

**Board of Directors Report**  
**SABIC Agri-Nutrients Company**  
Performance and Activities of the Company  
for the Fiscal Year 2023







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



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

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# AT A GLANCE

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## MESSAGE FROM THE BOARD

Dear shareholders,

The Board of Directors (Board) of SABIC AN is pleased to present the Board Annual Report including final accounts and financial position for the fiscal year ended on December 31, 2023.

The Report has been prepared in accordance with relevant regulatory requirements related to listed joint stock companies issued by Capital Market Authority.

SABIC Agri-Nutrients Board Annual Report 2023 details the Company's significant activities and achievements; financial and operational performance; corporate governance measures, risks, opportunities, and future plans in context of the global agri-nutrients market; and strategic efforts to maximize equity of shareholders and enhance value for all stakeholders.

The Report also highlights SABIC AN's strategy with regard to sustainability and the Company's environmental and societal contribution during the year. The Board wishes to appreciate the efforts of SABIC AN's dedicated employees and other stakeholders including customers, suppliers, partners, and growers – who share the Company's commitment to sustainability. Their continued support fuels SABIC AN's growth ambitions and sustains a robust value-chain that is capable of responding to the pressing global challenges of tomorrow.

The Board extends its sincere gratitude to the Custodian of the Two Holy Mosques, His Royal Highness the Crown Prince, and the Government for their support to various economic sectors, including the industrial sector, to play their roles in realizing Saudi Vision 2030 (Thriving Economy).



## CEO'S STATEMENT



**Eng. Abdulrahman Ahmed Shamsaddin**

Chief Executive Officer  
SABIC Agri-Nutrients Company

I am honored to address you as part of SABIC Agri Nutrients Company's Annual Report for 2023. Reflecting on the milestones, challenges, and successes that have shaped our journey this past year, I am proud of the Company's performance. Our teams have shown a commitment to excellence in manufacturing and distribution of our products, while exercising ingenuity to grasp opportunities through innovation and collaboration, and displaying agility in their decision-making in order to meet evolving challenges in the agri-nutrient sector.

We successfully completed scheduled turnarounds safely and ahead of schedule, with minimal disruption to production. This enabled us to produce 8.3 million MT during the year, with only a minimal decrease of 2% YoY due to turnarounds.

Conclusion of the acquisition of 49% of ETG Inputs Holdco Limited (EIHL) in the first quarter of 2023 strengthened our presence in African markets. Building on these developments, we achieved a volume sold of approximately 7 million MT; a 1.5% increase YoY. However, global decline in fertilizer prices of almost 40% hampered our topline performance, with a significant effect on our bottomline, as the Company's net profit of SAR 3,659 million showed a 64% decrease YoY.

Delivering on our decarbonization pathway toward achieving carbon neutrality by 2050, we delivered the world's first global shipment of low-carbon urea and continued to deliver low-carbon ammonia to clients in key markets. Our current and future investments and collaborations, with technology leaders and innovators, are focused on diversifying our portfolio, expanding our production footprint, and gaining ground in the low-carbon agri-nutrient market. We have a number of projects in the pipeline to ensure SABIC AN remains competitive, captures a greater share in emerging segments of the market, and delivers a sustainable performance in the years to come. These initiatives will also support the Kingdom's development: creating jobs and fuelling growth aligned with Vision 2030.

I am grateful to the support and guidance of our experienced Board and the dedication of our Executive Management, whose collective efforts have positioned us for continued success in the future. I would also like to thank our shareholders, partners, and customers for being an integral part of our journey. We look forward to even greater achievements ahead.

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# SABIC AN AT A GLANCE



GLOBAL LEADER IN THE AGRI-NUTRIENTS INDUSTRY (FERTILIZER)



HEADQUARTERED IN RIYADH, KINGDOM OF SAUDI ARABIA



LISTED ON THE SAUDI EXCHANGE



58 YEARS IN BUSINESS



WIDE-RANGING PORTFOLIO OF AGRI-NUTRIENT PRODUCTS AND SOLUTIONS.



INNOVATION-DRIVEN SPECIALIZED PRODUCTS



400+ PATENTS



9 MILLION MT TOTAL INSTALLED PLANT CAPACITY



7 MILLION MT SUPPLIED GLOBALLY



4500+ ORDERS ANNUALLY



150+ INTERNATIONAL ROUTES





# SABIC AN AT A GLANCE

## Aspirations

SABIC Agri-Nutrients is on a clear trajectory of sustainable growth as the national champion and a global go-to-market leader in the Agri-nutrients industry, while aligning its goals to support Saudi Vision 2030.

With a commitment to developing new and innovative products and solutions, the Company consistently invests in cutting-edge technology and process improvement initiatives at its existing sites. This strategic approach aims to continuously improve cost competitiveness.

SABIC AN has also implemented a distinctive operating model founded on key pillars aimed at fostering sustainable growth and promoting excellence in agricultural nutrients. These pillars encompass the refinement of our strategic initiatives, robust research and development programs, excellence in sales and supply chain management, and a strategic focus on talent acquisition and development. This operational framework underscores the Company's commitment to serving the agricultural sector on a global scale.



### Vision

To be the preferred global leader in agri-nutrients.

## Mission

- Contributing to global food security in order improve the quality of life by providing sustainable agri-nutrient solutions to our customers and communities.
- Engaging innovative minds to develop a unique and integrated range of sustainable agri-nutrient solutions using advanced and developed technologies to deliver leading-edge nutrients, towards higher yields of high-quality crops to feed an ever-growing global population.
- Encouraging and enhancing value for shareholders, customers, and employees.
- Attracting, developing, and maintaining our greatest assets (our employees).

## Establishment

SABIC AN a Saudi Joint Stock Company (listed) established under Royal Decree No. M/13 dated 11 Jumada Al-Awal 1385, and registered in Dammam under commercial registration No.2050001841, dated 1 Dhu al-Hijjah 1385, corresponding to March 24, 1966, and the head office was later transferred to Jubail Industrial City, where it was registered under the commercial registration No. 2055002359, dated 29 Shawwal, 1411, corresponding to May 14, 1991. Then the company relocated its head office from Jubail industrial City to Riyadh in April 2022, marking a significant milestone in establishing the first petrochemical company in the Kingdom. The Jubail Fertilizer Company (Al-Bayroni) plant was established as a joint venture in 1983, followed by the National Chemical Fertilizer Company (Ibn Al-Baytar) plant. In 2018, SAFCO, Ibn Al-Baytar, and Al-Bayroni were strategically integrated into a unified entity.

## Rebranding and ownership

In 2020, SAFCO acquired all shares in the capital of SABIC Agri-Nutrients investment Company, which holds a 50% stake in each of both Al-Bayroni and Ibn Al-Baytar, and a 33.33% stake in the Gulf Petrochemical Industries Company (GPIC). After that, SAFCO underwent a rebranding, adopting the name SABIC Agri-Nutrients Company (SABIC AN). SABIC, as the majority shareholder, holds 50.1% of the Company, with the remaining shares owned by private sector entities and individuals.

## Our Journey continues, Towards

- Performance Excellence
- Integrated Business Models
- Growth Readiness Plan
- Effective Strategy Execution



## SUBSIDIARIES AND SHAREHOLDING

### Subsidiaries and significant shareholding

SABIC Agri-Nutrients Company (SABIC AN) holds a stake in the following companies:

Company	Share
SABIC Agri-Nutrients Investments Co.	100%
National Chemical Fertilizer Company (Ibn Al Baytar)	50%
Arabian Industrial Fibers Company (Ibn Rushd)	3.87%
Yanbu National Petrochemical Company (YANSAB)	1.69%

SABIC Agri-Nutrients Investments Company holds a stake in the following companies:

Company	Share
National Chemical Fertilizer Company (Ibn Al Baytar)	50%
Al Jubail Fertilizer Company (Al Bayroni)	50%
ETG Inputs Holdco Limited (EIHL)	49%
Gulf Petrochemical Industries Company (GPIC) Bahrain	33.33%

## PRIMARY MARKETS



## SABIC AN MAIN EVENTS

### First Time Sponsorship For The Saudi Agriculture Exhibition

HE Minister of Water, Environment & Agriculture visited our booth on the opening day and expressed his appreciation for the commitment SABIC AN provides for the industry.

Our Business, MDTS, T&I and Local content, represented our booth with the theme, «PROMOTING OUR SPECIALTY SOLUTIONS TO DEVELOP THE FARMING COMMUNITY».

We highlighted in our innovative and sustainable solutions in our booth to show our commitment to develop the farming community.



### 29th AFA International Annual Fertilizer Conference

SABIC AN participated in the conference as a Platinum Sponsor. The conference, which took place from February 21 to 23 under the theme 'The Critical Role of the Agri-Nutrients Industry to Build Resilience to Food Security,' highlighted the importance of agri-nutrients around the globe for food security.

Addressing the 29th AFA International Annual Fertilizer Conference as a keynote speaker in Cairo on February 21, Abdulrahman Shamsaddin, CEO of SABIC Agri-Nutrients, said, "The AFA agri-nutrient producers have already done a lot. But more can be done by increasing our level of cooperation within our industry with fertilizer associations, NGOs, and governments, by investing more to convert our natural resources into agri-nutrients, by becoming a role model in reducing foot waste and losses in our value chains, and by increasing our efforts in innovation."

The company also had a booth to showcase its latest solutions and highlight its commitment to sustainability and technology and innovation to keep pace with major global trends by developing new products with high efficiency and a reduced impact on the environment.

The three-day conference and exhibition attracted regional stakeholders, producers, distributors, traders, industry decision makers, and delegates from the Middle East, Africa, Europe, North and South America, and Asia. International and regional experts discussed pressing topics such as fertilizer economics, logistics and supply chains, renewable energy, green hydrogen, and the investment outlook in the Arab region.

## SABIC AN MAIN EVENTS



### 13th GPCA Agri-Nutrients Conference SABIC AN HIGHLIGHTS ITS INITIATIVES TOWARD SOLVING GLOBAL MEGA TRENDS

SABIC Agri-Nutrients Company (SABIC AN) highlighted its position as an innovative and sustainable leader contributing to solving global megatrends during its participation as a principal sponsor in the 13th GPCA Agri-Nutrients Conference in Doha from September 17 to 19.

The conference held under the theme 'Sustainable Transformation in Practice – The Future of Agri-Nutrients' provided a platform to discuss the triggers for transformation and global challenges and increase the chances of creating a more sustainable and resilient future for agri-food systems.

Delivering a keynote speech, Abdulrahman Shamsaddin, SABIC AN CEO and Vice-Chair of the GPCA Agri-Nutrients Committee, said, "We must all work together with our stakeholders on innovation programs at the local, regional and global levels. Up and down the value chain, we must encourage the exchange of know-how, the securing of financing, and, simply, a willingness to change."

"If we do these things, then I think it's entirely possible for us to increase crop yields, reduce the greenhouse-gas emissions of ammonia manufacture, and make crops more resilient to the vagaries of weather," he added.

On the sidelines of the conference, SABIC AN had a booth to build valuable relationships with customers, share its outlook for the future, showcase its products and solutions, and project its strong position as the national champion and a global leader in the agri-nutrients industry.

SABIC AN highlighted its initiatives toward environmental protection, global food security, and sustainable practices through its theme, "Nourishing sustainable crops with collaborative innovation."



### SIGNING MOU SABIC AN WITH MIGAO IN GPCA

SABIC Agri-Nutrients and MIGAO signed an MOU during the GPCA conference to evaluate a joint venture relationship and produce Sulphate of Potash, and to operate a commercial plant in PRC to produce Sulphate of Potash with technology.

The agreement was attended by the presidents, CEOs, and CTOs of both companies. This memorandum will contribute to the development of the SOP project (Sulphate of potassium), SABIC AN has strategic interest in establishing presence in SOP and Migao is major player in SOP markets today.

### Saudi-Arab-African Economic Conference

### SABIC AN CEO CALLS FOR COLLABORATIVE EFFORTS TO ENSURE FOOD SECURITY

SABIC Agri-Nutrients Company (SABIC AN) called for strengthening collaborative efforts to ensure food security during its participation at the Saudi-Arab-African Economic Conference in Riyadh on November 9.

Taking part in a panel discussion, SABIC AN CEO, Abdulrahman Shamsaddin, pointed out the challenges related to the short-term affordability and availability of fertilizer and the longer-term impact of climate change, but was confident that they could be overcome.

"The fertilizer industry can be part of the solution to feeding a growing world population while mitigating and adapting to climate change," he said, adding, "As a national champion of agri-nutrients, SABIC AN has a lot of knowledge that can be shared both at home and abroad."

"If we want to ensure food security for Africa, the Arabian Peninsula, and the rest of the world, we must deliver more affordable differentiated fertilizers, reduce greenhouse gas emissions, and further integrate the agriculture supply chain," he added.

SABIC AN joined other distinguished public and private sector organizations at the conference to discuss the role of multinational collaboration in key sectors of the economy, including energy, food, infrastructure, mining, and tourism.

Participants at the conference included senior government officials and business leaders in industry and finance from Saudi Arabia as well as several Arab and African nations. The event is part of the Kingdom's efforts to boost economic cooperation and seize investment opportunities.

## PRODUCTS

The Company's product portfolio extends from general to highly specific, and caters to the world's ever-increasing demand for food, and its many supply challenges. Classified under two segments, agri-nutrients and chemicals, the portfolio includes urea, ammonia, phosphate and compound differentiated agri-nutrients, nitrogen-based, and small volumes of organic industrial chemicals like 2-EH and DOP.

The Operational Review on page 55 details the performance of SABIC AN's range of agri-nutrient products and describes the Company's commitment to developing innovative solutions to address and overcome global challenges.

### Nitrogenous fertilizers and phosphates

SABIC AN has earned its place as a world-class producer and marketer of nitrogen-based inorganic products and phosphates, and these continue to form a key strategic pillar of future growth.

### Low-carbon products

In support of Saudi Vision 2030, SABIC AN and Saudi Aramco are working together in enabling the Kingdom to become the world's leading producer and exporter of clean Hydrogen / Ammonia by 2030, in alignment with the ambitious Saudi Green Initiative (SGI).

In 2022, SABIC AN and Saudi Aramco obtained the world's first independent certification of low-carbon ammonia and clean hydrogen production from TÜV Rheinland, a leading independent testing, inspection, and certification agency based in Germany. The world's first commercial shipment of 25,000 MT accredited cradle-to-gate low carbon ammonia reached its destination in 2022, followed by additional shipments of 11,000 MT in 2023. SABIC AN and Saudi Aramco continue to collaborate in the low-carbon hydrogen and low-carbon ammonia space to develop solutions that serve various applications in the energy, agri nutrients, and chemicals sectors.

2023 marked another landmark achievement as SABIC AN delivered the world's first global shipment of low-carbon urea. The Company aims to continue expanding its presence in the area of low-carbon agri nutrients - developing products that are in compliance with local regulations and global benchmarks.



### Technical Grade Urea (TGU)

SABIC AN continues to supply manufacturers around the world with Technical Grade Urea (TGU). The superior quality and high purity of TGU made by SABIC AN meets global benchmarks and also helps marketing and distributing companies deliver premium solutions to their customers without compromising on quality.

### Differentiated products

The Company leverages a sound base of research and development to develop and introduce value-added and specialty products to the global market. Products such as Zinc Coated Urea, Stabilized Urea, and Bio-Enhanced Urea are utilizing modern technology and providing greater value to farmers.

Working to gain a leadership position in the field of differentiated products, SABIC AN responds to both current and anticipated market demands. The focus is on enhancing existing formulations and innovating new ones, not only to boost crop yields and quality but also to tackle various related challenges. In addition to agri-nutrients and chemical intermediaries, ammonia is finding new and promising applications in power generation, shipping fuel, and serving as carriers for hydrogen. These emerging opportunities present the potential for significant shifts in demand, production, and trade. They also position SABIC AN to play a pivotal role in influencing and driving market growth.



## OUR ADVANTAGE

SABIC Agri-Nutrients (SABIC AN) has evolved into a world-class producer and marketer of nitrogen and phosphates, as a core focus.

Positioned with a leading cost structure and a commitment to operational excellence, SABIC AN boasts robust financials. This financial strength enables the Company to explore additional growth opportunities beyond commodity nitrogen fertilizers throughout the value chain. In pursuit of sustainable practices, the Company has meticulously devised a comprehensive plan for its growth prospects, emphasizing the reduction of emissions and a commitment to long-term sustainability.

Situated in Al-Jubail, Kingdom of Saudi Arabia, SABIC AN's manufacturing assets serve as the cornerstone of the Company's operations. Trusted manufacturing capability and reliable assets enables the Company to consistently deliver the highest quality products to market while meeting global compliance requirements and strict energy and throughput efficiencies expected from a leading producer.

SABIC AN distributes products to agricultural and industrial consumers worldwide through an extensive supply chain network and a sophisticated warehousing system. Its logistical prowess enables the company to supply over 7 million tons globally. With long-term customer relationships in place, and a strong focus on customer engagement, SABIC AN processes over 4,500 orders, across a vast network of over 150 international routes – with particular focus on new growth markets. The Company maintains a strategic focus on expansion in key markets, with a specific emphasis on Africa and Latin America, while retaining leadership in the Saudi market.

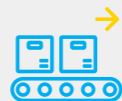
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**7 MILLION MT**  
SUPPLIED  
GLOBALLY



**4500+**  
ORDERS  
ANNUALLY



**150+**  
INTERNATIONAL  
ROUTES



# SABIC AN STRATEGY

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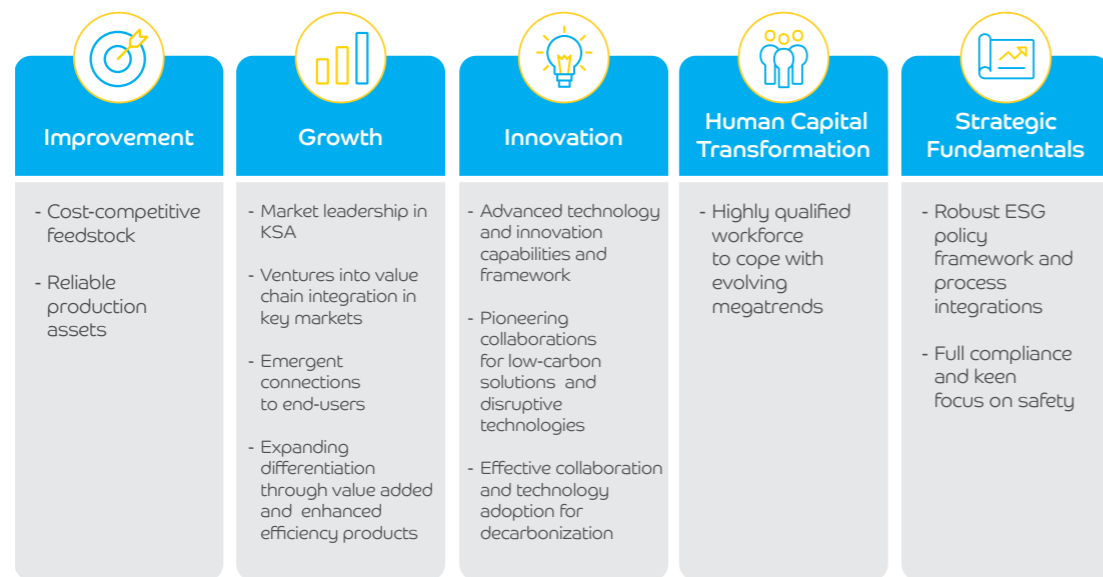


# SABIC AN STRATEGY

A medium to long-term strategy aspires to strengthen SABIC AN’s position as the agri-nutrients national champion in KSA, while developing into an integrated global leader in the sector. Enabling the Kingdom’s energy transition and supporting carbon neutrality are at the forefront of strategic efforts, driven by the Company’s position as a front-runner in low-carbon ammonia and differentiated products. Developing closer relationships with end-users while identifying and meeting their varying needs, remains central as SABIC AN continues to uphold its core commitment to serve growers globally.

The Company continuously assesses short and long-term targets through a well-established process of Key Performance Indicators (KPIs) and scorecards, which are monitored and reviewed by the Board and Senior Management. Additionally, continuous monitoring of industry trends for potential impact on the business, enables refreshing or readjustment of strategies and plans as required.

SABIC AN is well placed to realize these strategies by virtue of its clear vision, definitive planning, and efficient allocation of resources.



### Improvement

SABIC AN has a leading cost-position in the agricultural nutrients industry and functions in an environment of operational excellence. The Company’s solid production platform in KSA is the bedrock of cost-leadership. These factors provide a large competitive advantage in an industry that is very energy-intensive and price sensitive.

### Growth

Reliable production assets in nitrogen and phosphate, enables SABIC AN to leverage organic growth opportunities in KSA and the region. Furthermore, the Company benefits from a central geographical location and well-established supply chain that support a broad footprint and global market access.



SABIC AN’s global marketing strategy draws from these strengths and well-built supply chain capabilities with a competitive logistical structure. Downstream value chain integration in key agricultural regions like Brazil, Africa, and the Asia-Pacific is part of a long-term focus to develop closer relationships with farmers, who are the end-users of agri-nutrients, and cater to diverse market needs with tailored solutions. A 49% equity share in EHL inputs gives SABIC AN access to more than 350 distribution centers across Africa and an established network of agents and agronomists, positioning the Company to cater directly to both the commercial and agricultural requirements of African farmers.

