables us to increase our sales and market penetration.

Tasnee also signed a group of MoUs to enhance cooperation in the localization of titanium metal value chains to support the aviation industry in the Kingdom such as signing an MoU with the National Industrial Development Center (NIDC) in the presence of H.E. Bandar bin Ibrahim Alkhorayef, Minister of Industry and Mineral Resources, on the sidelines of Tasnee participation in the World Defense Show which was held in Riyadh in March 2022.

Moving forward to next year, our focus will continue to ensure the safety and welfare of our employees to ensure a sustainable business. Also, to ensure the completion of the Ramp Up plans for ATTM as planned and sustainable operation of the Slagger plant as well as continuing the qualification with new customers and increasing the customer base to increase sales.



## 4-5 Downstream Business

Downstream Strategic Business Unit (SBU) has continued its pursuit of being a value adding source to Tasnee's overall portfolio. Despite the global slowdown coupled with economic meltdown in MENA region and the fluctuation in raw material prices yet the Downstream SBU has created a high value proposition for the Group and delivered turnaround in key financial indicators.

Plastic Business Unit, succeeded to achieve breakthrough results in FY2022 in most of the business drivers. Majority of the value addition came from Taldeen Pipes business by obtaining the contracts of mega projects in the Kingdom in Infrastructure development projects. Taldeen Injection business has continued tremendous growth backed by Plastic Pallets sales, whereby increase in the capacity is committed to cater long-term market demand. Agri film business sustained the business despite the financial challenges in MENA region.

Rowad Global Packaging Co. had contributed significantly to Downstream growth with major contribution from export market, Central American is a new market where business footprint is expanded, supported by

the reputation of high-quality BOPP products and their reliability in servicing of our existing customer base.

Rowad National Plastic Co. also succeeded in highest volume delivery in injection molding business. Recycling plant secured more suppliers for scrap materials enabled to produce the highest volume historically, capacity expansion is planned for future growth, adding value to the environment in accordance with the Vision 2030 of Kingdom to provide green and sustainable environment for the future generations. Rowad International Geo-synthetics has served local market demand despite the financial challenges in MENA region and European market crisis.

Downstream Batteries and Lead business unit continued in adopting major modernization initiatives at all levels. Rassas Co. has sustained the business and shown improved profitability over the budget and last year. Capacity expansion is planned for Rassas with advanced technology to capture the market share well in advance to support National Batteries Company (NBC) and KSA market demand for the long-term. NBC has secured key agreements with key automotive players and service centers to

expand the market while imported batteries still the main challenge in the market. The team commenced multiple initiatives to improve operational yield ratio, reduce operating cost and enhance pricing schemes in all new agreements for Battery & Lead business.

Downstream Technical Services business unit continued to face challenges in the region that negatively affected the cashflow and liquidity. Despite the difficulty faced, the business was sustained by several cost cutting initiatives and by obtaining several contracts for inspection, shutdown, accreditation audit, certification and training which also supported growth in revenue versus last year in addition to the signed long-term partnership contract with major municipalities in the Kingdom.



## 4-6 Human Resources and Training

In 2022, Human Resources in Tasnee continued with its pursuit of promoting the company values of Integrity, Seeking Knowledge, Teamwork, and Excellence as well as supporting the Kingdom's Vision 2030. Tasnee placed great effort to invest in its most valuable asset – the people with special emphasis on developing the Saudi workforce and providing them equal opportunities to grow, develop, gain and share knowledge to contribute to nation building.

To support the human resources strategy in 2022, a set of objectives have been achieved through several initiatives that aim to focus on people centric and corporate social responsibility. These initiatives included supporting the national workforce and empowering young leaders and the female workforce in various positions through utilizing number of available Saudization programs. The programs were successful with the generous support provided by our government represented by the Ministry of Human Resources and the Human Resources Development Fund "HADAF".

Developing young citizens' capabilities, preparing them for the future and supporting them to seize future opportunities through different Early Career Programs were a source of inspiration. The program included the Youth Development Program (YDP), Saudi Early Engineers Development (SEED), Tasnee development program for operators and technicians in Jubail and Downstream Graduate Engineering Development Program (GEDP). Where the total number of graduates in the various training programs reached 42 trainees. In addition, "Tatwar Training Program" was initiated

to develop our young Saudi talents to provide them with professional soft skills to enhance their professional development. All these training programs run in conjunction with a cognitive educational series that the trainees receive on the job to upskill both skills and competence to perform the assigned tasks.

In Tasnee we believe that the main pillar of our success is our employees and to instill the culture of continuous learning and increase the overall utilization of Tasnee's various learning opportunities, we initiated a variety of blended learning approaches. Starting with the Internal Trainer Program, which underwent many successful transformational changes which translated in the delivery of training to 600 employees with 300 training hours within 45 topics across Tasnee. This program, coupled with 'Tasnee Learning Week', Bi-Monthly trending course announcements and mandatory regulatory trainings, knowledge sharing sessions amplified the engagement that led to the highest utilization of our e-Learning platform.