SABIC AN will also grow its product portfolio through differentiation into other value adding fertilizers e.g. Bio-enhancing, Water Soluble, Enriched Urea etc.

### Innovation

Responding to market demands for more sustainable products, SABIC AN and Saudi Aramco are pioneering the low-carbon Hydrogen/Ammonia business and supporting national and global carbon neutrality and energy transition efforts. The Company’s innovative technology and innovation capabilities are a primary component in the development and supply of low-carbon ammonia and differentiated products. These best-in-class research and development capabilities reinforce the Company’s endeavor to be a market leader in the industry and energy enablement. Additionally, they are an integral part of SABIC AN’s ambition to achieve carbon neutrality by 2050.

### Human Capital Transformation

SABIC AN’s workforce is one of the foundational pillars of its strong growth over the years, and as such, the Company places emphasis on continuously developing the capabilities and competencies of employees. From high compliance with safety requirements, to a robust policy framework and investment in learning and development, the Company’s Human Resources play a strategic role in providing for business continuity.

### Strategic Fundamentals

SABIC AN is committed to all aspects of Environment, Health, Safety, and Security (EHSS) that are at the core of its strategic base. This is evident in the Company’s overarching commitment to safety and its exemplary compliance record.

The Company’s strategy to mainstream ESG reporting across all dimensions is led by a dedicated team, with clear environmental and social targets, roadmaps for transformation, and heat maps for disclosures. These measures have enabled SABIC AN to win multiple awards for people and culture, while positioning the Company amongst industrial leaders in compliance and governance best practices. The Company is committed to building on these sustainable investments, and will continue to develop mainstreaming of ESG attributes across the company.



## OPERATING CONTEXT

SABIC AN's vision to be the preferred global leader in agri-nutrients involves staying abreast of trends and changes in a highly competitive and rapidly evolving operating context and market landscape.

### Global economy

Over the past decade, the global economy has encountered a series of interconnected crises. The recurrence and heightened magnitude of conflicts, climate variability, extreme weather events, and economic downturns have risen, presenting unprecedented challenges with sustained and far-reaching effects.

The Global growth is expected to slow for a third year in a row to 2.4 percent before ticking up to 2.7 percent in 2025, as reviewed by the World Bank. However, those rates, would still be far below the 3.1 percent average of the 2010s reflecting the lagged and ongoing effects of tight monetary policy to deal with decades-high inflation, restrictive financial conditions, and weak global trade and investment. Growth in advanced economies as a whole is projected to slow in 2024 to 1.2 percent well below its 2010-19 average pace. Meanwhile, aggregate growth is set to improve in emerging market and developing economies from 3.7% in 2022 to an projections forecasting 3.9% in 2024, are expected to see similar rates persist in 2025.

The global headline consumer price inflation, as reported by the World Bank, displayed consistent decline, transitioning from around 8.9% in December 2022 to approximately 4.0% by November 2023. This downward trend is attributed to the implementation of tighter monetary policies, aided by the influence of reduced international commodity prices. Core inflation is expected to undergo a gradual decrease, with a return to target levels not anticipated until 2025. Global monetary policy actions and frameworks play a crucial role in anchoring inflation expectations amidst the current economic dynamics.

### Local economy

Saudi Arabia is currently undergoing an economic transformation, actively implementing reforms to reduce oil dependence, broaden sources of income and elevate overall competitiveness. 2023 stands as a pivotal point, representing the midpoint of the ambitious Vision 2030 journey. Non-oil sectors have experienced accelerated growth since 2021, and showed growth of 3.6% in the last quarter of 2023, according to flash estimates for Q4 published by the General Authority for Statistics (GASTAT). Despite an overall decline in growth in 2023, World Bank reports indicate the Saudi economy is forecast to rebound and achieve 4.1% growth in 2024, driven by strong domestic demand.

The BRICS summit held in August 2023, extended invitations for membership to six additional countries: Saudi Arabia, Argentina, Egypt, Ethiopia, Iran, and the UAE.

In the fertilizer sector, prices that resulted following the Russian/Ukrainian conflict have largely subsided, particularly in the case of nitrogen fertilizer products, now reverting to pre-war levels. The aftermath has seen the emergence of new trade patterns aimed at mitigating the disruptions caused by sanctions and countersanctions. Consequently, trade volumes have reverted to historical levels, indicating a return to more stabilized market conditions.



### Global Food Security

The state of food security and nutrition continued to worsen in 2023. The uneven economic recovery across countries, slowdown in global growth, high inflation rates are undermining food security and nutrition around the world. According to statistics from the World Bank, prevalence of severe food insecurity affected around 11.6% of the global population in 2022-23, showing a slight near-term improvement after peaks in 2020-22. However, short-term food insecurity remains a challenge with assessments indicating risks of new highs where 943 million people around the globe could be facing severe food insecurity by 2025.

The G20 leaders' declaration and the United Nations (UN) General Assembly held in 2023 reflected concerns of the Global South, including emphasizing the need to address global food insecurity. Examining regional patterns, Africa bore the heaviest burden of food insecurity, followed by Latin America and the Caribbean, and Asia. Hence, SABIC Agri-Nutrients took on the challenge of enhancing global affordability of agri-nutrients for farmers through offering innovative solutions and integrating its operation downstream in the value-chain. The urea-enhanced portfolio being developed by SABIC Agri-Nutrients is expected to significantly reduce application rates for farmers, consequently leading to optimized farm input costs. Cheaper input prices will essentially translate to affordable food prices, made available without heavily-inflated costs. Moreover, extending its operating model into direct distribution will bring faster and cheaper products and solutions to the Company's end-customers: farmers.



### The Energy Challenge

Global energy consumption continues to grow, despite a slowing economy and high energy prices. Waning gas supplies and extreme weather events forced many countries to fall back on fossil fuels, delaying the green energy transition.

Agricultural production, inherently energy-intensive, relies heavily on direct energy sources such as on-farm fuel, natural gas, and electricity, as well as indirect sources like agrichemicals including pesticides, lubricants, and agricultural nutrients.

The Russian Federation holds a pivotal role in the global energy sector, and the ongoing conflict exacerbated the recent and rapid escalation of input prices, notably for agri-nutrients and energy derived from fossil fuels. The resulting upward pressure on global food prices continues to raise concerns about the broader implications for global food security. The surge in world food prices is notably reflected in the ascending FAO Food Price Index (FFPI), reaching its highest level since 1990 in March 2022 and subsequently declining somewhat in 2023.

Since the onset of the conflict in Ukraine and the subsequent energy crisis, the energy discourse has undergone a significant transformation. Energy security, affordability, and industrial competitiveness have become paramount considerations, aligning closely with sustainability goals.

The trajectory of the energy transition hinges on a complex interplay of variables and interdependencies. The uncertainties surrounding cost developments, the pace of technological advancements, and policy evolutions give rise to a spectrum of possible scenarios, especially in the context of the future of fossil fuels. Substantial investments will be imperative to support the expansion of renewable energy infrastructure and ensure an adequate supply of fossil fuels to complement these sustainable sources. Despite the challenges, there is notable progress towards achieving a net-zero future. It is anticipated that solar and wind energy will collectively constitute the largest share of the global energy mix by 2040.



### Climate Change

In 2023, wildfires devastated regions across the United States, Canada, and various parts of Europe, resulting in widespread destruction. Simultaneously, floods, cyclones, and severe weather events struck multiple areas of Africa, the Middle East, and particularly Asia — key agricultural regions. The consequences of these severe weather incidents significantly impacted the overall availability of food grains, placing constraints on the capacity of nations to export. Additionally, the destruction of arable land amplified the challenges, posing a threat to the global food supply chain. The agriculture and agri-nutrient sectors are currently confronted with the imperative of adapting products, technologies, and food security practices to minimize and respond to the impacts of climate change.

### Geopolitical Tensions

The ongoing conflict in Ukraine is severely impacting the global economic outlook amid the post-pandemic recovery. It is exacerbating supply chain challenges, disrupting trade flows, escalating trade costs, and generating inflationary pressures on energy, agricultural products, and fertilizers. Of particular significance, the Russian Federation and Ukraine, as key producers of agricultural commodities, are deeply entwined in global markets. Both nations serve as vital exporters of agricultural products, playing pivotal roles in the global foodstuffs supply chain. As of January 2023, Russia imposed a 23.5% duty on all fertilizer exports with a price above \$450 per ton. Western nations have refrained from imposing sanctions on Russian food and fertilizer exports. However, the export process out of Russia is hindered by difficulties for traders in processing Russian payments, and obtaining vessels and insurance etc.

The global landscape is further compounded by the newly erupted conflict in Palestine that has introduced heightened volatility to the region. The conflict has impacted the humanitarian situation significantly and led to significant deterioration of geo-political relations in the region.

Furthermore, escalating oil and food prices, coupled with sustained high interest rates in the U.S., pose risks to emerging market economies. China's decelerated economic activity and the enduring costs of fragmentation are further contributors to the challenging landscape.

Fertilizer prices globally decreased to 40% of the record prices seen in 2022, as Russian exports levelled out and new capacity came online. With these adjustments, overall demand for fertilizers remained weak.

### Government Policies and Regulations

Fueled by effective government policies, the agricultural nutrients market experienced substantial growth in 2023, propelled by a dedicated focus on enhancing crop efficiency within the agricultural sectors. Furthermore, emerging global regulations emphasizing environmental control are beginning to shape the industry landscape.

In the face of these regulatory shifts and industry mega-trends, there is growing pressure for emissions reduction within the fertilizer industry and burgeoning interest from industries seeking to decarbonize, which in turn is driving demand for innovative products such as low-carbon ammonia.

### Outlook

The global population is estimated to reach 9.8 billion by 2050, with approximately 68% of this population projected to reside in urban areas. Amidst this demographic shift, the agri-nutrient industry grapples with a myriad of challenges, including increasing population and urbanization, macroeconomic instability, poverty, inequalities, geopolitical tensions, conflicts, food security concerns, and the impacts of climate change.

In response to these multifaceted challenges, the agri-nutrients industry must actively engage in shaping a more resilient and sustainable market for the future. This transformative effort necessitates substantial changes in both advanced economies and developing countries alike.



In 2024, the global fertilizer supply is expected to encounter continued constraints due to low stocks and heightened geopolitical tensions. These factors have contributed to additional supply restrictions, raising concerns about diminished fertilizer availability and access. This situation also presents potential adverse effects on food production and, consequently, food security. Amidst these challenges, the demand for fertilizers is anticipated to decrease in the upcoming years, influenced by regulatory measures and the integration of new agricultural technologies.

Anticipated shifts in demand, including competition for ammonia, a crucial feedstock for nitrogen fertilizer, is intensifying, with particular priority given to low-carbon ammonia. Chemical companies are projected to produce significant volumes of low-carbon ammonia in the years ahead, prompting a restructuring of the supply landscape and regulatory interventions that will redefine cost differentials between conventional (gray) and environmentally friendly low-carbon Ammonia.

Fertilizer suppliers equipped with forward-looking strategies are poised to capitalize on the substantial opportunities arising from these shifts in both demand and supply dynamics in the coming years.

### Opportunities

Even as external risks may affect the agricultural nutrient business and supply chain operations, SABIC AN is well placed to respond to market conditions on multiple fronts and maintain business continuity. The Company is actively involved in monitoring and responding to interlinked market fundamentals, and is conducting an extensive refresh its strategy up to 2030.

In order to strengthen its position as a global dependable producer of agri-nutrients, SABIC AN continues to pursue strategic diversification of the product portfolio; enabling the Company to better serve a wide-spread customer base spanning a variety of strategic markets across the globe, supported by a resilient network of logistics service partners.

In response to decarbonization pressure on the industry, SABIC AN is using research and development capabilities and effective collaborations with the global agri-nutrients and technology community to decarbonize assets and achieve carbon neutrality targets – 20% reduction in Scope 1 & 2 emissions by 2030, with the ambition of becoming carbon neutral by 2050.

In addition, SABIC AN is collaborating with pioneering industries and technology partners to pursue and promote a number of sustainable solutions. For example, several low-carbon ammonia shipments were delivered during 2023, in addition to delivery of the first ever global shipment of low-carbon Urea to Ravensdown in New Zealand.

### Technology adoption

SABIC's group-wide Corporate Digitalization Program, with clear digitalization objectives, is expected to drive a number of new opportunities for digitalization and automation that would enhance SABIC AN's efficiency and competitiveness in the years ahead. Focus on smart agriculture involves Artificial Intelligence (AI), Machine Learning (ML), and Internet of Things (IoT) to achieve a digitally enabled agri-nutrients practice. Some digital transformation efforts underway and in the pipeline are detailed on page 60.

### Differentiated products

Global megatrends suggest a move towards conversion of Urea into more efficient and value-added variants, presenting a strategic opportunity for Urea producers to align with market demands, scale production efficiently, and leverage their capabilities to deliver market-fit products. SABIC AN's strategy is aligned with this trend and the Company's Technology and Innovation (T&I) function is developing and producing more efficient and value-added Urea variants. Summary of Technology and Innovation achievements with regard to value-added products is detailed on page 61.

### Regulatory compliance

New global regulations that support environmental control presents significant opportunities and threats to the agri-nutrient industry. These regulations contribute to an increased demand for Technical Grade Urea (TGU) and further enhance its market prospects. SABIC AN is monitoring new regulations in growth regions in order to be the preferred supplier of choice for key customers. Inclusion of TGU aligns with SABIC's Agri-Nutrients vision of becoming a leading provider of sustainable solutions and reinforces its position as an innovative player in the industry.

# RISK MANAGEMENT

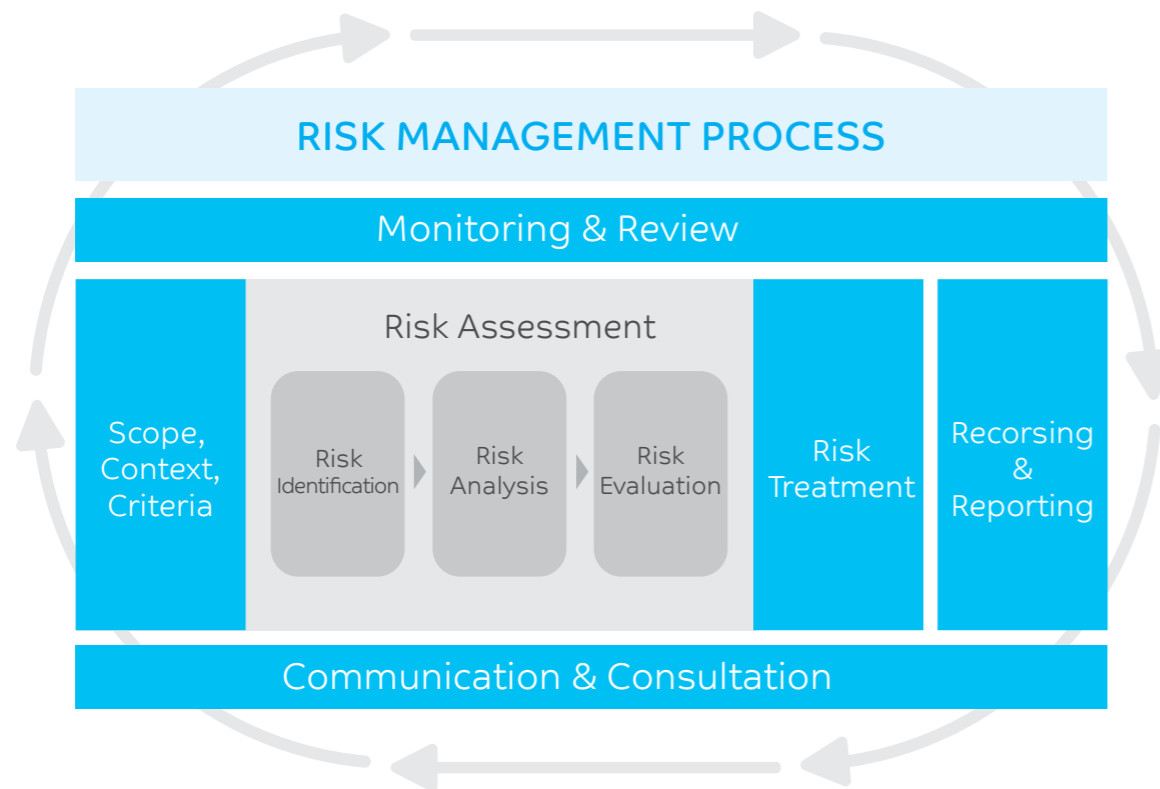
SABIC AN has implemented a robust integrated risk management system that adheres to a consistent and comprehensive approach. This system is designed to safeguard the continuity of the Company's business operations, ensuring strict compliance with regulatory requirements while incorporating the latest advancements in systems and methodologies across all facets.

To foster a disciplined and constructive environment, the Company's management conducts regular workshops and training courses. These initiatives aim to enhance employee awareness of their roles, responsibilities, and obligations. The audit committee plays a pivotal role in overseeing these mechanisms and ensuring employees adhere to Company policies and procedures.

### Risk management process

The Company follows a robust risk management protocol in line with SABIC's group-wide process for Enterprise Risk Management (ERM).

SABIC AN Risk Management Process



### Roles and Responsibilities

SABIC AN's management team is actively involved in the ongoing development and refinement of risk management and business continuity procedures and policies. Their objective is to establish a robust control system that is not only comprehensive but also operates with a high degree of independence and transparency.

Key functions carried out by the management team, include the thorough review of operations, a comprehensive assessment of associated risks, and the formulation of strategic plans to effectively mitigate identified risks. In addition to these critical functions, the team oversees the construction of appropriate systems designed to facilitate the implementation of these procedures. Moreover, there is a strong emphasis on upholding professional and ethical standards throughout these processes.

### Auditing mechanisms

External auditors appointed by the General Assembly, the General Court of Audit, SABIC AN Internal Audit and SABIC Internal Audit all perform various types of audit based on their scope and covering areas related to the Company's accounts and operations on a regular basis and independently issues their reports to the Company's Executive Management, Board Audit Committee and Board of Directors.

### Risk Assessment

SABIC AN is committed to maintaining a robust risk culture, where every employee is regarded as a custodian, entrusted with upholding the Company's standards and embracing risk mindfulness in the execution of our strategic objectives. SABIC AN's ongoing commitment involves elevating risk management awareness among all employees, emphasizing understanding, dedication, and empowerment in identifying and managing risks effectively.

In a recent milestone, SABIC AN received recognition from a key certification body, affirming that our operational risk management system aligns with ISO 31000:2018 – Risk Management Guidelines. This certification serves as a testament to our dedication and continuous pursuit of excellence in Enterprise Risk Management (ERM), showcasing our commitment to stakeholders, including regulators, shareholders, partners, customers, employees, and suppliers.

Recognizing the diverse risk factors that may impede our ability to achieve strategic, operational, and financial objectives, SABIC AN proactively addresses these challenges. Through the formulation and implementation of comprehensive response plans, we minimize the impact of these risks. This proactive approach solidifies SABIC AN's position as a global leader in ERM practices, reinforcing our resilience and adaptability in navigating the complexities of the business landscape.

## Financial Risks

### Credit risks

Credit risks are the risks of financial loss sustained by the company if a customer or party to a financial instrument fails to meet its contractual obligations, mainly arising from receivables owed to the company and investment securities.

SABIC AN has no fundamental concentrations of credit risk related to its customers. In addition, the cash and cash equivalents are usually deposited with banks in the Kingdom of Saudi Arabia with good credit ratings.

### Liquidity risks

Liquidity risks arise when the company cannot meet its obligations associated with financial requirements, which are paid by handing over cash or other financial assets.

SABIC AN follows a practice to manage liquidity to ensure, to the extent possible, that it has sufficient liquidity to meet all its obligations when they fall due, under normal or difficult circumstances, and without incurring unacceptable losses or risks that cause damage to reputation.

### Market risks

Changes in market prices such as foreign exchange rates, interest rates, and stock prices can affect the company's income or the value of its financial instruments. The purpose of market risk management is to manage and control exposure to market risks in the light of acceptable inputs while improving returns.

SABIC AN currently does not have material exposure to market risks, or in the way that these risks are being identified, periodically monitored and measured. The Company's capital structure and its investments' profiles supports its financial position and mitigate any possible market risk.

### Securities Price risks

The company's securities price risk exposure arises from investments that are classified as financial assets that are listed at fair value through other comprehensive income.

SABIC AN has taken necessary actions to deal with this risk and its long term high profile investments limit any unforeseen possible impact.

### Currency risks

Currency risks stem from fluctuations in the value of financial instruments due to changes in foreign exchange rates.

SABIC AN is not significantly exposed to fluctuations in foreign exchange rates in the course of normal business, and in 2023 did not conduct significant transactions in currencies other than the US Dollar, or the Saudi riyal which has a fixed exchange rate against the US Dollar.

### Commodities risks

SABIC AN remains exposed to the influence of market fluctuations in the prices of various production inputs including natural gas.

The company occasionally manages certain elements of commodity price risk by using fixed-price contracts and all prices of natural gas is well regulated by the local suppliers.

### Capital management risks

Capital is the equity of the company's shareholders, and the main purpose of managing it well is to support business and maximize returns for shareholders.

SABIC AN manages its capital structure and makes adjustments to it in the light of changes in economic conditions. Neither the company nor any of its associated companies are subject to externally imposed capital requirements.

The Board's policy is to maintain a strong capital base to retain the confidence of investors, creditors, and the market, and ensure that future business developments are sustained. The Board monitors the returns on capital as determined by the company, resulting from operational activities divided by the total equity of shareholders. The Board also monitors the level of common dividends' distribution to shareholders.

## Operational Risks

### Insurance risks

The operations of SABIC Agri-Nutrients are subject to hazards and risks inherent in petrochemicals operations, which include fires, explosions, pipeline ruptures and spills, storage tank leaks, chemical spills, discharges or releases of hazardous substances or gases, environmental risks, mechanical failure of equipment, war, terrorism, sabotage, and natural disasters. In addition, many of these risks may cause personal injury and loss of life, severe damage to or destruction of the company's properties and the properties of others, including environmental pollution which can result in the suspension of operations and the imposition of civil or criminal penalties.

SABIC AN could be subject to material loss to the extent that a claim is made against the company which is not covered in whole or in part by insurance, and for which third party indemnification is not available. In addition, there can be no assurance that the company's insurance coverage will continue to be available in the market, or available at an acceptable cost.

If the company suffers large uninsured losses which is a remote possibility, or if any insured loss significantly exceeds insurance coverage, the business may be materially and adversely affected. This might in turn affect the company regular pay of dividends and could have a material effect on the results of its operations or financial condition.

The company maintains insurance coverage in amounts that are consistent with relevant industry practices, including coverage for the risk of property damage, business interruption resulting from, among other things, fire or machinery breakdown and third-party liability.

### Oil and gas price fluctuations

The results of the company's operations can be greatly affected by fluctuations in the prices of many commodities, especially gas, and oil and its derivatives.

The company's main feedstock in Saudi Arabia is methane that is priced by the Ministry of Energy and any changes on the prices is well studied to ensure the impact of SABIC AN and other consumers are controlled.

### Transportation risks

SABIC AN's operations depend heavily on the transfer of materials, particularly the exports of finished products by sea and road. Although the company seeks to minimize the cost of distributing final products, it cannot ensure that transportation costs will not increase significantly in the future, which may reduce competitive advantage over regional producers. Any problem that impacts the transportation of goods by sea, such as special taxes, risky conditions, and natural disasters, may affect the outcome of the company's processes or financial situation.

The production facilities in Saudi Arabia depend on the transportation of goods from across the Arabian Gulf, and geopolitical problems, wars and conflicts, commercial blockades, and piracy, which affect transportation, can also affect the company's outcome of processes which is within than the regional associated risk.



SABIC AN pursue increased localization to promote Saudi companies and infrastructure across the supply chain to boost export capabilities. These efforts align with the Kingdom's agenda to expand global logistics capabilities and capacities at key locations.

In addition, collaboration with logistics service partners coupled with acquisitions and expansionary efforts help reinforce the SABIC AN and Company's extensive network capabilities and global footprint.

Pre-determined business impact analyses and continuity plans account for multiple factors that interrupt the transportation of products and materials.

#### Risks related to projects under development

The company has many significant capital projects under development, or in planning stages, such as the expansion and modernization of existing plants. It may also implement additional capital projects during a particular reporting period. Each of these projects involve a number of risks during construction such as investment cost overrun, delayed or incomplete project start, and default by any contractor or subcontractor or their ability to comply with contractual obligations.

Any of these risks can cause difficulties in achieving expected efficiency and cost savings, and the overall profits of the project may be negatively affected if it does not achieve expected levels of performance or profitability. This in turn may have a fundamental and might have an impact on the company's operations, or financial position.

To mitigate and minimize likelihood of this risk, SABIC AN utilize a rigorous, scientific, and data-driven, process aided by analytical tools, techniques, and templates designed to support consistent and thorough generation of investment ideas, investment selection, and economic evaluation.

This process is integrated into gating system that are mandated for projects and project feasibility assessments, which in turn are approved by relevant Board-level committees.

## Business Risks

### Intense competitiveness

The markets in which SABIC AN's products are sold and used are very competitive, and thereby, the company faces competitive characteristics in several different markets and geographic sectors.

The company's competitors vary between major international companies and small regional companies. Larger competitors may have better vertical integration in the initial, final or both stages of production and are thus able to manufacture more economical products. Other competitors may have greater technical, research, and marketing resources.

Products manufactured by the company may be at risk of being abandoned, as a result of technical progress or changes in consumer preferences. The competitive landscape may also change in unanticipated ways, such as when existing competitors devote more resources to the markets in which the company operates. All these events may trigger short or long-term downward pressure on prices.

SABIC AN refines its competitive advantage selectively, develops group-wide synergies with SABIC and Saudi Aramco, and continuously improves efficiencies in core areas.

Additionally, strong strategic partnerships enable the Company to sustain and enhance its leadership position in a competitive industry.

Expansion in fast-growing and emerging regions, products and solutions developed with a customer-focused mindset, leveraging of leading technologies, continuous innovation, and commitment to sustainability; all serve as proactive approaches to sustain competitiveness, stay ahead of change, and create advantage that is more competitive.

### Technology licenses

Many of the company's operations depend on licenses for technologies from licensed third parties, and while these licensors provide improvements in business processes and technologies, there is no guaranteed future access to the latest developments, or appropriate and competitive technologies. The termination of any substantial technical license, or a dispute related to its use, may require stopping the use of that technology.

While the Company intends to continue allocating resources to develop more advanced products and processes, success cannot be guaranteed in developing new products or processes or launching them in timely manner. Similarly, there is no guarantee that products developed by competitors will not render the company's product offerings outdated or uncompetitive, that competitors will not produce similar products at a lower cost, or that the market will accept the company's own new products and innovations.

SABIC AN's strategy primarily targets the development of new technology and solutions that provide outstanding value to customers, and the company intends to continue allocating resources to develop more advanced products and processes, with a budget for spending on research and development activities.

### Intellectual property (IP)

SABIC AN relies on a wide range of IP titles to support its business, and the company's financial position may be adversely affected if competitors develop or acquire IP rights in specific technologies, if the company's innovation suddenly lags behind industry, or if the company does not innovate or launch successful new products. Strategies to combat these risks could be expensive and ineffective.

The Company ensures all IP information is protected against infringements and unauthorized leaks through contractual and physical protection measures, and continuous awareness among users.

### Risks from defective products

Many of the company's products are developed through complex manufacturing and technical processes and are therefore subject to risks that may arise from defects in any of these products. These risks increase when customers integrate the company's products into other products, which are then sold to consumers.

Although SABIC AN determines its responsibility to customers for product defects in accordance with sales and purchase agreements, legal regulations in a number of countries impose strict liability on the manufacturer or importer of products, which cannot be limited. Moreover, the company conducts a large part of its business without fixed term contracts, which enables sellers to limit their liability.

Any defects in the company's manufactured products can result in significant costs, including expenses related to the replacement of defective materials, the write-off of defective inventory and the loss of potential sales. In addition, occurrence of such defects may give rise to claims for product and warranty liabilities, including liability for damages arising from such defects. Any or all these events may have a material adverse effect on the company's business, financial condition, or reputation.

SABIC AN is in compliance with all pertinent laws, standards, and regulations relating to the production, & storage Having successfully achieved recertification for Responsible Care®, SABIC AN incorporates safe chemicals management, quality assurance, and performance excellence for effective product safety and quality.

Furthermore, SABIC AN has strict quality controls & processes starting at the raw material selection, manufacturing, transferring and storage of the its products up to the delivery to customers.

Through the supply chain process several checks and samples are taken to ensure the product qualification is maintained and ensured by third parties as required.



### Sectorial risks

The agri-nutrients sector is exposed to cycles of expansion and contraction according to movements in the global economy, which leads to fluctuations in supply and demand. Responsive expansion of production capacity can lead to increased supply, lower prices, or reduced profit margins, but the company cannot accurately predict these trends and economic cycles, or their duration and dates of occurrence, all of which can significantly affect business, results of operations, or financial position.

SABIC AN conducts continuous horizon-scanning and analyses to assess and thoroughly evaluate upcoming / expected changes related to agri-nutrient industry and market. Executive management focus, business strategies, and departmental plans are maneuvered accordingly. This is complemented by continuous assessment of the product and service portfolio, to ensure adaptability to market changes and trends.

### Risks associated with Information Technology (IT)

The company depends on a number of IT systems to operate its day-to-day operations, and as a result of the increasing complexity of IT and electronic communication technologies, is exposed to a variety of risks, from data loss or theft, cyberattacks, business stoppages and interruptions, to systems disruption and the technical obsolescence of systems.

Global threats in information security and an increase in online crimes also pose risks to the confidentiality of data, and the processes and infrastructure of IT systems, networks, installations, and products. Breach of confidentiality or manipulation of important IT systems and applications may lead to uncontrolled leaks of data and knowledge and have a direct impact on the company's business.

While the company maintains data backup systems, if these threats overcome the security measures implemented by the company, they may lead to hacking of confidential information, improper use of systems and networks, tampering and destruction of data, production disruptions, and operational disruptions, which in turn can have a material negative impact on business and financial position.

Group-wide cybersecurity standards and practices are followed across the Company, alongside implementation of a robust system to prevent cyber-attacks and protect the safety of IT systems. The system incorporates proactive measures, stringent controls, and continuous awareness and training alongside processes and infrastructure for redundancy, business continuity, and data integrity.

### Digital Transformation and Artificial Intelligence

The petrochemical industry is rapidly moving to harness the potential of digitization, and SABIC Agri-Nutrients must lead its competitors in this field. The effective use of digital technology, the power of big data, machine learning, and artificial intelligence will help SABIC Agri-Nutrients anticipate and understand market trends.

### Risks arising from disputes and litigation

The company is exposed to risks related to legal and regulatory actions to which it is a party, and those that may arise in the future. These risks may include those related to product liability, competition laws, antitrust, export control, data protection, patent and procurement law, tax legislation, and environmental protection. The company's involvement in lawsuits and regulatory actions may result in fines or penalties, or affect its reputation.

Since litigation and regulatory actions are unpredictable, any legal, regulatory or settlement proceedings in which the company is involved or a party therein, may result in penalties that can lead to significant costs, losses, and expenses. Moreover, these may not be covered or in whole or in part through insurance benefits. Investigations of potential legal or regulatory violations may also result in civil or criminal penalties and other financial consequences, and it may constitute a material adverse effect on the company's financial condition and its reputation.

SABIC AN's comprehensive compliance and ethics program, robust corporate governance framework, and culture of integrity help minimize risks associated with potential disputes and litigation.

SABIC AN policies set the groundwork for SABIC AN's business practices, which is reinforced by continual monitoring and routine audits, and an operations-wide concern-handling and management process.



### Hiring and retention of personnel

SABIC AN depends on its leadership and talents to drive performance. Future success depends on continuing to attract, develop and retain highly skilled employees even as demand for experienced and qualified employees continues to rise.

To ensure success, SABIC AN works to maintain its position in the market as an employer of choice. This is operationalized through industry-leading HRM practices and dynamic work environment and culture.

### Sustainability Risks

#### National and regional regulations

SABIC AN is committed to complying with all applicable laws and regulations relating to environment, health, safety, and security. These laws and regulations set different standards, govern specific aspects, and provide civil and criminal penalties and other responsibilities for violations. In certain circumstances, they have obligations to repair existing and former facilities and sites in which operations are conducted. In addition, special provisions may be applied in environmentally sensitive areas of operations.

The company cannot predict what future regulations will be enacted or how they will be managed or enforced. Compliance with more stringent laws or regulations – or more stringent enforcement policies from any regulatory authority – may in the future, require material expenses to cover installation and commissioning of systems and the equipment required for necessary measures. Any, or all of these may have a material and adverse effect on the company's business, results of processes and financial position.

- Risks related to responsibilities towards environment, health, safety, and security
- Risks related to increased tariffs on Greenhouse Gas (GHG) emissions
- Risks related to incidents in which SABIC Agri-Nutrients products play a part

The Company's compliance and product stewardship functions, and internal systems that have obtained Responsible Care® certification, provide the basis for extensive assessment of the evolving regulatory framework, risk characterizations, and screening of products against customer, country, and regional registers and lists.

#### International compliance

Carbon dioxide (CO<sub>2</sub>) is a by-product of burning various types of fuels, including oil and gas, and is considered a Green House Gas (GHG). Saudi Arabia is a signatory of the Paris Agreement, and compliance requires the reduction of CO<sub>2</sub>, in and across the country. The responsibilities of Saudi companies may change significantly after implementing related regulations. For example, these regulations can increase the costs of operating and maintaining the company's manufacturing facilities and/or the costs of installing new emissions control devices and managing any potential emissions of GHG. These increased operational costs and compliance may have a significant and negative impact on the business, results of processes, and financial position.

SABIC AN's efforts to mitigate risks associated with energy transition and decarbonization are well defined under the Company's Carbon Neutrality Roadmap. The roadmap identifies five pathways to decarbonization including: Reliability, Energy Efficiency and Improvements; Renewable Energy; Electrification; Carbon Capture; and Green/Blue Hydrogen.

### Product-related incidents

Accidents involving the Company's products pose a significant threat, potentially causing severe damage to property, the environment, and human health, which may adversely affect the Company's business, the outcomes of its processes, and its financial condition. Given the nature of the Company's business as a handler of hazardous materials, there is an inherent risk of spills, discharges, or other releases of these materials into the environment. The use, manufacturing, storage, and transportation of volatile and explosive chemical products carry the potential for adverse environmental impacts.

Specific environmental risks related to SABIC Agri-Nutrients processes include: explosions or fires in production or logistics facilities, the discharge of toxic gases and pollutants into the atmosphere, and the release of hazardous chemicals on land or into waterways.

Accidents involving these substances may result in catastrophic conditions such as fires, explosions, severe pollution, or other forms of environmental damage, potentially causing harm to individuals, property, and the environment. Such incidents can lead to equipment failures, facility closures, civil lawsuits, criminal investigations, and regulatory enforcement actions, resulting in significant liabilities for the Company. Damage to persons, equipment, property, or interruptions in the Company's ability to produce or distribute its products may lead to reduced revenue and profit, along with significant additional costs for replacing or repairing Company assets.

Insurance coverage may not fully cover or may be entirely absent for such events, thereby exposing the Company to material negative effects on its business, operational outcomes, and financial position.

Moreover, certain environmental laws impose strict liability, irrespective of fault, for cleanup costs on entities that dispose of or release hazardous materials into the environment. The Company may bear environmental cleanup responsibilities concerning its existing or former facilities, adjacent third-party facilities, or remote disposal sites. Assessing pollution risks and associated cleanup costs often requires

environmental audits. The extent of liability under environmental laws may not be readily identifiable, and future cleaning activities' costs that the Company may undertake or finance could be significant. The Company may also become liable to third parties for damages, including personal injury and property damage, resulting from the disposal or release of hazardous materials into the environment.

SABIC AN are in compliance with all pertinent laws, standards, and regulations relating to the use, treatment, storage and disposal of hazardous, toxic substances or waste. Having successfully achieved recertification for Responsible Care®, SABIC AN incorporates safe chemicals management, quality assurance, and performance excellence for effective product safety management

A dedicated Product Stewardship function heads efforts to ensure compliance, provide product safety information, and practice responsible marketing. The EHSS function works to prepare emergency response strategies and processes and ensures suitable protection, health, and safety for employees, contractors, the public, and the environment.



### Political and Social Risks

#### Governmental agriculture policy

In several markets, the company benefits from government policies that support the agricultural sector. These include goods support programs that provide subsidies to farmers for the purchase of agri-nutrient products, export fees on agri-nutrient products, policies affecting the prices of raw materials used in the production of agri-nutrients, and others such restricting acreage of crop growth, cultivation of specific crops, and limited usage of agri-nutrient products in certain areas. As a result of these policies, which often include direct or indirect subsidies, farmers are often able to spend more on agri-nutrients than they would in the absence of such policies.

Government policies may also regulate lands that can be used to grow crops, or the types and prices of crops grown, which may negatively affect the demand for products. Any change in government policies, due to these or other factors, will lead to a decrease in demand and prices of agri-nutrient products, which may have a material negative impact on the company's business and financial position.

The Company are assessing on regular basis all the market share of its products external or internal to ensure its profit and returns are in the ranges that will ensure its competitive advantages for a sustainable business and advantage of the company and its local customers and aim for stable market creation. SABIC AN is proactively updated on relevant governmental policies and its impact on the overall demand and update its plan to support it customers accordingly.







### International legislation

International treaties and agreements, such as those issued by the World Trade Organization, may reduce subsidies to agricultural producers or lead to other adverse changes in government support for the agricultural sector, which can undermine demand growth or cause a decrease in the prices of agri-nutrient products.

In addition, many jurisdictions including the European region considers and may adopt restrictions on the use and application of certain agri-nutrient products, due to concerns about environmental impact, and/or may impose restrictions on the content of cadmium and other heavy metals due to health concerns. If this is done, these restrictions may affect demand and prices of agri-nutrient products negatively.

The company proactively integrates all requirements by assessing the changes and its projected trends as it progressive to ensure minimal impact to the business. (this is statement is not clear). The company complies with all legislation to ensure its reputation, advantages in the market remains uncompromised with all possible effort that can exerted.

### International trade controls

SABIC AN exports many products to countries which have adopted trade defense instruments such as anti-dumping, and anti-subsidy laws and regulations. Non-compliance with these may result in the imposition of anti-dumping or anti-subsidy duties. The company believes that some countries' trade defense measures and other forms of trade controls are likely to increase in the future, and any of these imposed on the exports or imports of SABIC AN, its suppliers, or its customers could have a substantial and adverse effect on business.

Alongside monitoring of geographical sales and export volumes, SABIC AN work with authorities to avoid or minimize trade restrictions that affect operations.

An International Trade Controls Policy sets out processes and systems to ensure operations are in compliance with applicable trade regulations in countries where SABIC AN operates and conducts business.

### Regulatory compliance

The company is subjected to various laws and regulations that relate to licensing requirements, EHS obligations, asset and investment controls, marketing guidelines, climate change pressures and trends, and other requirements. Compliance with these laws and regulations can be costly, and the company bears and will continue to incur costs, including capital expenditures, to comply with these requirements. Moreover, failure to comply with these laws and regulations or any changes thereto, including the enactment of additional regulations, could have a material and negative impact.

The company uses and manufactures hazardous chemicals that are subject to specific laws and regulations imposed by local and national government authorities in all the countries in which it operates. In addition, the company has to demonstrate to relevant authorities that the product is safe for its intended uses, and that it is manufactured in accordance with applicable regulations, to obtain regulatory approval for new products and production processes. The process of seeking such regulatory approvals is time-consuming and may be subject to unexpected and significant delays. Further, regulatory approvals may not be granted in a timely manner, or at all, which will negatively affect ability to provide new products or continue to distribute existing products and generate revenues from it, which will have tangible negative impact on business.

Laws and regulations, and their interpretation and application, may change from time to time. Any change, or a difference of views by any authority from the Company's point of view, may have a material and negative impact. In addition, new laws and regulations may be enacted in the future, resulting in additional costs related to compliance with regulations, the confiscation and/or recalling of products, or financial fines. Any of these may impede or prohibit the development, distribution, and sale of products. Moreover, subjecting any of the company's raw materials or products to a process of regulation or re-classification may adversely affect its availability or marketability; result in a ban on their import, purchase or sale; or require the company to incur increased costs to comply with notice, labeling or handling requirements, all of which may adversely affect financial position.

The Company's compliance and product stewardship functions, and internal systems that have obtained Responsible Care® certification, provide the basis for extensive assessment of the evolving regulatory framework, risk characterizations, and screening of products against customer, country, and regional registers and lists.

### Political instability

SABIC AN is located in a central site in a region of strategic importance, and parts of this region were subject to political and security instability in recent years. Any new or negative political developments may significantly affect the company's operational results such as a reduction in the demand for products, if agricultural products or the land on which they are grown are damaged, or if these changes reduce farmers' income and thereby, their ability to purchase products.

Many countries in the region are currently subject to armed conflicts and/or social and political turmoil, and instability in other regions also continues to be a major concern. In addition, important shipping lines routes, a major corridor for the import and export of products to and from Saudi Arabia, are sensitive, and any closure or negative incidents will greatly impede ability to transport products.

All these factors lead to continued uncertainty in forecasting business performance in the short to medium term.

In the event of geopolitical instability, a Group crisis-management team (CMT) works with the Company to chart a course for operations while identifying potential risks, and developing necessary mitigation strategies. The Board and Executive Management are intrinsically involved in any such adaptation or mitigation measures.

## FUTURE PLANS

In the pursuit of sustainable growth and enhanced shareholder value, SABIC Agri-Nutrients Company is dedicated to the optimal utilization of its assets, human capital, and financial resources. A cornerstone of SABIC AN's operational philosophy is a steadfast commitment to ensuring the safe and reliable operation of its plants, while diversifying its range of products and services, and broadening its global customer base.