As part of our efforts to continuously improve our programs and processes we also promoted the utilization of forums both online and in person for employees to share their feedback, concerns and to voice their opinions, the overall satisfaction rate of the response reached to 88% from a total of 5,880 tickets raised. Other engagement initiatives included launching the 'HR Week' which gave opportunities for employees to engage and get clarity on various processes, policies, and an opportunity to ask questions directly in the arranged sessions. We also pursued implementing more than 95% of

engagement survey action items that arose from the engagement survey that was launched in 2021.

The team also launched many initiatives across the company to engage not just our employees but their families as well, such as participating in: World Mental Health Day, Breast Cancer Awareness, Diabetes Awareness and Anti-Smoking Clinic along with providing vaccinations for seasonal influenza for all. In addition to launching an initiative to promote social communication between employees and professional relationship building.

Tasnee continues with its endeavor in investing in technology and automation to be at the forefront of the industry. In 2022 we were the pioneers in the industry to implement a new cloud-based EC Payroll System as well as introducing Robotic Process Automation (RPA) which has resulted in increased efficiency, accuracy, and substantial reduction in cost. We also enhanced, redesigned, and digitalized more than 30 HR processes in Success Factors.

With the continued success of our initiatives taken in 2022 which focused on developing, training, and empowering our employees through the process of continuous performance management. The HR organization is committed to support Tasnee to achieve its strategies, goals and objectives and continue our efforts to continuously improve our processes, policies, and procedures, be pro-active in embracing change and overcoming challenges to increase efficiency, productivity and professional satisfaction to the future proofing our human capital.



## 4-7 Health, Safety and Environment

In 2022 Tasnee accomplished a series of successes and achievements in terms of health, safety, and environment, by boosting the level of awareness, application, and commitment in all its strategic business units. The company encountered several challenges, whether at the level of individuals or the organization in general. The company managed to overcome these obstacles and face them through full compliance with all standards and requirements of occupational health, safety, and the environment. Also, Tasnee committed itself to contributing to the sustainability of the environment and community and adhered to the regulations and standards of regulatory industrial entities locally, regionally, and globally.

Tasnee was keen to keep on confronting Covid-19 pandemic and continued to spread awareness of the threat of the virus by holding many awareness sessions for all employees and ensuring that everyone obtains the third dose of vaccination and follows up on that in a timely manner.

Tasnee continues to express its interest in occupational safety, as it celebrated the annual World Day for Safety and Health at Work and conducted many awareness activities and training sessions to raise the general level of awareness of the importance of occupational safety for all employees and contractors throughout the year.

National Industrialization Company (NIC), represented by the Petrochemical Business Unit in Jubail, achieved the British International Safety Award for demonstrating a strong and fulfillment of all requirements to obtain this award, as it completed the year without a lost-time injury (LTI). In the Downstream industries Business Unit, dedicated efforts have been exerted promote occupational safety by updating all standards and holding intensive training courses for employees, which was reflected in concluding this year without LTI and

raising the general performance index. The Titanium Sponge Plant in Yanbu achieved a new record, as it completed the year without recording any lost time work injury.

As for performance indicators, the company recorded a total recordable incident rate (TRIR) of 0.024 for the number of hours that exceeded 60 million working hours achieving an improvement rate of 61% compared to last year. As for the severity rate S.R., it recorded 0.20 achieving an improvement rate of 88% compared to last year. This is a distinguished TRIR compared to other companies in the same industry.

In terms of public health, Tasnee launched several campaigns in conjunction with the celebration of World Mental Health Day, in addition to raising awareness of breast cancer and combating smoking and electronic cigarettes. Awareness courses were also held to deal with diabetes during fasting. The company also launched a seasonal flu vaccination campaign.

The Department of Occupational Health and Safety in the shared services, in cooperation with the management of National Lead Smelting Company (RASASS) and National Batteries Company (NBC), was able to make action plans to reduce the percentage of lead among the most exposed workers in order to preserve their health. The results were more than expected, as the general rate was reduced to less than 40 mg/dL, which is the normal rate.

In the arena of preserving the environment, Tasnee is committed to all environmental conditions and standards by obtaining environmental permits for all its industrial facilities in addition to continuous coordination and follow-up by the company's Health, Safety and Environment Department with all the company's business units to ensure the validity of environmental permits and adherence to their strict application.

In line with the Kingdom's Vision 2030 by paving the way towards realizing zero neutrality by 2060, a committee was formed that included many experts under the direct supervision of the company's leadership and contracted with an international consulting company in the field of engineering solutions to work on developing a road map to develop solutions to reduce carbon emissions by studying all Tasnee's industrial operations, evaluating emissions sources, and recommending solutions based on the state of the art technologies, which are incorporated in a roadmap consisting of time stages to reach the required zero neutrality.