Looking beyond the realm of commodity nitrogen fertilizers, the Company is actively engaged in studying and developing growth opportunities throughout the value chain. With a focused value chain integration approach in key markets such as Asia, Latin America, and the African continent, SABIC AN has strategically positioned itself to address evolving needs of the global agri-nutrients industry.

Looking ahead, ongoing strategic initiatives include development and marketing of innovative high-tech enhanced agri-nutrients and continued integration across the value-chain to get closer to end-users. The Company remains committed to anticipating the dynamic needs of end users, ensuring its long-term relevance in the market. The Company is also proactively responding to global regulations: working to mitigate the environmental impact of both upstream production and downstream product applications.

Future investments are focused on establishing a more diversified portfolio, expanding the local production footprint, and reducing the carbon footprint of products and services. These ambitions will be realized through investment in cost-competitive, reliable, safe, assets; strong research and development capabilities; and continued collaboration with global innovators and technology pioneers.

Through these forward-thinking strategies, SABIC Agri-Nutrients aspires to not only maintain but strengthen its market position as a responsible and innovative leader in the agricultural nutrients industry. This commitment to sustainable growth is a testament to the company's dedication to creating enduring value for its shareholders and other stakeholders.

As a company committed to sustainable growth and innovation, SABIC AN's investment pipeline reflects a dedication to pioneering solutions in the global market while adhering to the highest Environmental, Health, Safety, and Security (EHSS) standards. Collaborative efforts with potential pioneer partners in KSA is set to establish a significant foothold with regard to low-carbon ammonia and differentiated products in the agri-nutrients sector. Additionally, downstream investments are aimed at building a robust agri-nutrients portfolio; aligning with sustainable targets while bolstering KSA's food security and agricultural productivity. Concurrently, SABIC AN is committed to continuing the production of ammonia, the Company's typical production, with exerted efforts to decarbonize and in line with EHSS best-practices and standards.



The Company is pursuing development of Biodegradable Controlled Release Urea, featuring a technology exclusively owned and invented by SABIC AN. This innovative venture prioritizes the reduction of nitrous oxide emissions and the application of bio-based polymer coating, aiming to realize significant reduction in carbon footprint. As part of a Joint Development Agreement (JDA) with BiOWiSH, an innovative biotechnology solutions company supporting agriculture and environmental management, SABIC AN is preparing to set up a Research and Development facility in Riyadh for BiOWiSH biological coating research.

The Company's comprehensive approach to decarbonization is illustrated through the Revamp Project: spearheaded solely by SABIC AN. This initiative is part of an unwavering commitment to achieving carbon neutrality across all operations by 2050. Projects with regard to Carbon Capture Utilization & Sequestration (CCUS) that have entered the engineering phase are expected to break ground in the upcoming years. Together with growth projects on low-carbon hydrogen and low-carbon ammonia, these would provide momentum to the Company's continued development of low-carbon products.

Plans to build a low-carbon ammonia plant are being made, and the Company is also evaluating electrified steam methane reformers (e-SMR) and auto thermal reformer (ATR) technologies to decarbonize assets and reduce emissions – all of which would support SABIC AN's progressive development and marketing of low-carbon products.

Additionally, SABIC AN is currently exploring potential developments in Potash offerings as a strategic move to complement its differentiated portfolio and bolster the Company's global footprint and market reach.

Projected start-up timeframe of all projects and initiatives described above, are between 2026 and 2034. These initiatives are also set to create substantial job opportunities in the Kingdom of Saudi Arabia; estimated at approximately 20,000 direct and indirect positions.

# BUSINESS PERFORMANCE

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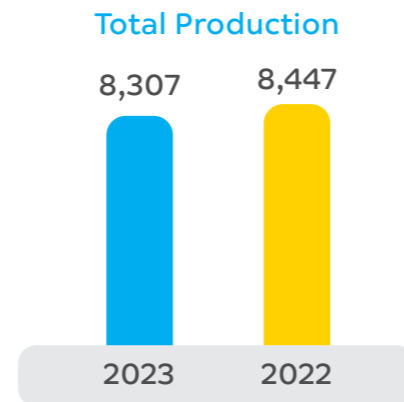
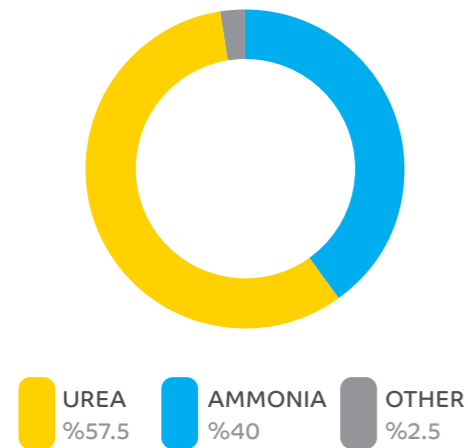


# FINANCIAL REVIEW

## Operation and Production

Actual production for the year 2023 was (8,307) thousand metric tons, compared to (8,447) thousand metric tons for the year 2022; a decrease of (2%). Scheduled turnarounds during the year were the primary reason for the decrease. The following chart shows the quantities produced during the year 2023 compared to the production of the year 2022.

Production in percentages, by product

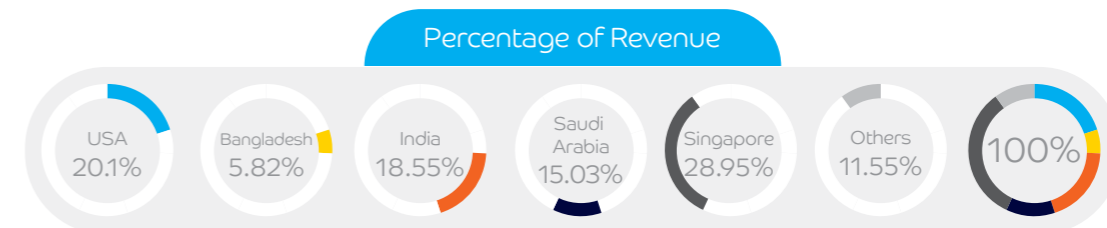
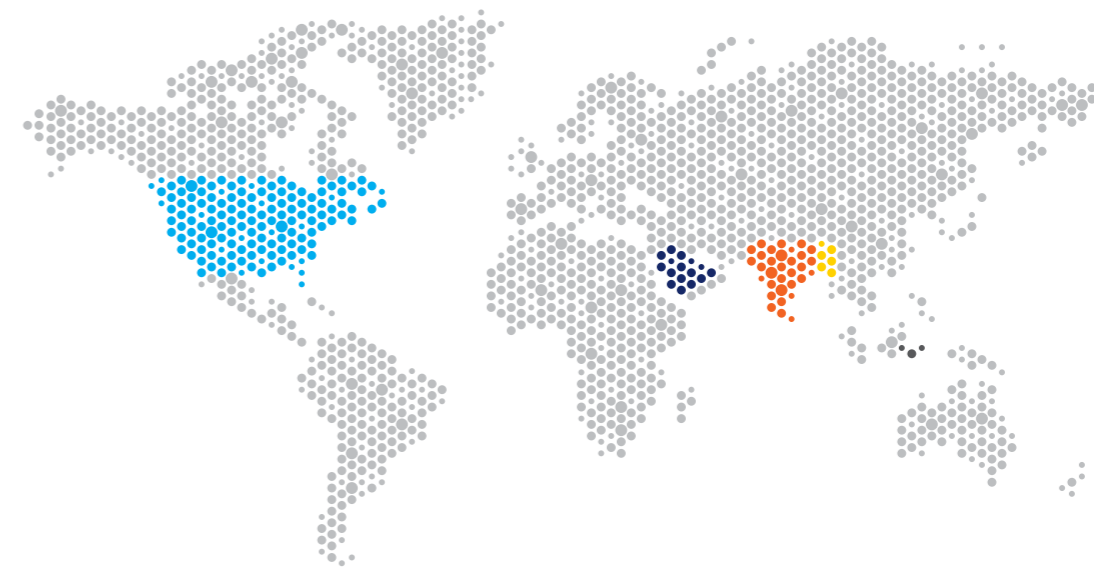


## Marketing and Sales

Total quantities sold during the year 2023 amounted to 6,998 thousand metric tons, compared to 6,895 thousand metric tons in 2022, an increase of 1.5%.



## Geographical Analysis of the Company's Revenue and Subsidiaries



Region	SABIC AN (%)	ALB (%)	IBB (%)	Percentage of revenue (%)
United States of America	14.74	3.01	2.35	20.09
Bangladesh	4.27	0.87	0.68	5.82
India	13.61	2.78	2.17	18.56
Kingdom of Saudi Arabia	11.02	2.25	1.76	15.03
Singapore	21.23	4.33	3.38	28.94
Others	8.47	1.73	1.35	11.55
<b>Total</b>	<b>73.34</b>	<b>14.97</b>	<b>11.69</b>	<b>100</b>

### Assets, Liabilities and Business Results

Net profit amounted to SAR 3,659 million, during the current fiscal year 2023, a decrease of approximately (64%), compared to the net profit for the fiscal year 2022, which was SAR 10,037 million.

#### Business Results (SAR '000)

Statements	2023	2022	2021	2020	2019
Revenues	11,033,429	18,980,830	9,591,975	3,327,542	3,287,582
Revenue Costs	(6,435,798)	(7,793,978)	(3,085,385)	(1,662,354)	(1,593,557)
Gross profit	4,597,631	11,186,852	6,506,590	1,665,188	1,694,025
Net profit	3,659,449	10,036,764	5,228,016	1,294,401	1,473,919

#### Balance Sheet (SAR '000)

Statement	2023	2022*	2021*	2020*	2019*
Current Assets	13,702,986	16,747,682	9,344,615	2,713,559	2,167,998
Non-current assets	11,600,543	10,309,003	10,508,533	7,281,218	7,494,544
Total assets	25,303,529	27,056,685	19,853,148	9,994,777	9,662,542
Current liabilities	3,711,174	2,448,908	1,565,652	639,107	681,385
Non-current liabilities	2,793,047	3,637,800	1,260,236	1,195,061	984,866
Total liabilities	6,504,221	6,086,708	2,825,888	1,834,168	1,666,251

\*Note: The company's financial statements for the years 2022, 2021, 2020, and 2019 are in accordance with IFRS Accounting Standards.

### Cash Flows

**Net cash from operating activities** for the year 2023 amounted to SAR 5,680 million, a decrease of SAR 5,926 million, or 51% YoY, primarily due to decrease in profit before zakat and income tax by 60%. This had an impact on the rest of the cash flow components from operating activities.

**The net cash used in investment activities** for the year 2023 amounted to SAR 4,528 million; an increase of SAR 240 million, or 6%, compared to the year 2022. This change was mainly due to a SAR 1,208 million investment in a joint venture.

**The net cash used in financing activities** for the year 2023 amounted to SAR 5,528 million, an increase of SAR 1,533 million, or 38%, compared to the year 2022; mainly due to a 39% increase in dividends.

**Cash and cash equivalents** at the end of 2023 amounted to SAR 4,242 million, a decrease of SAR 4,376 million, or 51%, compared to 2022. This was primarily due to decrease in net cash flows from operating activities.

**The free cash flow** for the year 2023 amounted to SAR 4,790 million, a decrease of SAR 6,019 million, or 56%, compared to 2022.

### The essential differences in operating results

Item	thousands of riyals		Changes + or (-)	% Change
	2023*	2022		
Sales	11,033	18,981	(7,948)	-42%
Cost of sales	6,436	7,794	(1,358)	-17%
Gross profit	4,597	11,187	(6,590)	-59%
Selling, distribution, research, general and administrative expenses, Expected credit loss allowance (ECL), Other operating (expense) income	934	849	85	10%
Income from operations	3,663	10,338	(6,675)	-65%

\*Reasons for decrease in net profit for the current year, compared with the last year, was the decrease in average selling prices of the Company's products.

### Investments or reserves established for the benefit of the Company's employees

The Company is keen to secure the future of its Saudi employees and achieve job security for them by adopting a number of incentive programs such as the savings program that aims to encourage employees to save, in a way that ensures increasing their income and contributing to secure their future, as

well as a program of loans and housing ownership, which in turn enhances the provision of adequate housing for employees and their families.

The following table indicates the value of the provisions made at the end of the fiscal year 2023 in favor of the Company's employees.

Item	thousands of riyals	
	2023	2022
End of Service Gratuity	1,003,988	901,733
Savings program	77,816	74,075
Loans and home ownership	434,861	507,763
Total	1,516,665	1,483,571

### Paid and outstanding statutory payments

The following table shows the value of paid and due statutory payments to pay any zakat, taxes, fees or any other entitlements that have not been paid until the end of the annual financial period, with a brief description and reasons for them.

Item	2023		Brief description	Reasons
	Paid amount (SAR '000)	Outstanding payment up to fiscal year end (SAR '000)		
Zakat	445,441	368,974	Provision of zakat for the year 2023	To be paid in 2024
General Organization for Social Insurance	70,115	7,547	Provision for December 2023	To be paid in 2024
Passport visa costs	755		There are no provisions	Payment is made upon execution of the service

### Information about Company's Loans

There are no loans on SABIC Agri-Nutrients and Subsidiary companies during the fiscal year 2023.

### Subsidiaries Companies

Subsidiary name	Capital of the subsidiary	Percentage of ownership	Subsidiary main activity	Operational headquarters country	Country of incorporation
1- National Chemical Fertilizer Co (Ibn Al Baytar)	494,700,000	50 %	Fertilizer Manufacturing	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
2- SABIC Agri-Nutrients Investments Company	25,000	100 %	Mining of chemical minerals, fertilizer minerals, manufacture of fertilizers and nitrogenous compounds	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia

Also, SABIC Agri-Nutrients Investments Company owns proportions in the following companies:

1- National Chemical Fertilizer Co (Ibn Al Baytar)	494,700,000	50 %	Fertilizer Manufacturing	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
2- Al-Jubail Fertilizer Company (Al-Bayroni)	671,500,000	50 %	Fertilizer Manufacturing	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
3- ETG Inputs Holdco Limited (EIHL)	61,000 USD	49%	Trading and processing of fertilizers and agricultural inputs	UAE	UAE
4- Gulf Petrochemical Industries Company (GPIC)	60,000,000 BHD	33.33%	Manufacturing and exporting ammonia, urea and methanol products	Bahrain	Bahrain

### Shares and Debt Instruments of the Company and its Subsidiaries Companies

Company	No. of proportions	Type of the company
SABIC Agri-Nutrients Company	476,035,404	Listed Joint Stock Company

Company	No. of shares	Type of the company
National Chemical Fertilizer Co (Ibn Al Baytar)	494,700,000	Limited Liability Companies
SABIC Agri-Nutrients Investments Company	25,000	
Al-Jubail Fertilizer Company (Al-Bayroni)	671,500,000	

## OPERATIONAL PERFORMANCE

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# MANUFACTURING

As a global leader in the agri-nutrients sector, manufacturing of high-quality agricultural nutrients remains central to the Company's success. SABIC AN is committed to ensuring safe, efficient, and sustainable operation of production assets and facilities, as reflected in progress made toward achieving the Company's strategic KPIs and targets for manufacturing.

SABIC AN's production assets in Nitrogen and Phosphate are key to the Company's strategic pillar of maintaining a cost-leadership position in the global agri-nutrient industry. With a combined installed capacity of 9 million MT per annum, the manufacturing assets enable SABIC AN to consolidate a market leadership position in the region while pursuing global growth opportunities.

Production teams work in collaboration with the Technology and Innovation (T&I) Center and global manufacturing technology licensors to adopt best practices and technological developments for manufacturing, while pursuing continuous improvements in energy efficiency, emissions reduction, water conservation, and waste reduction.

## Reliability

Maintaining reliability of production assets is a vital component of the Company's Strategy. As part of the strategy, the Company successfully executed numerous projects toward boosting reliability across the SAN 3, SAN 4, and Ibn Al Baytar (IBB) plants.

The Company's commitment to reliability extends to continuous monitoring, proactive measures for asset reliability, ongoing energy management processes, and integration of renewables. Moreover, a range of new initiatives are underway to enhance asset reliability and availability. These include the formulation of best practices, dissemination of equipment strategies, and execution of maturity studies.

With a forward-looking strategy, the Company has set a goal to reduce and maintain its global EHSS rate below 0.25 by the year 2025. Recording a total incident rate of 0.069 for 2023; outstanding EHSS performance has enabled SABIC AN to consistently achieve and surpass targets in 2022 and 2023. The Company extended its exemplary safety record within the fertilizer industry in 2023, achieving 8,717,087 safe man-hours of operation without any lost time injuries (LTIs).



## Energy efficiency

SABIC AN continues to pursue energy efficiency improvements across manufacturing operations, in compliance with standards established by the Saudi Energy Efficiency Center (SEEC) and as part of broader strategic decarbonization efforts. Systems are in place to monitor energy consumption on a daily basis, yielding optimal results and allowing running improvements to energy efficiency.

The Company's production assets met SEEC energy intensity requirements mandated in the first and second cycles of assessment, and operational teams are evaluating the next cycle requirements. SABIC AN's T&I Nitrogen Technology Team is involved in working toward 2025 targets for energy intensity at the Company's existing ammonia and urea assets.

## Maintenance

The company follows a comprehensive Preventive Maintenance (PM) strategy for all equipment and facilities. Scheduled maintenance and repair programs are systematically monitored and tracked, facilitating streamlined execution as planned. This dedication to implementation of preventive maintenance plays a pivotal role in preventing significant process safety events, minimizing lost time injury incidents, and averting cases of environmental non-compliance.



SABIC Agri - Nutrient Manufacturing achieved 3rd place of Operation Excellence Awards At SABIC globally in the Year end meeting in Jubail December 2023 .

## SABIC AN Turnaround 2023 & 2024

2023 (executed)	2024 periodic	2024 scheduled
<p><b>Agri Nutrients Plant 4:</b> For periodic maintenance of the ammonia plant for a period of 42 days and the urea plant for a period of 41 days in the first half of 2023.</p>	<p><b>Agri nutrients plant 3:</b> for periodic maintenance of the ammonia plant for 40 days and urea plant for 40 days in the first quarter of 2024.</p>	<p><b>Agri Nutrients plant 2:</b> a scheduled shut down for a period of 9 days ammonia and 2 days urea in the first quarter of 2024.</p>
<p><b>Agri Nutrients Plant 3:</b> For periodic maintenance of the ammonia plant for 41 days and the urea plant for 40 days in the first half of 2023.</p>	<p><b>AI-BAYRONI chemical plant:</b> For periodic maintenance of 2-EH plant for 30 days in the third quarter of 2024.</p>	
<p><b>Ibn Al-Baytar Plant:</b> a scheduled shutdown of the ammonia plant for a period of 15 days in the first half of 2023.</p>	<p><b>IBN-ALBAYTAR plant:</b> for periodic maintenance of the ammonia plant for 32 days and urea plant for 31 days in the fourth quarter of 2024.</p>	



## MARKETING

The company portfolio has seen substantial growth over the years; from a focus mainly on Urea and Ammonia many years ago, to a global leader in the fertilizer market with multiple offerings within the portfolio today.

In 2023, the Company has around 8% market share of global exported Urea and around 4% market share of global exported Ammonia, in addition to various phosphate and differentiated products. The Company has existing relationships with customers at each of the continents, and SABIC AN's products are available at key farming markets. As a market leader, the Company continues working closely with customers to maintain and develop strong relationships. In 2023, SABIC Agri-Nutrients carried out several field demonstration trials for differentiated

products, and sponsored multiple global forums and conferences, to strengthen customer intimacy and ensure strength of SABIC AN's brand with all stakeholders.

A component of the Company's overall strategy is to gain and retain market leadership. It involves developing closer relationships with customers, while broadening product and service offerings to better meet their needs: Building on existing strength in the basic nutrients space, exploring growth opportunities around the world, targeting new technologies, strengthening the distribution network through strategic partnerships, and developing agri-advisory services.



**Conclusion of the acquisition of 49% of ETG Inputs Holdco Limited (EIHL) in the first quarter of 2023 has strengthened SABIC AN's presence in African markets by leveraging EIHL's network of more than 350 distribution centers across Africa, and its established relationships with agents and agronomists.**

Synergies between SABIC AN and EIHL are aligned with and/or focused on the following:

- Saudi Arabia's ambition to grow relationships with Africa across different aspects, as illustrated during the maiden Saudi Arabia-Africa summit held in 2023.
- The United Nations (UN) SUSTAIN-Africa initiative, which seeks to implement Sustainable Development Goals in African growth corridors.

The deal supports SABIC AN in creating exceptional value and realizing business objectives, through:

- Expanding Africa-market reach by capitalizing on blending and distribution assets to increase market share in several countries.
- Leveraging existing assets and agronomical experience to diversify a differentiated product portfolio.
- Improving market information through the Close-to-Farmer model.
- Facilitating expertise-exchange in agronomy, blending, and distribution.

## TECHNOLOGY AND INNOVATION (T&I)

T&I constitutes an innovation pipeline that is instrumental in securing and sustaining the Company's leadership position in the agri-nutrient industry. From developing new products, or collaborating with industry pioneers, to addressing global challenges such as food security and climate change; SABIC AN's industry-leading capabilities support the Company's growth ambitions and create sustainable value across the agriculture supply-chain.

The T&I business vertical is a multidisciplinary group within the Company, leveraging strong Research and Development (R&D) capabilities, created with the objective of studying current and future challenges facing the agri-nutrient sector and translating these challenges into opportunities, thereby unlocking sustainable business opportunities for the Company. The function promotes reliability and efficiency of production assets, maintains a stable pipeline of innovative solutions, and delivers value to growers through innovations for enhanced crop-yield and protection, adoption of smart technology, and promotion of sustainable agricultural practices.

SUSTAINABLE  
MANUFACTURING



DIGITAL  
FARMING

SUSTAINABLE  
PRODUCTS

NUTRIENT USE EFFICIENCY  
(NUE) MAXIMIZATION

Sustainable product development remains the cornerstone of SABIC AN's Technology and Innovation strategy. The Company takes a systematic approach to product development, which is followed and documented.





### Low-carbon Ammonia

In 2022, SABIC AN and Saudi Aramco obtained the world's first independent certification of low-carbon ammonia and clean hydrogen production from TÜV Rheinland, a leading independent testing, inspection, and certification agency based in Germany. The world's first commercial shipment of 25,000 MT accredited cradle-to-gate low carbon ammonia reached its destination of Ulsan in South Korea in December 2022, representing a new milestone in the development of decarbonization solutions.

During 2023, SABIC AN shipped an additional 11,000 MT of low-carbon ammonia; aligned with Saudi Vision 2030, which places emphasis on low-carbon fuels, products, and solutions, and clean energy. SABIC AN and Saudi Aramco continue to collaborate in the low-carbon hydrogen and low-carbon ammonia space to develop solutions that serve various applications in the energy, Agri Nutrients and chemicals sectors.



#### Q2 2023

SABIC AN became the first company to introduce low-carbon ammonia to the Indian fertilizer sector with a shipment of 5,000 MT to the Indian Farmers Fertilizer Cooperative Limited (IFFCO). With the pioneering shipment, IFFCO was the first Indian company to use low-carbon ammonia for fertilizer production in line with India's vision to be net-zero by 2070.

#### Q2 2023

SABIC AN dispatched 5,000 MT of low-carbon ammonia as the first commercial shipment to Taiwan Fertilizer Co. (TFC).

#### Q4 2023

Shipment of low-carbon ammonia to Agroplychim AD in Bulgaria.

**During 2023, SABIC AN shipped an additional 11,000 MT of low-carbon ammonia; aligned with Saudi Vision 2030**



### Low carbon Urea

July 2023 marked another landmark achievement for SABIC AN as the world's first global shipment of low-carbon urea arrived in Timaru, New Zealand. The 2,700 MT consignment of low-carbon urea was delivered to Ravensdown, a New Zealand-farmer owned agricultural co-operative company, in a major step towards the sector's decarbonization journey.

Developed from independently certified low-carbon ammonia as a value-added / specialty product, SABIC AN's production of low-carbon urea marks a significant step in the Company's pioneering of low-carbon solutions and continued efforts towards net-zero. This innovative manufacturing solution was recognized with a prestigious Edison Award 2023, receiving Gold under the Food and Agriculture Advancements 'Soil & Crop' category.

In line with the Global Goals focused on enhanced crop production, land use efficiency, and combating water scarcity, SABIC's next-generation agri-nutrients increase crop yield while reducing the need for large amounts of inputs.

#### Collaboration with BiOWiSH and Archer-Daniels-Midland Company (ADM)

SABIC Agri Nutrients Company (SABIC AN) is collaborating with two US based companies, ADM and BiOWiSH Technologies, to help growers achieve higher production in a sustainable and cost effective manner. The partnership takes forward efforts to bring the right mix of chemicals and biologicals to the agri-nutrient sector. The concept was introduced by SABIC AN to meet plant needs while reducing agri-nutrient consumption volumes, leading to higher yields and net lowering of emissions.

#### Development of a unique multi-nutrient foliar fertilizer

SABIC AN's innovative product offers crop yield-building and protection components in a single formula, to provide nutrition and stress protection for crops. This innovation earned an Edison Award 2023, receiving Bronze under the 'Food and Agriculture Advancements' category.

Agronomy studies conducted at the International Institute of Biotechnology and Toxicology (IIBAT) India, encompassing greenhouse and open-field trials across a variety of crops, demonstrated yield improvements ranging from 5% to over 20% in different treatment scenarios; all while reducing nitrogen application by 25% compared to the recommended dosage for farmers.

The T&I vertical is a hub for collaborations across the value chain, where joint product development can boost product offerings, deepen impact, and allow the Company to better respond to the needs of end-users.

# SUSTAINABILITY REVIEW

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# SUSTAINABILITY STRATEGY

Since establishment as a standalone company in January 2022, SABIC AN has continued to incorporate best practices followed by SABIC. As part of the Company's efforts to drive sustainability and work toward better Environmental, Social, and Governance (ESG) outcomes across the business, SABIC AN has set out a sustainability strategy that is closely aligned with the Company's core business, corporate values, and broader strategic ambitions. As a leader in agri-nutrients and stakeholder in the global agriculture sector, SABIC AN has set out a clearly delineated decarbonization pathway toward achieving carbon neutrality by 2050.

SABIC AN publishes Sustainability Reports in line with local recommendations and global reporting best practices. These reports describe the Company's ESG performance and detail ongoing efforts and performance against the sustainability strategy.

Company	Focus area	Alignment with SDGs
Environment, Social, and Governance (ESG)	Environmental management Climate stewardship (Decarbonization) Water stewardship Waste management	
	Sustainable agriculture Low-carbon Agri Nutrients Product stewardship Upcycled and recycled Agri Nutrients	
	Support to the farming community Smart agriculture	
	Collaborations and partnerships Sustainable supply chain	
	Community relations	
Corporate governance		
Risk management		
People-first culture	Health and Safety	
	Employee engagement and wellbeing	
	Capability development	

# SOCIAL EVENTS

## Cultural events

Celebration of key cultural events continues to be a strong point in bringing together employees, building corporate culture, and fostering greater employee engagement. During 2023, the SABIC AN open day brought together all employees and their families, while National Day and Eid Celebrations were other high-points in the corporate calendar.

## Benefits and allowances

SABIC AN's benefit plans and policies are strategically crafted to strike a harmonious balance between the Company's objectives and the diverse needs of its employees. SABIC AN adheres to global standards for its employees with benefit and allowance scales undergoing regular reviews to ensure compliance and competitiveness, while maintained confidentiality.

A Total Rewards concept is integral to the SLA agreement with SABIC, and incorporates a core base salary. Depending on country/region, this may include various components like housing allowance, transportation allowance, home ownership and loan programs, shift allowance, medical insurance, company bonuses, and possible bonuses.

Regardless of various elements, the primary purpose of base pay is to provide competitive compensation to all employees across the Company's operations. Certain positions in the Company may also entail additional occupational payments related to special work conditions, such as on-call allowances, shift premiums, and overtime payments, especially in manufacturing sites. In essence, SABIC AN offers a comprehensive array of financial, health, and well-being benefits to its employees, in line with national regulations and standards in each respective country.

## Career development

Alongside the Company's Annual Growth Plan (AGP), employees can avail themselves of multiple programs and opportunities for career development including transfers, on-the-job training, secondments, higher studies, or accredited qualifications.

## Volunteerism

Employee volunteerism in the Company's CSR initiatives drives engagement and builds camaraderie. SABIC AN's volunteerism programmes are detailed in the Community Social Responsibility section.

## Employee wellbeing

### Health and safety

Healthy, safety, and wellbeing of employees is of paramount importance to SABIC AN. As a major manufacturing player in the agrinutrient industry, SABIC AN is committed to upholding the highest standards for occupational and industrial health and safety through an established EHSS management system.

### Equality and diversity

Female representation within the Company remains a priority, and efforts are underway to enhance diversity in alignment with the Group-wide SHE initiative and Saudi Vision 2030. The Company has taken a number of steps to increase female representation in corporate positions, and is also increasing focus on female representation in manufacturing and technical positions.

In addition, a dedicated plan is in place to improve the workplace environment to accommodate persons with disabilities and incorporate systems for greater diversity in hiring decisions.

## FEMALE REPRESENTATION



## AREA OF IMPROVEMENT

Career Development

Learner mindset

Well Being & work Environment

## STRENGTH

ESG

Employee & Engagement

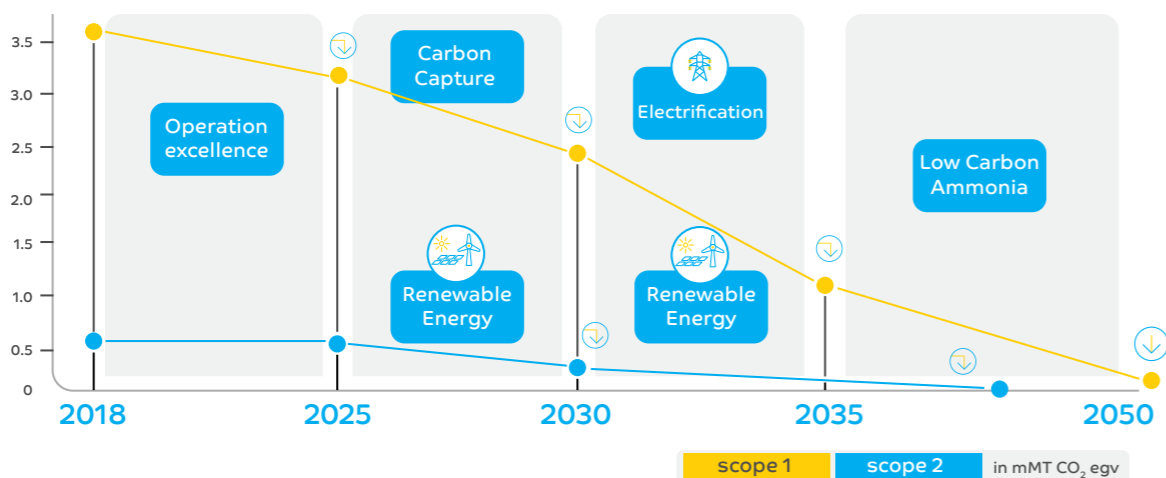
Team Work & Collaboration

# CARBON NEUTRALITY

A key component in SABIC AN's sustainability journey is a clearly defined roadmap to achieve carbon neutrality by 2050. Since approval of the roadmap by the Board in 2022, the Company has continued to take concerted steps to achieve the medium-term goal of reducing Scope 1 and Scope 2 emissions by 20% in 2030 (measured against 2018 as the baseline year).

Monitoring and measurement of emissions across the complex agri-nutrient / agriculture value chain is a challenging and evolving process.

SABIC AN is working to better estimate, define, and refine assessments with regard to Scope 3 emissions across the value chain. Working collaboratively with downstream customers and end-users remains a key priority to manage SABIC AN's Scope 3 emissions. Through continuous engagement across the downstream value chain, the Company plans to develop approaches to better understand and realize opportunities to reduce these emissions. SABIC AN's T&I function and innovation-driven business model would play a key role in this regard.



The decarbonization pathway is built on five pillars that are aligned with Group-wide efforts for decarbonization. The Company took a number of measures in 2023 to improve reliability and energy efficiency across its production assets, while exploring medium to long-term strategies for emissions reduction.

# PRODUCT STEWARDSHIP

SABIC AN's product stewardship protocol centers on the assurance of product safety and accurate labelling and information, while mitigating potential negative impacts and pursuing greater sustainability across a diverse agri-nutrient product portfolio.

A dedicated product stewardship team conducts exhaustive safety assessments for all products in compliance with regulatory bodies and national and global requirements and standards. This systematic approach is seamlessly integrated into the product development cycle, ensuring that both existing and newly developed products undergo thorough assessment.

## Portfolio Sustainability Assessment (PSA)

SABIC Agri Nutrients is dedicated to guiding its product portfolio in harmony with significant sustainability trends and global regulations. In pursuit of this commitment, the Company collaboratively adopted a PSA tool to empower leadership teams to make informed decisions based on scores for sales with robust sustainable climate credentials. The PSA methodology enables steering of the overall portfolio towards improved sustainable performance. The assessment process, which commenced in 2022, was successfully completed in 2023. Results of the assessment showed opportunities for growth in the Enriched Urea and Fuel Additive product segments.

## RELIABILITY AND ENERGY EFFICIENCY OF PRODUCTION ASSETS

Health and Safety T&I teams worked with plants to focus on steam optimization and flare minimization.

Further projects and improvements for operating assets were evaluated and prioritized.

Workshops carried out to identify gaps and areas for improvement with regard to Best Available Technology (BAT) and Best Achievable Rate (BAR) on energy efficiency, emissions, water consumption, and waste.

## CARBON CAPTURE UTILIZATION & SEQUESTRATION (CCUS)

CCUS project completed the feasibility study phase and is set to be moved to the engineering phase.

## ELECTRIFICATION

Teams carried out feasibility assessments with regard to electrification projects focused on rotating equipment.

## RENEWABLE ENERGY

Pursuing collaborative investments, partnering, technology ownership and operation, in order to enable the Kingdom's targets.

Assessing commercial ownership of agri-nutrient / industrial downstream components.

## LOW-CARBON FUELS LOW CARBON AMMONIA

The Company continues to monitor developments with regard to Hydrogen and low-carbon Ammonia as marine fuel sources and/or co-firing in power generation.

### Sustainable agriculture

As a frontrunner in the agri-nutrient sector, SABIC AN works with stakeholders to promote agri-nutrient practice that is smart and sustainable. Low-carbon agricultural nutrients are a key component of sustainable agriculture and directly tied to the Company's decarbonization efforts. During 2023, SABIC AN shipped 11,000 MT of low-carbon ammonia and 2,700 MT of low-carbon urea and value added products such as Zinc Coated Urea, Stabilized Urea, and Bio-Enhanced Urea.

Efforts toward development and supply of low-carbon agri-nutrients are aligned with Saudi Vision 2030, which places emphasis on low-carbon fuels, products and solutions, and clean energy. SABIC AN and Saudi Aramco continue to collaborate in the low-carbon hydrogen and low-carbon ammonia space to develop solutions that serve various applications in the energy, agricultural nutrients, and chemicals sectors.

### Water stewardship

SABIC AN's production assets operate in a region with extremely scarce water resources. As such, the Company places utmost importance on responsible stewardship of water. Success of ongoing programs and projects has resulted in reductions in water demand / intensity in line with internal strategic target.

### Waste management

Optimal and efficient utilization of resources, effective waste management, and incorporation of up-cycling, recycling, and recovery processes, enabled SABIC AN to achieve continued success toward the target of reducing material wastage by 50% by 2025.

### Environmental management

SABIC AN successfully submits periodic environmental reports as mandated by the Royal Commission for Jubail and Yanbu (RCJY). As the Company's unwavering commitment to environmental protection, the company succeeded in dealing and closing two noticed of violations without any penalty in the year of 2023.

### Health and Safety

SABIC AN holds an exemplary safety record within the agri-nutrients industry. In 2023, the Company achieved exemplary safe man-hours of operation without lost time injuries (LTIs). In addition, the Company's global Environment, Health, Safety, and Security (EHSS) incident rate surpassed the internal strategic target.



### Responding to global challenges

As scientists and experts have raised a clarion call for climate action to be scaled up, global leaders are responding with changes to policy and legislation in order to raise climate ambitions and set out a pathway for energy transition and decarbonisation of economies and industries. Some of the world's largest economies have already seen rapid changes in regulations and increasing expectations from industries.

In addition, global food security remains a key mandate as development, urbanization, and population growth continue to place demands on the agriculture industry. Stressors such as climate change, water scarcity, and availability of arable land serve to compound the issue. At the same time, the environmental footprint of agricultural nutrients is increasingly coming under scrutiny as governmental and regulatory pressure mount to improve Nutrient Use Efficiency (NUE).

### Alignment with core business

The Company has mainstreamed ESG considerations across the business model to ensure due consideration is given to accelerating the pace of development of new products, solutions, and technologies for growers and other stakeholders facing the pressing global challenges outlined above.

SABIC AN opted to address these global challenges by defining its carbon reduction roadmap (highlighted earlier) and its commitment to decarbonization of assets. Development of more sustainable differentiated products will assist in addressing the need for food security and also reducing the carbon impact of such products on the environment. This would also enable adherence to increasing regulatory pressures. SABIC AN's commitment as a National agri-nutrients champion is fully aligned with the Kingdom's Vision 2030 objectives for food security and energy transition.



# CORPORATE GOVERNANCE

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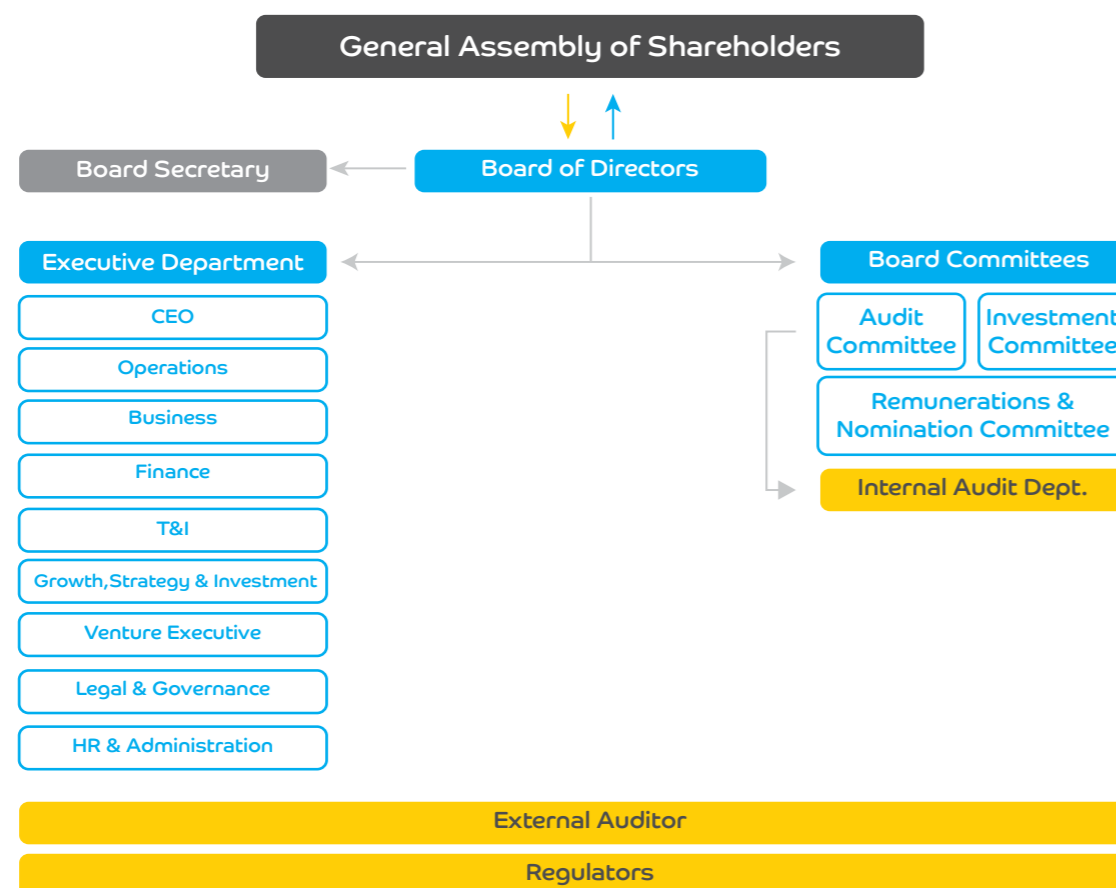


# GOVERNANCE STRUCTURE

SABIC AN is committed to upholding governance rules and regulations issued by relevant authorities. The company's general framework for governance, which includes a set of policies, also defines roles and responsibilities, how decisions are taken and conducted, how their implementation is monitored, and how best adequacy of performance based on relevant regulations can be monitored.

The Board of Directors is responsible for following up on all applications of governance laws to guarantee the rights of employees, shareholders, investors and other stakeholders: to verify integrity and accuracy; to ensure adherence to best practices, and to ensure adoption of the best practices for control and compliance.

## SABIC AN Governance Structure



The company applies and implements all provisions contained in the corporate governance regulations issued by the Capital Market Authority (CMA), with some exceptions:

Article / Clause No.	Provision of Article / Clause	Reason
Article 39: The Assessment	The Board shall carry out the necessary arrangements to obtain an assessment of its performance from a competent third-party every three years.	Guiding Article
Article 51: Audit Committee Formation	c) The Chairman of the Audit Committee shall be an Independent Director.	Membership type of Chairman of Audit Committee is (non-executive member), in which he served for more than nine years in Board membership, which is one of issues affecting independence as per article 19 of Corporate Governance Regulation.
Article 51: Audit Committee Formation	d) Half of the Audit Committee's members must be Independent Directors or from those on whom the issues affecting independence in Article (19) of this Regulation do not apply.	Guiding Article
Article 67: Composition of the Risk Management Committee	The Company's Board shall, by resolution therefrom, form a committee to be named the "risk management committee.". Chairman and majority of its members shall be Non-Executive Directors. The members of that committee shall possess an adequate level of knowledge in risk management and finance.	Guiding Article Board Audit Committee currently carries out the roles and responsibilities of Risk Committee as provided for in its charter approved by the General Assembly.
Article 68: Competencies of the Risk Management Committee	The competencies of the risk management committee shall include the following: (as provided for in Article 68 of CMA Corporate Governance Regulations)	Guiding Article Board Audit Committee currently carries out the roles and responsibilities of Risk Committee as provided for in its charter approved by the General Assembly.
Article 69: Meetings of the Risk Management Committee	The risk management committee shall convene periodically at least once every six months, and as may be necessary.	Guiding Article
Article 92: Formation of a Corporate Governance Committee	If the Board forms a corporate governance committee, it shall assign to it the competencies stipulated in Article (91) of these Regulations. Such committee shall oversee any matters relating to the implementation of governance, and shall provide the Board with its reports and recommendations at least annually.	Guiding Article



# SHAREHOLDERS

## Communication

The company is committed to achieving the principles of fairness by providing appropriate information at the right time.