Also, Tasnee celebrated the Saudi Environment Week, the launch of a drawing competition for the employees' children to raise their environmental awareness, and the launch of a daily journal over a whole week to raise the level of environmental awareness. In addition, an afforestation campaign was launched at the petrochemical complex coinciding with this event. The World Environment Day was also celebrated at the company level, highlighting the importance of commitment to preserving the environment and rationalizing the use of natural resources.

Recreation Division of Tasnee's Shared Services has also organized entertainment activities for men, namely a comprehensive sports tournament for several activities and competitions, in addition to a billiards tournament for Tasnee's women. This type of initiatives is essential in increasing productivity and merging the sense of comfort that everyone finds outside of work with the sense of joy of achievement that one finds at work.



## 4-8 Social Contribution

In 2022, Tasnee continued its interest in social responsibility by supporting and providing social programs to meet the general needs of society. Accordingly, Tasnee got many appreciations and honoring through the year. Below are some examples of Tasnee contributions and honoring in 2022:

- Tasnee has been honored by HRH Prince Faisal bin Bandar bin Abdulaziz Al Saud, Governor of Riyadh, on behalf of the Custodian of the Two Holy Mosques, may God protect him, for its sponsorship and participation in the 6th International Conference on Disability and Rehabilitation organized by the King Salman Center for Disability Research.
- Tasnee has been honored by "Ehsan" platform in the honoring ceremony held under the patronage of HRH Pr. Mohammed Bin Salman Bin Abdulaziz, the Crown Prince and honored by HRH Pr. Faisal Bin Bander Bin Abdulaziz, Governor of Riyadh.
- HRH Prince Saud bin Naif bin Abdulaziz, Governor of the Eastern Province and Honorary President of the Tarmeem Charity, honored Tasnee for its qualitative support for the Tarmeem Charity when he honored the signing ceremony of social partnership agreement between Tasnee and the Tarmeem Charity in the headquarters of the Emirate of the Eastern Province. Also Tasnee employees participated in restoring and qualifying one house and handed it over to the beneficiary family.
- Tasnee contributed an amount of SR 1 million to support the National Charity Campaign launched by the National Charity Platform "Ehsan" for the second year in a row.
- Tasnee renewed the Memorandum of

Cooperation with (Ehsan) Platform to enhance the cooperation and contribute national charitable initiatives and to achieve the maximum benefit from improving the efficiency of charitable and humanitarian work.

- Within its partnership with Etaam Association and its contribution to the Food Insurance Program (Takaful Etaam), Tasnee and its employees provided sustainable care for 107 beneficiary families over the course of a whole year, and Tasnee employees participated in a program for packaging food baskets both in Riyadh and Jubail.
- Tasnee and its employees continued their support for the Charitable Society for the Memorization of the Holy Qur'an in Jubail through the continuous monthly deduction program for 9 years for the benefit of thousands of people and contributes to the graduation of many memorizers annually.
- Within the partnership with "Ehsan" platform and as a reflection of the distinct contributions of Tasnee and its employees, resulting in continuous support for social responsibility programs, Tasnee, launched the "Winter Clothing" campaign, to distribute aids to the needy families in multiple regions in the Kingdom; distributing aids to 288 beneficiary families in Riyadh, distributing shopping cards to 160 families in Tabuk, and 680 families benefited from the campaign in Abha.
- Tasnee sponsored and participated in the Anti-Smoking Exhibition which was organized by the Social Services Department in the Royal Commission in Jubail and attended by 1000 visitors and aimed at combating the smoking phenomenon and raising awareness

of its social harm, as Tasnee participated in cooperation with the Anti-Smoking Charitable Association (Naqa).

- Tasnee launched a special campaign under the slogan "Your Life is Beautiful" in cooperation with the General Directorate of Narcotics Control Department in Jubail Governorate to increase the employees' awareness of the harms of drugs and their negative impacts on the individuals and society, in addition to organizing an online competition among school students in Jubail, to increase their awareness of drugs and their harm.
- Tasnee signed a memorandum of cooperation with the Jubail Equestrian Arena to sponsor horse racing activities in Jubail, with the aim of promoting equestrian sport as one of the most prominent and oldest national sports.
- Tasnee launched many internal awareness campaigns among employees including the Breast Cancer Awareness campaign, Diabetes Awareness Campaign, and Anti-smoking awareness Campaign.
- The mobile anti-smoking clinics, established by Tasnee in cooperation with Kafa Society, participated in the project of cooperation to keep the "Masjid Al Haram" environmentally pure.

### Conclusion:

The Chairman and the Board of Directors members are pleased to extend their sincere thanks and appreciation to Tasnee's shareholders for their valuable support and confidence, to all the company employees for their fruitful efforts, and to our partners and customers in the Kingdom of Saudi Arabia and around the world for their trust and cooperation.