The company informs shareholders and investors of its performance, operations, and material information through the Annual Report and financial statements, regular earnings calls, and disclosures and notices on the Tadawul website. Company's own website and other means of communication are also utilized to keep shareholders and investors up to date.

SABIC AN maintains an open line of communication with shareholders and investors to maintain transparency and assist them to make investment decisions based on timely and accurate information.

The Company has in place policies and procedures for disclosing material developments, financial statements, and performance reports in accordance with regulatory requirements and instructions from relevant authorities.

The company guarantees the timely distribution of dividends to shareholders by prompting them to update their information and verify the linkage of their bank accounts with their Tadawul portfolios, thereby preventing any potential payment delays.

Item	Name	Total ownership percentage in the last trading day (%)
1	Saudi Basic Industries Corporation (SABIC)	50.1

## Disclosures and announcements

In order to ensure material information is available to shareholders, investors, and other stakeholders in a transparent and timely manner, announcements, disclosures, and notices are published on the Tadawul website – as per provisions regulating disclosure.

During the fiscal year ended on December 31, 2023, a total of 11 announcements were listed, as detailed below:

No.	Notice date	Subject of announcement
1	27 February 2023	SABIC Agri-Nutrients Co. announces its annual consolidated financial results ending on 31-12-2022
2	28 February 2023	SABIC Agri-Nutrients Co. Announces Resignation of Audit Committee Member
3	28 February 2023	SABIC Agri-Nutrients Co. Announces Resignation of a Board Member
4	05 March 2023	SABIC Agri-Nutrients Company invites its shareholders to attend Ordinary General Assembly meeting (the first meeting) through means of modern technology
5	27 March 2023	SABIC Agri-Nutrients Company Announce the Results of the Ordinary General Assembly meeting (1st meeting)
6	10 April 2023	SABIC Agri-Nutrients Co. announces the latest developments in relation to obtaining the required regulatory approvals to complete the transaction in accordance with terms and conditions of the SPA
7	01 May 2023	SABIC Agri-Nutrients Co. announces its interim consolidated financial results for the period ending on 31-03-2023 (Three Months)
8	05 June 2023	SABIC Agri-Nutrients Company announces the distribution of cash dividends for First half of 2023
9	01 August 2023	SABIC Agri-Nutrients Co. announces its interim consolidated financial results for the period ending on 30-06-2023 (Six Months)
10	30 October 2023	SABIC Agri-Nutrients Co. announces its interim consolidated financial results for the period ending on 30-09-2023 (Nine Months)
11	17 December 2023	SABIC Agri-Nutrients Company announces the distribution interim of cash dividends for Second half of 2023

## DIVIDEND

### Dividend policy

SABIC AN's dividend distribution policy is based on controls that take into account net Profits realized, cash flows, and policies in the company's bylaw. With regards to distributions in cash or in kind, distribution is made based on the resolution of the Board of Directors and delegation from the General Assembly, and in accordance with relevant regulations.

### Dividend distribution

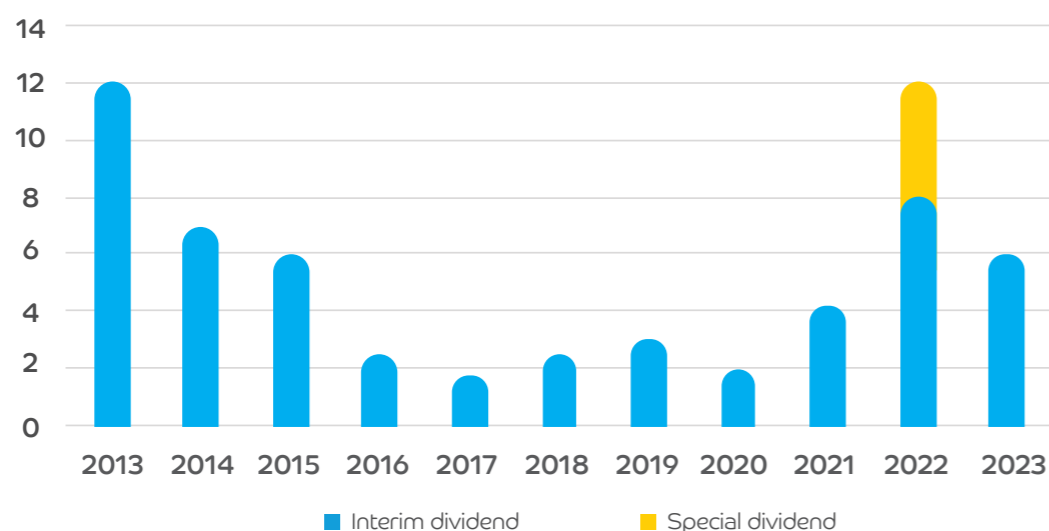
The General Assembly approved the distribution of dividends to shareholders for the second half of 2022, to the amount of SAR 8 per share, which was disbursed in the first half of 2023. The Board also approved disbursing SAR 3 for the first half of 2023.

Details of dividends distributed to shareholders for the fiscal year ended on December 31, 2023, the ratios of dividends proposed to be distributed at the end of the year, and total dividends are detailed below:

	Dividends distributed during the year		Proposed profits to be distributed at the end of the year	Total
	Second half of 2022	First half of 2023		
Rate	80%	30%	30%	140%
Total (thousands)	3,808,283,232	1,428,106,212	1,428,106,212	6,664,495,656
Maturity date	26 March 2023	16 July 2023	07 February 2024	

### Total distribution for each year, during the past ten years

Dividend per share



### General Assemblies held during the last fiscal year and attendance of the Board of Directors

One General Assembly was held during the fiscal year ending December 31, 2023. Board Members' attendance is detailed below:

Name	Position	Ordinary General Assembly Meeting (26 March 2023)
Eng. Abdulrahman Saleh Al-Fageeh	Chairman of Board of Directors	Attended
Eng. Samir Ali Al Abdrabbuh	Deputy Chairman of Board of Directors	Attended
Mr. Abdulaziz Habdan Al-Habdan	Board Member	Attended
Mr. Soliman Abdulaziz Al-Hosain	Board Member	Attended
Mr. Yousef Mohammed Al-Suhaibani	Board Member	Attended
Mr. Mohammed Abdullah Al-Bahussain	Board Member	Attended
Eng. Mohammed Ali Al-Hassany	Board Member	Attended
Dr. Walid Mohammed Alissa	Board Member	Resigned effective from 28 February 2023

### Shareholders' Register

During the fiscal year ended December 31, 2023, the Company requested the shareholders' register 5 times, as detailed below:

No.	Date	Reason
1	26 March 2023	Preparing the company's internal reports
2	28 March 2023	Dividend distribution file
3	18 July 2023	Dividend distribution file
4	19 November 2023	Preparing the company's internal reports
5	31 December 2023	Preparing the company's internal reports

## BOARD OF DIRECTORS

SABIC AN's Board of Directors are exemplary professionals in their fields who bring a wealth of experience to guide and spearhead the Company's strategies and long-term direction. The Board consists of eight members, who were appointed during the Ordinary General Assembly meeting held on March 26, 2023, for a period of three years being from 29 March 2023 and ends on 28 March 2026.



**Eng. Abdulrahman Saleh Al-Fageeh**  
Chairman of Board  
Chairman of the Investment Committee  
Non-executive Director



**Eng. Samir Ali Al Abdrabbuh**  
Deputy Chairman  
Member of the Investment Committee  
Non-executive Director



**Eng. Anas Yousef Kentab**  
Board member  
Member of the Remuneration and Nomination Committee  
Non-executive Director



**Mr. Soliman Abdulaziz Al-Hosain**  
Board member  
Member of the Remuneration and Nomination Committee.  
Member of the Investment Committee  
Non-executive Director



**Mr. Abdulaziz Habdan Al-Habdan**  
Board member  
Chairman of the Audit Committee  
Member of the Investment Committee  
Non-executive Director



**Mr. Abdurahman Mohammed Al-Zoghaibi**  
Board member  
Member of the Investment Committee  
Independent Director



**Eng. Abdulaziz Suliman Al-Humaid**  
Board member  
Member of the Audit Committee  
Independent Director



**Mr. Khalid Salem Al-Rowais**  
Board member  
Chairman of the Remuneration and Nomination Committee  
Independent Director

# BOARD OF DIRECTORS



## Eng. Abdulrahman Saleh Al-Fageeh

Chairman of Board  
Chairman of the Investment Committee  
Non-executive Director

### Current Position

CEO (SABIC)

### Previous jobs and experiences

Eng. Abdulrahman worked as one of the senior executives at SABIC with more than 30 years of experience in project management, plant operations, and corporate & business management.

### Education

- Master's degree in Business Administration (MBA) from University of Bradford, United Kingdom
- Bachelor's degree in Chemical Engineering from King Saud University, Riyadh

## BOARD MEMBERSHIPS

### CURRENT BOARD MEMBERSHIP

SABIC Agri-Nutrients Company, Board Chairman.

Royal Commission for Jubail and Yanbu

Gulf Petrochemicals and Chemicals Association (GPCA), Board Chairman.

Petrochemical Producers Committee (PMC), Chairman.

Chairman of the G20 Saudi Business Group

Nusaned Investment Company, Board Chairman

Board of Directors of the General Authority for Foreign Trade

UNESCO Regional Center for Quality and Excellence in Education

General Ports Authority

Saudi Investment Council

### PREVIOUS BOARD MEMBERSHIP

Director, World Plastics Council

Director, Arab Petrochemical Company (Petrochemia)

Director, National Methanol Company (Ibn Sina)

Director, Saudi Petrochemical Company (Sadaf)

Director, Saudi Japanese Acrylonitrile Company (Shurooq)

Director, Saudi Yanbu Petrochemical Company (YANPET)

Director, Jubail Petrochemical Company (KEMYA)

Director, SABIC Capital B.V.

Director, Saudi Arabian Methacrylate Company (SAMAC)

Director, World Plastics Council (WPC)

Director, SSNC

Director, Gulf Coast Growth Venture LLC (GCGV)

Director, SABIC - Fujian Refining and Petrochemical Company



## Eng. Samir Ali Al Abdrabbuh

Deputy Chairman  
Member of the Investment Committee  
Non-executive Director

### Current Position

- Senior Executive Advisor (SABIC)
- CEO of the Saudi Business Group Initiative, within the G20

### Previous jobs and experiences

- Executive Vice President of Strategic Growth (SABIC)
- Executive Vice President, Agri-Nutrients (SABIC)
- Vice President, Global Supply Chain (SABIC)

- Vice President, Oxygenates Business (SABIC)
- Vice President, Corporate Communications (SABIC)
- Executive General Manager of (TAYF) Company, a SABIC affiliate.

### Education

- Bachelor's degree in Computer Science & Engineering from King Fahd University of Petroleum and Minerals

## BOARD MEMBERSHIPS

### CURRENT BOARD MEMBERSHIP

SABIC Agri-Nutrients Company, Vice Chairman.

Al-Jubail Fertilizer Company (Al-Bayroni), Board Chairman.

### PREVIOUS BOARD MEMBERSHIP

SABIC Terminal Services Limited Company (SABTANK), Board Chairman.

Al-Jubail Chemical Products Storage and Services Company (CHEMTANK), Board Chairman.

National Methanol Company (IBN SINA)

The Saudi Japanese Company for Acrylonitrile (Shurooq)

Saudi Organometallic Chemicals Company (Alkylat)

Asian Clean Fuels Association (ACFA), Board Chairman.

The National Center for Research and Development of Sustainable Agriculture (Estidama)

Gulf Petrochemical Industries Co. (GPIC)

Arab Fertilizers Association (AFA)

International Fertilizers Association (IFA)

Gulf Petrochemicals and Chemicals Association (GPCA -Agri-Nutrients Committee), Vice Chairman.

SABIC Supply Chain Services Company, Board Chairman.



### Eng. Anas Yousef Kentab

Board member  
Member of the Remuneration and Nomination Committee  
Non-executive Director

#### Current Position

Executive Vice President for Strategy & Transformation

#### Previous jobs and experiences

Eng. Kentab worked as a senior executive at SABIC with more than 25 years of experience.

#### Education

Bachelor's degree in Mechanical Engineering from King Saud University, Riyadh

### BOARD MEMBERSHIPS

#### CURRENT BOARD MEMBERSHIP

SABIC Agri-Nutrients Company, Board member  
Jubail Petrochemical Company (KEMYA), Board Chairman.

Saudi Yanbu Petrochemical Company (YANPET), Board Chairman.

Gulf Coast Growth Venture LLC (GCGV), Board Chairman.

#### PREVIOUS BOARD MEMBERSHIP

Jubail United Petrochemical Company (United), Board Chairman.

Saudi Organometallic Chemicals Company (SOCC), Board Chairman.

Jubail Petrochemical Company (KEMYA)

Eastern Petrochemical Company (Sharq)

Saudi Arabian Fertilizer Company (SAFCO)

Al-Jubail Fertilizer Company (Al-Bayroni)

Saudi Petrochemical Company (SADAF)

Saudi Yanbu Petrochemical Company (YANPET),

SINOPEC/SABIC Tianjin Petrochemical Company Limited ("SSTPC")



### Mr. Abdulaziz Habdan Al-Habdan

Board member  
Chairman of the Audit Committee  
Member of the Investment Committee  
Non-executive Director

#### Current Position

General Manager, Health Oasis Company.

#### Previous jobs and experiences

- Assistant Governor of Insurance Affairs at General Organization for Social Insurance (GOSI).

- More than 35 years of experience at the General Organization for Social Insurance (GOSI), and a member of several boards of directors and committees in joint stock companies.

#### Education

- Master's degree in Management
- Bachelor's degree in Business Administration
- Diploma in Finance and Economics

### BOARD MEMBERSHIPS

#### CURRENT BOARD MEMBERSHIP

SABIC Agri-Nutrients Company

Binladin International Holding Group (Unlisted)

#### PREVIOUS BOARD MEMBERSHIP

Saudi Basic Industries Corporation (SABIC)

Makkah Medical Center Hospital (MMC)

Bank AlJazira

Banque Saudi Fransi

Allianz Saudi Fransi Cooperative Insurance Company

Saudi Telecom Company (STC)

Saudi Fransi Financial Company



### Mr. Soliman Abdulaziz Al-Hosain

Board member  
Member of the Remuneration and Nomination Committee.  
Member of the Investment Committee  
Non-executive Director

#### Current Position

Part-time consultant

#### Previous jobs and experiences

- Saudi Yanbu Petrochemical Company (Yanpet), President.
- Saudi Yanbu Petrochemical Company (Yanpet), General Manager of Finance and Materials.

- Saudi Yanbu Petrochemical Company (Yanpet), Financial Controller.
- Saudi Yanbu Petrochemical Company (Yanpet), Director of Materials Department.
- In addition to various consultancy roles in large corporation and member of various committees.

#### Education

Bachelor's degree in Business Administration and Marketing

### BOARD MEMBERSHIPS

#### CURRENT BOARD MEMBERSHIP

SABIC Agri-Nutrients Company

Power and Water Utility Company for Jubail and Yanbu ( Marafiq)

#### PREVIOUS BOARD MEMBERSHIP

Rabigh Refining and Petrochemical Company (Petro Rabigh)

Arabian Industrial Fibers Company (Ibn Rushd)

Eastern Petrochemical Company (Sharq).

Polymer Plus Technologies



### Mr. Abdurahman Mohammed Al-Zoghaibi

Board member  
Member of the Investment Committee  
Independent Director

#### Current Position

Deputy Minister for Economic Affairs & Investments, Ministry of Environment, Water and Agriculture (MEWA)

#### Previous jobs and experiences

- Acting CEO - National Agricultural Services Company
- Deputy Minister, for Planning and Budget, Ministry of Environment, Water and Agriculture.
- Consultant and Director General of the General Administration of Privatization and Investment, Ministry of Environment, Water and Agriculture.
- Consultant and Chief Financial Officer (CFO), at Advanced Cell Company (a subsidiary of Saudi Telecom "STC")
- Financial consultant and expert at PriceWaterHouse Coopers (PwC).

- Chief Financial Officer (CFO), at Mohammed Al-Subaie and Sons Investment Company (MASIC).
- Chief Operating Officer (COO), at Alinma Investment Company.
- Assistant General Manager (AGM) of the Financial Group at Alinma Bank.
- Acting Chief Financial Officer (CFO) of Bank Al Bilad.
- Director of the Accounting Department at Bank Al Bilad.
- Director of Financial Reporting and Control at Saudi Telecom Company (STC).
- Consultant and auditor at Al-Rashed Certified Accountants and Auditors Office.

#### Education

- Master's degree in accounting - King Saud University, Riyadh, Kingdom of Saudi Arabia.
- Bachelor's degree in accounting - King Saud University, Riyadh, Kingdom of Saudi Arabia

### BOARD MEMBERSHIPS

#### CURRENT BOARD MEMBERSHIP

National Water Company, Board member.

Water Transport and Technology Company,

National Agricultural Services Company

SABIC Agri-Nutrients Company

#### PREVIOUS BOARD MEMBERSHIP

Member of the Board of Directors of Saudi Grains Organization (SAGO)



**Eng. Abdulaziz Suliman Al-Humaid**  
Board member  
Member of the Audit Committee  
Independent Director

**Current Position**  
Retired

**Education**  
Bachelor's degree in Chemical Engineering

**Previous jobs and experiences**

Eng. Abdulaziz worked as one of the senior executives in SABIC and its subsidiaries, with more than 35 years of experience during which he held many leadership positions.

**BOARD MEMBERSHIPS**

**CURRENT BOARD MEMBERSHIP**

SABIC Agri-Nutrients Company

**PREVIOUS BOARD MEMBERSHIP**

Eastern Petrochemical Company (Sharq), Board Chairman.  
Aluminum Bahrain (Alba), Board member.  
Saudi Iron and Steel Company (HADEED), Board Chairman.  
Gulf Aluminum Company (GARMCO) in Bahrain  
Power and Water Utilities Company for Jubail and Yanbu (MARAFIQ), Board member.  
National Industrial Gases Company ("GAS"), Board Chairman.



**Mr. Khalid Salem Al-Rowais**  
Board member  
Chairman of the Remuneration and Nomination Committee  
Independent Director

**Current Position**  
Retired

- Treasury Manager, Saudi Arabian Mining Company (Ma'aden).
- Finance Director, Saudi Basic Industries Corporation (SABIC).
- Banking Supervision Department, Saudi Arabian Monetary Agency.

**Previous jobs and experiences**

- Senior Executive Advisor, Saudi Arabian Mining Company (Ma'aden).
- Senior Vice President L Phosphate, Saudi Arabian Mining Company (Maaden).
- Vice President of Finance, Saudi Arabian Mining Company (Ma'aden).
- Executive Director and Vice President, Strategy and Planning, Saudi Arabian Mining Company (Ma'aden).

**Education**

Bachelor's degree in accounting from King Saud University, Riyadh

**BOARD MEMBERSHIPS**

**CURRENT BOARD MEMBERSHIP**

SABIC Agri-Nutrients Company, a listed joint stock company, member of Board and Chairman of Remuneration and Nominations Committee.

Saudi Electricity Company, a listed joint stock company, member of the audit committee.

Hassana Investment Company (HIC), member of Board, Audit Committee, Risk Committee.

National Agricultural Development Company (NADEC), a listed joint stock company, member of the audit committee.

Saudi Mining Services Company (Esnad), a closed joint stock company, member of the Board.

The Industrialization Energy Services Company (TAQA), a closed joint stock company, member of Audit Committee.

The Saudi Investment Bank, a listed joint stock, member of Board, Risk Committee, Governance Committee, & Chairman of Audit Committee.

Project Development Company, a limited liability company, Chairman of Audit Committee

**PREVIOUS BOARD MEMBERSHIP**

National Petrochemicals Company (Petrochem), BAC member.

Middle East Paper Company (MEPCO), member of Board & Chairman of Audit Committee.

Al Jazira Capital, member of Board.

**COMMITTEE MEMBERS WHO ARE NOT MEMBERS OF THE BOARD**



**Eng. Khaled Suleman Al-Muhaisen**  
Remuneration and Nominations Committee Member

**Current Position**

Vice President of People and Organization (SABIC)

- Director of Global Human Resources (SABIC).
- Director of Global Talent Exchange (SABIC).
- Director of Human Resources Department (SABIC).

**Previous jobs and experiences**

- General Manager of Talent, Organization and Human Resources (SABIC).
- General Manager of Human Resources (SABIC America).
- General Director of Global Talent Management (SABIC).

**Education**

Bachelor's degree in Computer Engineering (King Fahd University of Petroleum and Minerals)

**BOARD MEMBERSHIPS**

**CURRENT BOARD MEMBERSHIP**

SABIC Agri-Nutrients Company, member of Remuneration and Nomination Committee.

National eLearning Center, member of Board & Chairman of Remuneration and Nomination Committee.

Saudi Yanbu Petrochemical Company (YANPET), Member of Board.

Al-Jubail Petrochemical Company (KEMYA), member of Board.

King Abdulaziz City for Science and Technology (KACST) Academy, member of Board.

**PREVIOUS BOARD MEMBERSHIP**

Saudi European Petrochemical Company ("IBN Zahr"), Member of Board.



**Eng. Majed Abdulalah Nouraddin**  
Audit Committee Member

**Current Position**

Vice President, Enterprise Performance and financial sector Management (SABIC)

**Education**

- Master's degree in project management and executive business administration
- Bachelor's degree in industrial engineering

**Previous jobs and experiences**

Eng. Nouraddin worked as a senior executive at SABIC with more than 25 years of experience.

**BOARD MEMBERSHIPS**

**CURRENT BOARD MEMBERSHIP**

SABIC Agri-Nutrients Company, Listed Joint Stock Company, member of Audit Committee.

Saudi Yanbu Petrochemical Company (YANPET), a limited liability company.

Al-Jubail Petrochemical Company (KEMYA), a limited liability company.

Arabian Industrial Fibers Company (IBN RUSHD), a limited liability company.

SABIC CAPITAL B.V., a limited liability company, Member of Board, Netherlands.

**PREVIOUS BOARD MEMBERSHIP**

Yanbu National Petrochemical Company (YANSAB)

ArcelorMittal Jubail, Jubail.

Al Jubail Fertilizer Co (AL-BAYRONI)



**Mr. Abdulrahman Bin Nasser Bin Muammar**  
Audit Committee Member

#### Current Position

Director, Risk Management (SABIC)

#### Previous jobs and experiences

Over the past 19 years, Mr. Abdulrahman has held numerous positions and gained extensive experience in the fields of risk management, business continuity, insurance and finance, where he has demonstrated effective leadership in raising the level of Enterprise Risk Management (ERM) maturity across the organization and supporting corporate governance. He is also a member of the Board of Directors Subcommittee (Risk) for SABIC subsidiaries.

#### Education

- Bachelor's degree in Financial Management.
- He completed several specialized programs in auditing, risk management and business continuity.

#### BOARD MEMBERSHIPS

##### CURRENT BOARD MEMBERSHIP

SABIC Agri-Nutrients Company, member of Audit Committee.

Yanbu National Petrochemical Company (YANSAB), member of Risk Committee.

Arabian Petrochemical Company (PETROKEMYA), member of Risk Committee.

#### Attendance record of Board meetings

The Board of Directors held 5 meetings during the fiscal year 2023, as detailed below:

Board Member	1st meeting	2nd meeting	3rd meeting	4th meeting	5th meeting	Total
	26-02-2023	29-03-2023	05-06-2023	13-09-2023	17-12-2023	
Eng. Abdulrahman Saleh Al-Fageeh	√	√	√	√	√	5
Eng. Samir Ali Al Abdrabbuh	√	√	√	√	√	5
Eng. Anas Yousef Kentab (1)	x	√	√	√	√	4
Mr. Abdulaziz Habdan Al-Habdan	√	√	√	√	√	5
Mr. Soliman Abdulaziz Al-Hosain	√	√	√	√	√	5
Mr. Abdurahman Mohammed Al-Zoghaibi (1)	x	√	√	√	√	4
Eng. Abdulaziz Suliman Al-Humaid (1)	x	√	√	√	√	4
Mr. Khalid Salem Al-Rowais (1)	x	√	√	√	√	4
Dr. Walid Mohammed Alissa (3)	√	x	x	x	x	1
Eng. Mohammed Ali Al-Hassany (2)	√	x	x	x	x	1
Mr. Yousef Mohammed Al-Suhaibani (2)	√	x	x	x	x	1
Mr. Mohammed Abdullah Al-Bahussain (2)	√	x	x	x	x	1

(1) Membership began on March 29, 2023, with the beginning of the cycle (2023-2026).

(2) Membership was ended on March 28, 2023, at the end of the cycle (2020-2023).

(3) Resigned from Board, effective February 28, 2023.



## Board Members' interests

Statement of interests, contractual securities and subscription rights of Board Members and their relatives, with regards to shares or debt instruments of the company, and changes during the last fiscal year are detailed below:

Shares	Beginning of the year			End of the year			Net of Change	Change %
	Share No.	debt instruments	Ownership rate	Share No.	debt instruments	Ownership rate		
Eng. Abdulrahman Saleh Al-Fageeh	-	-	-	-	-	-	-	-
Eng. Samir Ali Al Abdrabbuh	-	-	-	-	-	-	-	-
Eng. Anas Yousef Kentab	12,000	-	-	12,000	-	-	-	-
Mr. Abdulaziz Habdan Al-Habdan	-	-	-	10	-	-	10	100%
Mr. Soliman Abdulaziz Al-Hosain	100	-	-	2,500	-	-	2,400	2400%
Mr. Abdurahman Mohammed Al-Zoghaibi	-	-	-	10	-	-	10	100%
Eng. Abdulaziz Suliman Al-Humaid	-	-	-	100	-	-	100	100%
Mr. Khalid Salem Al-Rowais	2,500	-	-	2,500	-	-	-	-

### Procedure taken by the Board to inform its members, Non-Executive Directors in particular, of the shareholders' suggestions and remarks on the Company and its performance

Board members are required to attend meetings of the General Assembly, as stipulated by board charter. General Assembly meetings create a platform to receive suggestions and comments from shareholders and respond to them as required.

To promote engagement, the Board has adopted a disclosure policy and procedures to ensure shareholders have the right to enquire and request information, while the Board is empowered to answer their queries in a manner that does not harm the Company's interests. These efforts are supported by the Company's Investor Relations function to ensure transparency and continuous engagement.

### Performance Assessment of the Board of Directors and its Committees

The Board of Directors has clearly defined criteria and mechanisms in place to evaluate the performance and efficiency of the Board and its Committees, in order to uphold the highest standards of corporate governance and ensure continuity.

Based on the recommendation of the Remuneration and Nominations Committee, the Board has approved use of evaluation forms that are completed by all Board Members and Board Committee Members; for review by the Remuneration and Nominations Committee.

## BOARD COMMITTEES

### Audit Committee

According to charter of Audit Committee, the Committee is formed based on a resolution from the Ordinary General Assembly based on a proposal from Board of Directors. The Committee's members range between three and five non-executive Board Members, whether they are shareholders or not. The General Assembly sets the Board Audit Committee's duties, controls, and remunerations.

#### The committee's duties and responsibilities include the following:

1. Monitor and supervise the performance and activities of Company's Internal Audit Department in order to ensure that it receives the necessary resources and verify its effectiveness in carrying out the tasks and duties assigned thereto.
2. Consider and approve the annual internal audit plan with the Internal Audit Department.
3. Consider and review the Company's internal and financial control and risk management systems and controls and prepare the necessary reports about its opinion regarding adequacy of these systems.
4. Consider the Internal Audit Department's reports and follow-up implementation of corrective actions for the observations contained therein.
5. Consider the accounting policies followed by the Company or any change thereto, and express opinion and recommendation to the Board of Directors regarding such policies with regard to the regulatory aspects.
6. Consider the Company's initial quarterly and annual financial statements and its announcements related to its financial performance before being presented and approved by the Board and express opinions and recommendations regarding the same to ensure their integrity, fairness and transparency.
7. Providing its technical opinion, at the request of the Board, regarding whether the Board's report and the Company's financial statements are fair, balanced, understandable, and contain information that allows shareholders and investors to assess the Company's financial position, performance, business model, and strategy.
8. Make recommendation to the Board regarding nomination and removal of auditors, and to determine their fees, evaluate their performance after ensuring their independence, and review scope of their work and their contract terms and express their opinions on the same.
9. Evaluate external auditors' performance, review their work plan, and answer their inquiries, as well as to consider their reports and comments on the financial statements and follow-up the actions taken with the Executive Management.
10. Review results of the regulatory bodies' reports and ensure that the Company has taken the necessary action regarding such reports.
11. Ensure Company's compliance with the relevant laws, regulations, policies and instructions.
12. Investigate any issues raised by Company's CFO or his/her deputy or Company's Compliance Officer or Auditor.
13. Examine and review the material changes and accounting estimates that may occur to the financial statements and any important or unfamiliar issues contained in the financial reports and discuss the same with the Executive Management and auditors and express its opinion regarding the same.
14. Raise the issues that require an action as it deems necessary to the Board and make recommendations on the actions to be taken.



15. Examine the issues referred thereto by the Board and submit its recommendations to the Board to take the necessary decision.
16. Board Audit Committee shall assume the duties of Risk Management Committee stipulated in the Corporate Governance Regulations issued by the Capital Market Authority.
17. Make recommendation to the Board regarding appointment or dismissal of the Head of Internal Audit Department and propose its remuneration and evaluate his performance annually.
18. Review the contracts and the proposed transactions that the Company conducts with related parties and submit opinions on the same to the Board.

### Meetings and attendance

The Board Audit Committee held 9 meetings during the fiscal year 2023, as detailed below:

Board Member	Meeting 01 09/02/2023	Meeting 02 15/02/2023	Meeting 03 21/02/2023	Meeting 04 03/04/2023	Meeting 05 30/08/2023	Meeting 06 31/07/2023	Meeting 07 31/08/2023	Meeting 08 28/10/2023	Meeting 09 29/10/2023	Total
Mr. Abdulaziz Habdan Al-Habdan (Chairman of the Committee)	√	√	√	√	√	√	√	√	√	9
Dr. Walid Mohammed Alissa (committee member) (1)	√	√	√	X	X	X	X	X	X	3
Mr. Yousef Mohammed Al-Suhaibani (Committee Member) (2)	√	√	√	X	X	X	X	X	X	3
Mr. Badr Ibrahim Al-Badr (committee member) (2)	√	√	√	X	X	X	X	X	X	3
Eng. Abdulaziz Suliman Al-Humaid (committee member) (3)	X	X	X	√	√	√	√	√	√	6
Eng. Majed Abdulalah Nouraddin (Committee Member) (3)	X	X	X	√	√	√	√	√	√	6
Mr. Abdulrahman Bin Nasser Bin Muammar (committee member) (3)	X	X	X	√	√	√	√	√	√	6

(1) Resigned from the Audit Committee with effect From February 28 , 2023

(2) Membership ended on March 28, 2023, at the end of the cycle (2020-2023)

(3) Membership began on March 29, 2023, with the beginning of the cycle (2023-2026)

**Audit Committee recommendations that are contradicting with Board's resolutions or rejected by the Board on appointing and dismissing the Company's auditor, determining fees and assessing performance or appointing the internal auditor and reasons for recommendations**

There are no recommendations made by the Board Audit Committee on appointing and dismissing the company's external auditor, determining his fees and assessing his performance, or on appointing the internal auditor, or any other that contradict with the Board's resolutions or were rejected by the Board in 2023.

### Remuneration and Nominations Committee

According to its charter, the Remuneration and Nominations Committee is comprised of non-executive Board Members, whether they are shareholders or not. The Committee's members range between three to five members, provided that an independent Board Member is included among them.

#### Responsibilities and duties

1. Prepare the Remuneration Policy for Board Members, Board Committee Members and Executive Management and make required recommendations to the Board for approval by the Ordinary General Assembly.
2. Review the Remuneration Policy periodically to ensure adaptation to any changes in relevant laws and regulations; review the company's strategic objectives, and the skills and qualifications required to achieve these objectives and make recommendations to the Board on any changes to be made to the Remunerations Policy.
3. Recommend to the Board the remunerations of Board Members, Board Committee Members and Executive Management according to the Remuneration Policy and after approval by the Ordinary General Assembly.
4. Prepare an Annual Board Report on the remunerations granted to the Board Members, Board Committee Members and Executive Management.
5. Determine the types of remuneration granted to employees of the company and make recommendations in this regard.
6. Set policies and standards for Board Membership, and make recommendations to the Board thereon, to be approved by the Ordinary General Assembly.
7. Make recommendations to the Board on nominations for Board Membership in accordance with approved policies.
8. Annually review the skills required for Board Membership and prepare a description of required capabilities and qualifications.
9. Periodically review Board Membership policies and standards to ensure suitability to any changes that may occur to relevant laws and regulations, as well as the company's strategic objectives and the skills and qualifications required to achieve such objectives and recommend proposed changes to the Board.
10. Study conflict-of-interest cases for those wishing to join the Board and make required recommendations.
11. Study the structure of the Board of Directors and make recommendations on any changes that may be needed.
12. Determine the Board's strengths and weaknesses and propose solutions that are consistent with the company's interests.
13. Set procedures in the event of vacancy of any position related to a Board Member or Board Committee Member and make required recommendations.
14. Make recommendations to the Board on performance standards to evaluate the activities of the Board, Board Committees, and all its members.
15. Determine the time that members should allocate for the Board's activities.
16. Annually verify the independence of independent members and the absence of any conflict of interest if a member joins another company's Board.
17. Recommend to the Board the re-nomination or dismissal of Board Members or Board Committee Members.
18. Set job descriptions for executive members, non-executive members and independent members of the Board
19. Make recommendations to the Board to set an induction program for new Board Members, covering the company's activities, business, and financial and legal aspects.

20. Make recommendations to the Board on appropriate policies and standards for appointing members of Executive Management; determine their skills and capabilities, and periodically review them to ensure adaptation to the company's strategic goals.
21. Set job descriptions for Executive Management and periodically review them against the company's organizational structure.

22. Set procedures in the event of vacancy of any position related to a member of Executive Management and make required recommendations.

### Meetings and attendance

The Remuneration and Nominations Committee held five (5) meetings during the fiscal year 2023, as detailed below.

	Meeting 01 29/01/2023	Meeting 02 14/05/2023	Meeting 03 15/02/2023/08/	Meeting 04 13/02/2023/09/	Meeting 05 29/02/2023/11/	Total
Mr. Khalid Salem Al-Rowais Committee Chairman (1)	X	√	√	√	√	4
Mr. Soliman Abdulaziz Al-Hosain (Committee member)	√	√	√	√	√	5
Eng. Anas Yousef Kentab Committee member (1)	X	√	√	√	√	4
Eng. Khaled Suleman Al-Muhaisen Committee member	X	√	√	√	√	4
Mr. Yousef Mohammed Al-Suhaibani Committee member (2)	√	X	X	X	X	1
Mr. Mohammed Abdullah Al-Bahussain Committee member (2)	√	X	X	X	X	1

(1) Membership began on March 29, 2023, with the beginning of the cycle (2023-2026)

(2) Membership ended on March 28, 2023, at the end of the cycle (2020-2023)

### Investment Committee

According to its charter, the Investment Committee is appointed by the Board. The Committee's members range between three to five members.

#### Responsibilities and duties

1. Work with Executive Management to develop the company's investment strategies and policies.
2. Recommend to the Board of Directors the investment policy of the company and review the investment strategy and policy periodically to ensure their suitability to changes that may occur in the external environment in which the company operates, or the legislation regulating its business, objectives, or others, and recommend to the Board of Directors regarding the proposed changes to the policy.
3. Reviewing the company's investment activities and setting appropriate procedures for measuring and evaluating investment performance.

4. Studying periodic reports from the company's management on the progress of approved investment opportunities.
5. Studying and evaluating investment opportunities and recommending them to the Board of Directors and the committee to approve or decline investment opportunities whose value is equal to or less than 250 million US dollars.
6. Studying the financing options for the mentioned transactions, which may include self-financing from cash flows, external financing, or capital increase.
7. Ensuring that the proposed investment opportunities comply with the relevant laws, regulations and instructions.
8. Determining and prioritizing the proposed investment offers.
9. Any other functions assigned to the Committee by the Board of Directors.

### Meetings and attendance

The Investment Committee held five (5) meetings during the fiscal year 2023, as detailed below.

	Meeting 01 02/02/2023	Meeting 02 12/02/2023	Meeting 03 21/02/2023/05/	Meeting 04 14/02/2023/08/	Meeting 05 16/02/2023/11/	Total
Eng. Abdulrahman Saleh Al-Fageeh Chairman of the Committee	√	√	√	√	X	4
Eng. Samir Ali Al Abdrabbuh Committee member	√	√	√	X	√	4
Mr. Soliman Abdulaziz Al-Hosain Committee member	√	√	√	√	√	5
Mr. Abdulaziz Habdan Al-Habdan Committee member	√	√	√	√	√	5
Mr. Abdulrahman Mohammed Al-Zoghaibi (1) Committee member	X	X	√	√	√	3
Mr. Yousef Mohammed Al-Suhaibani (2) Committee member	√	√	X	X	X	2

(1) Membership began on March 29, 2023, with the beginning of the cycle (2023-2026)

(2) Membership ended on March 28, 2023, at the end of the cycle (2020-2023)

## EXECUTIVE MANAGEMENT

Executive	Position
Eng. Abdulrahman Ahmed Shamsaddin	Chief Executive Officer (CEO)
Mr. Fahad Misfer Al-Battar	Chief Operations Officer (COO)
Eng. Yazeed Abdulaziz Al-Angari	Vice President, Business
Mr. Ayed Habib Al Haider	General Manager, Finance



**ENG. ABDULRAHMAN AHMED SHAMSADDIN**  
Chief Executive Officer

### Previous positions and experience

Eng. Abdulrahman Ahmed Shamsaddin assumed his present position as Chief Executive Officer, SABIC Agri-Nutrients Co. on 1st January 2022. Prior to this he served as Executive Vice President, SABIC Shared Services. He also held the position of Vice President of Internal Audit at SABIC prior to his appointment as Shared Services EVP.

During his career, Abdulrahman covered several operational and management capacities covering Process Safety Management, Reliability, Engineering/Project Management, Maintenance and Operations functions in refinery and petrochemical plants.

He also took up the responsibility of the company's Enterprise Risk Management as General Manager, which encompassed Risk Management, Internal Controls, Business Continuity Management, Global Insurance and Credit Management.

He was also a member of SABIC Risk Management's Executive Committee and the secretary of the SABIC Board Risk & Compliance Committee. He was part of the Corporate Finance Leadership Team and led several projects and global initiatives. As the Company's Chief Audit Executive, he was accountable to the Board Audit Committee for the Corporate Internal Audit.

Early in his professional career, Abdulrahman served at Saudi Aramco-Exxon Mobil Refinery (SAMREF) with global secondment experiences at refinery/chemical sites. He then joined as a Manufacturing Turnaround Sr. Manager at SABIC Manufacturing and was promoted as Manufacturing Services/Planning GM. He also served as Operations GM at Ibn Rushd and Continuous Improvement GM at SABIC Manufacturing Center of Excellence.

He was part of several high-profile leadership assignments, strategy formulation teams and governance structures. He was also among the first SABIC CEO Leadership Challenge Program Graduates.

He is currently serving as Chairman of YANSAB, a SABIC affiliate, as well as sitting on other Boards/Committees.

### Education

Bachelor's degree in Applied Mechanical Engineering (Hons) from King Fahd University of Petroleum & Minerals (KFUPM), KSA.



**MR. FAHAD MISFER AL-BATTAR**  
CHIEF OPERATIONS OFFICER (COO)

### Previous positions and experience

Has practical experience in executive leadership and technical and operational positions extending for more than (25) years in several fields. During his professional career, he held many leadership positions at SABIC and its subsidiaries, including the position of President of Al Sharqiyah Petrochemicals Co. (Sharq) and Al-Jubail Fertilizer Company (Al-Bayroni), and Saudi Petrochemical Company (SADAF), and SABIC Agri-Nutrients Company.

### Education

Executive Master's degree in Business Administration and a Bachelor's degree in Chemistry from King Fahd University of Petroleum and Minerals.



**ENG. YAZEED ABDULAZIZ AL-ANGARI**  
Vice President, Business

### Previous positions and experience

Joined SABIC in 1997 after graduating from King Saud University as a Chemical Engineer starting with the Polymers Sales and Marketing team. In 2004 he moved to Europe as Sales Manager responsible for various polymer products. After spending three years in the Netherlands, Yazeed took the role of PVC Business Manager in Riyadh and later moved to become LLDPE/LDPE Business Director. In 2014 he was assigned as a commercial GM and a regional head for the Innovative Plastic SBU in the ME/Africa. In 2015 Yazeed joined SABIC Agri-Nutrients Company as GM for P&K with the main responsibility of managing the phosphate business and developing a new Potash business. In January 2022, Yazeed was appointed as VP for Business at SABIC AN.

### Education

Bachelor degree in Chemical Engineering from King Saud University, Riyadh KSA – 1996.



**MR. AYED HABIB AL-HAIDER**  
General Manager, Finance

#### Previous positions and experience

Joined SABIC Agri-Nutrients as a General Manager of Finance on 01 January 2022. Ayed has 25 years of experience gained in various fields including finance, accounting and auditing. Prior to his current role, Ayed held various leadership roles including the role of Director of Global Financial Accounting and Reporting in SABIC and Director of Finance and Business Planning in Saudi Kayan. He started his career in Jan 1999 at PriceWaterhouseCoopers (PwC).

#### Education

Bachelor's degree in Accounting from King Fahd University of Petroleum and Minerals. Certified Public Accountant (CPA) and Certified Management Accountant (CMA) from USA.

#### Statement of any interest, contractual securities and subscription rights of Company's senior executives and their relatives

##### Senior Executives

The table below is the disclosure of contractual financial interests, as well as subscription rights, pertaining to senior executives of the company and their relatives, in connection with the ownership of the company's shares or debt instruments.

Name	Beginning of year			End of year			Net change	Change %
	No. of shares	Debt instruments	Ownership rate	No. of shares	Debt instruments	Ownership rate		
Eng. Abdulrahman Ahmed Shamsaddin	0%	0%	0%	0%	0%	0%	0%	0%
Mr. Fahad Misfer Al-Battar	0%	0%	0%	0%	0%	0%	0%	0%
Eng. Yazeed Abdulaziz Al-Angari	0%	0%	0%	0%	0%	0%	0%	0%
Mr. Ayed Habib Al Haider	0%	0%	0%	0%	0%	0%	0%	0%

## REMUNERATION OF BOARD AND COMMITTEE MEMBERS AND EXECUTIVE MANAGEMENT

### Remuneration Policy

Remuneration of Board Members, Board Committee Members, and Executive Management follow the rules and principles listed below, in light of provisions set forth in the Companies Law, Corporate Governance Regulations, and Regulatory Rules and Procedures issued pursuant to the Companies Law relating to Listed Shareholding Companies, as well as Company's Bylaw.

The Remuneration Policy approved by the General Assembly sets forth the following principles and rules:

#### Board and committees' members

- The Board shall, based on the recommendation of Remuneration and Nomination Committee, determine the remunerations of Board's Members \ Committees' members based on the following principles:
  - Remunerations shall be consistent with the Company's strategic objectives and incentive for the members to achieve those objectives and enhance the Company's ability to develop and sustain its business.
  - Remunerations shall be commensurate with the nature of the Company's business, activities and size as well as the skills and experience required.
  - Remunerations shall be a means to attract Board Members with the required expertise and qualifications to enhance the company's ability to achieve its objectives.
- Board Member shall be paid an annual remuneration of SAR 200,000 for membership of the Board.
- Board member who participates in Board's committees (including Board Audit Committee) shall be paid an annual remuneration of SAR 150,000, whether the member participates in one or several committees.
- The Company is entitled to claim compensation for damage to its reputation and should take any compensation, or other costs incurred by the company, in the event:
  - A member is convicted of committing an act of disgrace, dishonesty or forgery, or violating the laws and regulations of the Kingdom of Saudi Arabia or any other country.

- A member fails to carry out responsibilities and duties resulting in damage to the interest of the Company.
- Membership is terminated, by a decision of the General Assembly, because a member's absence for three consecutive meetings within one year without a legitimate excuse acceptable to the Board.

#### Senior Executives:

- The Board shall, based on the recommendation of Remuneration and Nomination Committee, determine the remunerations of the Senior Executives, provided that these remunerations:
  - Are commensurate with the Company's strategic objectives and incentive for the Senior Executives to achieve these objectives and enhance the company's ability, business development and sustainability.
  - Are commensurate with the nature of SABIC Agri-Nutrients business and size as well as with the skills and experience required.
  - Enable the company to attract senior executives with capabilities, skills and qualifications required to enable the Company to achieve its objectives.
  - Don't cause conflict of interest which might adversely impact the Company's interest and ability to achieve its objectives.

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

The Board shall, based on the recommendation of Remuneration and Nomination Committee, determine the remunerations for Board Members \ Committee Members and Committee Members who are not Board Members, and Senior Executives. The remunerations shall be determined in accordance with the controls approved by the Board of Directors, the Remuneration Policy for Board Members \ Committee Members and Senior Executives approved by the General Assembly of the company. Accordingly, the member shall be entitled to the remuneration granted thereto. Accordingly, there is no fundamental deviation from the applicable policy.

Remunerations and compensations paid to Board Members and Senior Executives, including CEO and CFO, during the fiscal year ended December 31, 2023:

### Board Members' Remunerations

Member Name	Specific amount*	Allowance for Attending Board Meetings	Total Allowance for Attending Committee Meetings	In-kind benefits	Remunerations for Technical, Managerial and Consultative Work	Remunerations of the Chairman, Managing Director or Secretary, if a member	Total	Percentage of the Profits	Periodic Remunerations	Short Term Incentive Plans	Long Term Incentive Plans	Granted Shares (insert the value)	Total	End of Service Award	Aggregate Amount	Expenses Allowance
<b>Independent Members</b>																
1 Mr. Khalid Salem Al-Rowais <sup>(4)</sup>	-	12,000	12,000	-	-	-	24,000	-	-	-	-	-	-	-	24,000	
2 Eng. Abdulaziz Suliman Al-Humaid <sup>(4)</sup>	-	12,000	18,000	-	-	-	30,000	-	-	-	-	-	-	-	30,000	
3 Mr. Abdurahman Mohammed Al-Zoghaibi <sup>(4)</sup>	-	12,000	9,000	-	-	-	21,000	-	-	-	-	-	-	-	21,000	
4 Mr. Yousef Mohammed Al-Suhaibani <sup>(5)</sup>	200,000	3,000	18,000	-	-	-	221,000	-	-	-	-	-	-	-	221,000	
<b>Total</b>	<b>200,000</b>	<b>39,000</b>	<b>57,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>296,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>296,000</b>	
<b>Non-Executive Members</b>																
1 Eng. Abdurahman Saleh Al-Fageeh <sup>(1)</sup>	52,055	15,000	12,000	-	-	-	79,055	-	-	-	-	-	-	-	79,055	
2 Mr. Yousef Abdullah Al-Benyan <sup>(2)</sup>	147,945	-	-	-	-	-	147,945	-	-	-	-	-	-	-	147,945	
3 Mr. Abdulaziz Habdan Al-Habdan	200,000	15,000	42,000	-	-	-	257,000	-	-	-	-	-	-	-	257,000	
4 Mr. Soliman Abdulaziz Al-Hosain	200,000	15,000	30,000	-	-	-	245,000	-	-	-	-	-	-	-	245,000	
5 Eng. Samir Ali Al Abdrabbuh	200,000	15,000	12,000	-	-	-	227,000	-	-	-	-	-	-	-	227,000	
6 Eng. Anas Yousef Kentab <sup>(4)</sup>	-	12,000	12,000	-	-	-	24,000	-	-	-	-	-	-	-	24,000	
7 Dr. Walid Mohammed Alissa <sup>(3)</sup>	200,000	3,000	9,000	-	-	-	212,000	-	-	-	-	-	-	-	212,000	
8 Eng. Mohammed Ali Al-Hassany <sup>(5)</sup>	200,000	3,000	-	-	-	-	203,000	-	-	-	-	-	-	-	203,000	
9 Mr. Mohammed Abdullah Al-Bahussain <sup>(5)</sup>	200,000	3,000	3,000	-	-	-	206,000	-	-	-	-	-	-	-	206,000	
<b>Total</b>	<b>1,400,000</b>	<b>81,000</b>	<b>120,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,601,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,601,000</b>	

\* The amount specified in the table above represents the annual remuneration based on the period the member spent as a member of the Board of Directors for the financial year ending on December 31, 2022, and it was paid after the approval of the General Assembly held on March 26, 2023.

(1) Membership began on September 28, 2022.

(2) Membership ended on September 27, 2022.

(3) He resigned from Board effective February 28, 2023.

(4) Membership began on March 29, 2023, with the beginning of the cycle (2023-2026)

(5) Membership ended on March 28, 2023, at the end of the cycle (2020-2023)

**Remunerations Due to Board Members for the Fiscal Year 2023 recommended by the Board according to the recommendation of the Remuneration and Nominations Committee to the General Assembly at its next meeting for approval**

Name	Amount of Due Remuneration	Notes
1 Eng. Abdulrahman Saleh Al-Fageeh	47,671	To be paid to SABIC, upon member's request (cycle 2020-2023)
	152,329	To be paid for the member's account (cycle 2023-2026)
2 Eng. Samir Ali Al Abdrabbuh	47,671	To be paid to SABIC, upon member's request (cycle 2020-2023)
	152,329	To be paid for the member's account (cycle 2023-2026)
3 Mr. Abdulaziz Habdan Al-Habdan	200,000	To be paid for the member's account
4 Mr. Soliman Abdulaziz Al-Hosain	200,000	To be paid for the member's account
5 Eng. Anas Yousef Kentab <sup>(1)</sup>	152,329	To be paid for the member's account
6 Mr. Abdurahman Mohammed Al-Zoghaibi <sup>(1)</sup>	152,329	To be paid for the member's account
7 Eng. Abdulaziz Suliman Al-Humaid <sup>(1)</sup>	152,329	To be paid for the member's account
8 Mr. Khalid Salem Al-Rowais <sup>(1)</sup>	152,329	To be paid for the member's account
9 Mr. Mohammed Abdullah Al-Bahussain <sup>(2)</sup>	47,671	To be paid for the member's account
10 Mr. Yousef Mohammed Al-Suhaibani <sup>(2)</sup>	47,671	To be paid for the member's account
11 Eng. Mohammed Ali Al-Hassany <sup>(2)(4)</sup>	47,671	To be paid for the member's account
12 Dr. Walid Mohammed Alissa <sup>(3)</sup>	31,781	To be paid for the member's account

(1) Membership began on March 29, 2023, with the beginning of the cycle (2023-2026)

(2) Membership ended on March 28, 2023, at the end of the cycle (2020-2023)

(3) He resigned from Board effective February 28, 2023.

(4) The member has resigned from SABIC on September 30, 2022 and based on the statement provided by SABIC and the member notification, the remuneration was divided according to the entitlement period.

**Senior Executives Remunerations**

Four senior executives who received the highest remunerations from the company, included the CEO and CFO.

Senior Executives*	Fixed Remunerations			Variable Remunerations					End-of-Service Award	Total Remunerations for Board Executive, if any	Aggregate Amount	
	Salaries	Allowances	In-Kind Benefits	Total	Periodic Remunerations	Profits	Short-Term Incentive Plans	Long-Term Incentive Plans				Granted Shares (Insert The Value)
	5,626,506.00	1,830,715.50	240,000.00	7,697,221.50	-	-	2,959,440.60	2,883,880.00	-	5,843,320.60	-	13,540,542.10
<b>Total</b>												

The amounts shown in the short-term incentive plans and long-term incentive plans are amounts due for the fiscal year ending on December 31, 2022, which were disbursed after their approval by the Board of Directors during the year 2023.

\* The Board (at its fourth meeting in 2021) approved the Remuneration and Nominations Committee's recommendation to define the senior executives, namely (the CEO, Vice President of Business, Chief Operating Officer, and General Manager of Finance) based on the company's organizational structure.

**Committee Members' Remunerations**

Board Audit Committee Members	The Due Fixed Remuneration of 2022, which was paid in 2023 (Excluding The Allowance For Attending meetings)	Allowance for attending meetings in 2023	Total	Notes
1 Mr. Abdulaziz Habdan Al-Habdan (Chairman of the Committee)	150,000	27,000	177,000	Paid for the member's account
2 Eng. Abdulaziz Suliman Al-Humaid <sup>(1)</sup> (Committee member)	-	18,000	18,000	To be paid for the member's account
3 Eng. Majed Abdulalah Nouraddin <sup>(1)</sup> (Committee member)	-	18,000	18,000	To be paid for the member's account
4 Mr. Abdulrahman Bin Nasser Bin Muammar <sup>(1)</sup> (Committee member)	-	18,000	18,000	To be paid for the member's account
5 Dr. Walid Mohammed Alissa <sup>(2)</sup> (Committee member)	150,000	9,000	159,000	To be paid for the member's account
6 Mr. Yousef Mohammed Al-Suhaibani <sup>(3)</sup> (Committee member)	150,000	9,000	159,000	To be paid for the member's account
7 Mr. Badr Ibrahim Al-Badr <sup>(3)</sup> (Committee member)	150,000	9,000	159,000	Paid to SABIC, upon member's request
<b>Total</b>	<b>600,000</b>	<b>108,000</b>	<b>708,000</b>	

The fixed remuneration in the above table represents the annual remuneration based on the member's period on the membership of the Committee for the fiscal year ending on December 31, 2022, which was paid after being approved by the Board of Directors during 2023.

(1) Membership began on March 29, 2023, with the beginning of the cycle (2023-2026)

(2) He resigned from membership of committee effective February 28, 2023.

(3) Membership ended on March 28, 2023, at the end of the cycle (2020-2023)

Members of the Remuneration and Nominations Committee	The Due Fixed Remuneration of 2022, which was paid in 2023 (Excluding The Allowance For Attending meetings)	Allowance for attending meetings in 2023	Total	Notes
1 Mr. Khalid Salem Al-Rowais <sup>(1)</sup> (Chairman of the Committee)	-	12,000	12,000	Paid for the member's account
2 Mr. Soliman Abdulaziz Al-Hosain (Committee member)	150,000	15,000	165,000	Paid for the member's account
3 Eng. Anas Yousef Kentab <sup>(1)</sup> (Committee member)	-	12,000	12,000	Paid for the member's account
4 Eng. Khaled Suleman Al-Muhaisen (Committee member)	150,000	12,000	162,000	Paid to SABIC, upon member's request
5 Mr. Mohammed Abdullah Al-Bahussain <sup>(2)</sup> (Committee member)	150,000	3,000	153,000	Paid for the member's account
6 Mr. Yousef Mohammed Al-Suhaibani <sup>(3)(2)</sup> (Committee member)	-	3,000	3,000	Paid for the member's account
<b>Total</b>	<b>450,000</b>	<b>57,000</b>	<b>507,000</b>	

The fixed remuneration in the above table represents the annual remuneration based on the member's period on the membership of the Committee for the fiscal year ending on December 31, 2022, which was paid after being approved by the Board of Directors during 2023.

(1) Membership began on March 29, 2023, with the beginning of the cycle (2023-2026)

(2) Membership ended on March 28, 2023, at the end of the cycle (2020-2023)

(3) Based on the remuneration policy approved by the General Assembly, members of permanent committees are entitled to one committee remuneration in the event that he is a member of more than one committee (including the Audit Committee).

Members of the Investment Committee	The Due Fixed Remuneration of 2022, Which Was Paid In 2023 (Excluding The Allowance For Attending meetings)	Allowance for Attending Meetings of 2023	Total	Notes
1 Eng. Abdulrahman Saleh Al-Fageeh <sup>(1)</sup> ( chairman of the committee, current)	39,041	12,000	51,041	Paid to SABIC, upon member's request
2 Mr. Yousef A. Al-Benyan <sup>(2)</sup> (Chairman of the Committee, previous )	110,959	-	110,959	Paid to SABIC, upon member's request
3 Eng. Samir Ali Al Abdrabbuh (Committee member)	150,000	12,000	162,000	Paid to SABIC, upon member's request
4 Mr. Abdulaziz Habdan Al-Habdan <sup>(3)</sup> (Committee member)	-	15,000	15,000	Paid for the member's account
5 Mr. Soliman Abdulaziz Al-Hosain <sup>(3)</sup> (Committee member)	-	15,000	15,000	Paid for the member's account
6 Mr. Abdurahman Mohammed Al-Zoghaibi <sup>(4)</sup> (Committee member)	-	9,000	9,000	Paid for the member's account
7 Mr. Yousef Mohammed Al-Suhaibani <sup>(5)(3)</sup> (Committee member)	-	6,000	6,000	Paid for the member's account
<b>Total</b>	<b>300,000</b>	<b>69,000</b>	<b>369,000</b>	

The fixed remuneration in the above table represents the annual remuneration based on the member's period on the membership of the Committee for the fiscal year ending on December 31, 2022, which was paid after being approved by the Board of Directors during 2023.

(1) Membership began on September 28, 2022.

(2) Membership ended on September 27, 2022.

(3) Based on the remuneration policy approved by the General Assembly, members of permanent committees are entitled to one committee remuneration in the event that he is a member of more than one committee (including the Audit Committee).

(4) Membership began on March 29, 2023, with the beginning of the cycle (2023-2026)

(5) Membership ended on March 28, 2023, at the end of the cycle (2020-2023)

# DECLARATIONS

## Declaration by the Board of Directors of SABIC Agri-Nutrients Company

The Board of SABIC AN Company acknowledges that:

- The accounting records were properly prepared.
- The internal control systems were developed and implemented effectively.
- There are almost no doubts on the Company's capability to continue its activity.

## Business and contracts in which the Company is a party, and which there is an interest for Board of Directors members, or Senior Executives, or for any person related to them

The company has not entered into any contracts with any member of the Board of Directors, or one of its senior executives, and there is no personal interest for any of them or any person related to them.

The company refrains from entering into contracts with any member of its board of directors or executives. Furthermore, neither the company nor any individuals associated with its board or executives have any personal interests in such contracts or any related individuals.

## Information related to any competing business of the company or any of the branches of activity

There are no competing businesses for the company or any of the branches of activity that it practices and which any member of the Board of Directors is practicing or has been practicing.

## Penalties, sanctions or restrictions Imposed on the company by regulatory authorities

There is no penalty, retribution, precautionary measure or precautionary restriction imposed on the company by the Capital Markets Authority (CMA) or any other supervisory body, or other regulatory authority or judicial body, during the fiscal year ended on December 31, 2023.

## Board's recommendations to change the auditor before the end of the period for which he/she is appointed

No recommendation was made by the Board of Directors to change the auditor approved by the company's General Assembly.

## Auditor of financial statements

PwC fees for the year related to the audit and review of SABIC AN's consolidated financial statements were SAR 1.21 million (2022: SAR 0.66 million). Other fees for the year comprise of SAR 0.57 million (2022: SAR 0.43 million) for the audit of the subsidiaries, and SAR 0.4 million for audit-related and compliance services.

## Waiver of remunerations

There are no arrangements or agreements under which a Board Member or Executive Management has waived any remunerations for the fiscal year ended on December 31, 2023.

## Waiver of dividends

There are no arrangements or agreements under which a shareholder has waived any rights to dividends for the fiscal year ended on December 31, 2023.

## Clarification of Differences from the Accounting Standards Approved by the Saudi Organization for Certified Public Accountants (SOCPA)

The company's financial statements were prepared during the fiscal year ended on December 31, 2023, in accordance with the accounting standards requirements approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

## Description of Debt Instrument Activities

There are no convertible debt instruments, contractually based securities, subscription rights or conversion rights under convertible debt instruments, nor any contractually based securities or convertible warrants, warrants or similar rights issued or granted by the issuer. In addition, there is no refund, purchase or cancellation by the issuer of any redeemable debt instruments, during the fiscal year ended on December 31, 2023.

## Description of Any Interest in the Category of Entitled-to-Vote Shares Belonging to Persons (Other than the Board's members, Senior Executives and their Relatives) Who Informed the Company of these Rights

No shareholder, other than Board Members, Executive Management and their relatives, notified the company of any change in the ownership of shares during the fiscal year ended on December 31, 2023.

## Disclosure of the details of treasury shares held by the company and details of the uses of these shares

There are no treasury shares held by the company and thereby, there are no details of the uses of these shares.

## Description of Transactions between the company and a Related Party

Saudi Basic Industries Corporation (SABIC) and some of its subsidiaries supply raw materials, and provide support with technical licenses, shared services, and administrative, technical and legal expertise, and other services and contracts, all of which are considered to be Commercial intra-group transactions.

The company also supply some of its products to some of its subsidiaries according to prevailing market conditions.

## Results of the Annual Review of Effectiveness and Procedures of Internal Control System

Company's Internal Audit Department has carried out periodic reviews throughout the year to verify the effectiveness of the internal control system, in accordance with plans approved by the Board Audit Committee for the fiscal year 2023, under which it provides objective and independent assessments for adding value and achieving objectives.

Accordingly, the Board Audit Committee reviewed periodic reports prepared by the Internal Audit Department, as well as notes of the external auditor, on the evaluation of the company's internal control procedures in terms of design and implementation.

The Board Audit Committee also followed up on recommendations of the Internal Audit Department and external auditor to process the correction of observation, and to generally consider the effectiveness of internal control procedures through internal audit reports, and with regard to the fairness of financial statements, while accounting for the fact that any internal control system, regardless of proper Auditing and application, cannot provide full assurance of its effectiveness.

Based on what was provided by the company's management, Internal Audit Department and external auditor, and after reviewing the General Court of Audit (GCA) reports, and the Committee's oversight of risk management, no fundamental weakness was found in the company's internal control systems.

## Closing Statement

The Board of Directors conveys its full gratitude and thanks to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, may Allah protect him, His Royal Highness Prince Mohammad bin Salman bin Abdulaziz Al Saud, Crown Prince, Prime Minister, Governor of the Eastern Province, His Royal Highness Prince Saud bin Nayef bin Abdulaziz Al Saud, Deputy Governor of Eastern Province his Highness Prince Saud bin Bandar bin Abdulaziz, for their support to drive the industrial development of our Precious Kingdom.

The Board of Directors is also pleased to thank all Company's personnel for their effective efforts throughout the year, together with prays to Allah to protect our country and our capabilities, and to bring progress and prosperity to this National Company.



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