



رؤية  
VISION 2030  
المملكة العربية السعودية  
KINGDOM OF SAUDI ARABIA



Board of Directors Report

2022

FIPCO Filling & Packing Materials Mfg. Co.

فيبكو  
FIPCO

فبكو  
Coated Technical Textiles

# استراتيجية القطاع النسيج

**FPC**  
Coated Technical Textiles



رؤية VISION  
**2030**  
المملكة العربية السعودية  
KINGDOM OF SAUDI ARABIA



"We are intent on continuing with the economic improvements, and ensuring achieve goals of vision"



Custodian of the Two Holy Mosques

**King Salman bin Abdulaziz Al Saud**

May Allah protect him

# Our Leader



"We have all potentialities to reach a competitive and sustainable industrial economy of ambitious young talent, a distinct geographical location, rich natural resources, and leading national industrial companies. Through the National Industrial Strategy and in partnership with the private sector, the Kingdom will become a leading industrial force contributing to securing global supply chains and exporting high-tech products all over the world"

His Royal Highness

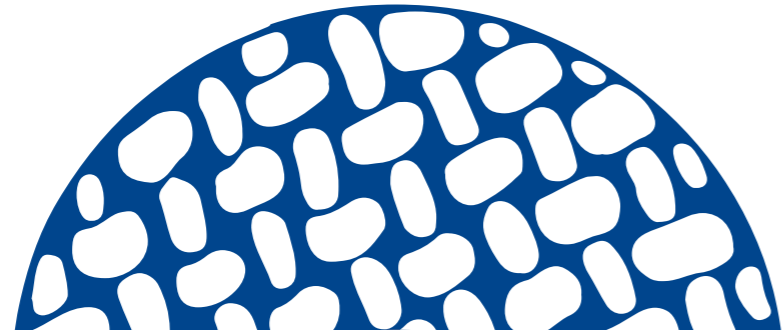
**Prince Mohammed bin Salman bin Abdulaziz Al Saud**

Crown Prince Deputy Prime Minister President of the Council of Economic Affairs and Development

May Allah protect him

# Our inspiration

**Dear Valuable shareholders of Filing and Packing Company -FIPCO-  
Peace be upon you all**



# Introduction



We are delighted to provide the annual report of the Board of Directors for Filing and Packing Company (FIPCO) submitted to your distinguished General Assembly for discussion and subsequent approval, this report contains a summary of the activities of FIPCO and its subsidiary (FPC Industrial Company) and developments in its business over the financial year 2022. This report also contains a comprehensive summary of the implementation of FIPCO governance and detailed information on the members of the Board of Directors and the committees of the Board, as well as outlines the objectives and initiatives of all operational sectors in FIPCO and its subsidiary company through Fiscal 2022, as well as a quick overview of our future outlook for Fiscal 2023.

Note that the information contained in this report on the Company's operating performance, related development initiatives, and future projections in line with the Company's strategic plans to data that may have a material impact is what the Board believes is true, based on data that may substantially affect the achievement of these results positively or negatively, especially those related to the plans of initiatives and development in the company's operational divisions or future financial projections.

It is worth mentioning that, this report was prepared in accordance with the requirements of the Corporate Governance Regulation and the CMA Registration and Listing Rules and in conformity with the requirements of the Corporate Regulations issued by the Ministry of Trade and Investment, taking into account international principles and standards and best global practices in governance. In preparing it, we sponsored a high degree of transparency and disclosure to ensure that FIPCO's shareholders, investors, and stakeholders are provided with everything to help them make their investment decisions. In order to qualify for competition in obtaining awards and discretionary certificates from all relevant official and informal bodies.



# Board Directors Message

**-Dear Valuable shareholders of Filing and Packing Company -FIPCO  
Peace be upon you all**

FIPCO, your company, earned a net profit of SAR 9,8 million in 2022 compared with a net loss of SAR 9,1 million in 2021. Where these outcomes resulted in an improvement in operating profit margins, an increase in sales, and an improvement in the collection contents resulting in a decrease in the provision for expected credit losses.

Despite the events affecting the economic level over the past three years, starting with COVID19- and hence the global rise in inflation and shipping prices, followed by successive increases in interest rates and other economic and geopolitical challenges constitute an obstacle that requires us to make further efforts to maintain our market position as the largest supplier in the Middle East of our products.

The company has also strengthened its customer confidence through the discipline of shipping and supply processes, which have enhanced customer confidence and increased customer loyalty to deal with them in strong competition, reflecting its ability and commitment to building a world of long-term excellence.

On the level of the company's sectors, the filing and packaging sectors achieved sales growth of %17 while the technical textiles sectors achieved sales growth of %17,4 on a yearly basis

The Board's strategy for dealing with the next phase also focuses on two main pillars The first one is to strengthen our current position as the largest Filing and Packing Company in the Middle East, In terms of meeting the needs of the local and global market of the company's products and targeting new markets and sectors In addition to developing the production process and increasing production efficiency, the second axis is to promote growth in the technical textile sector without our subsidiary FPC Industrial Company.

FIPCO's Board of Directors affirms that the company operates in accordance with a clear vision and strategy through which to ensure the company's commitment to maximize value for stakeholders and consolidate the position of FIPCO as one of the Our focus is on diversifying our product basket, developing new products and solutions for manufacturing textile industries to meet domestic and global demand for sustainable growth.

In conclusion, we express our sincere gratitude and appreciation for your trust in FIPCO. Also, great thanks to the colleagues of the Executive Management and all of FIPCO's employees for their sincere efforts, stimulating as we thank our customers and shareholders for their trust and support to us which will always be an impetus for more effort, looking forward to further successes in 2023, we hope to meet with you during the annual meeting of the General Assembly of Shareholders to respond to your queries regarding the contents of this report.

**Board of Directors**



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**and corporate Governance**  
**“ESG”**



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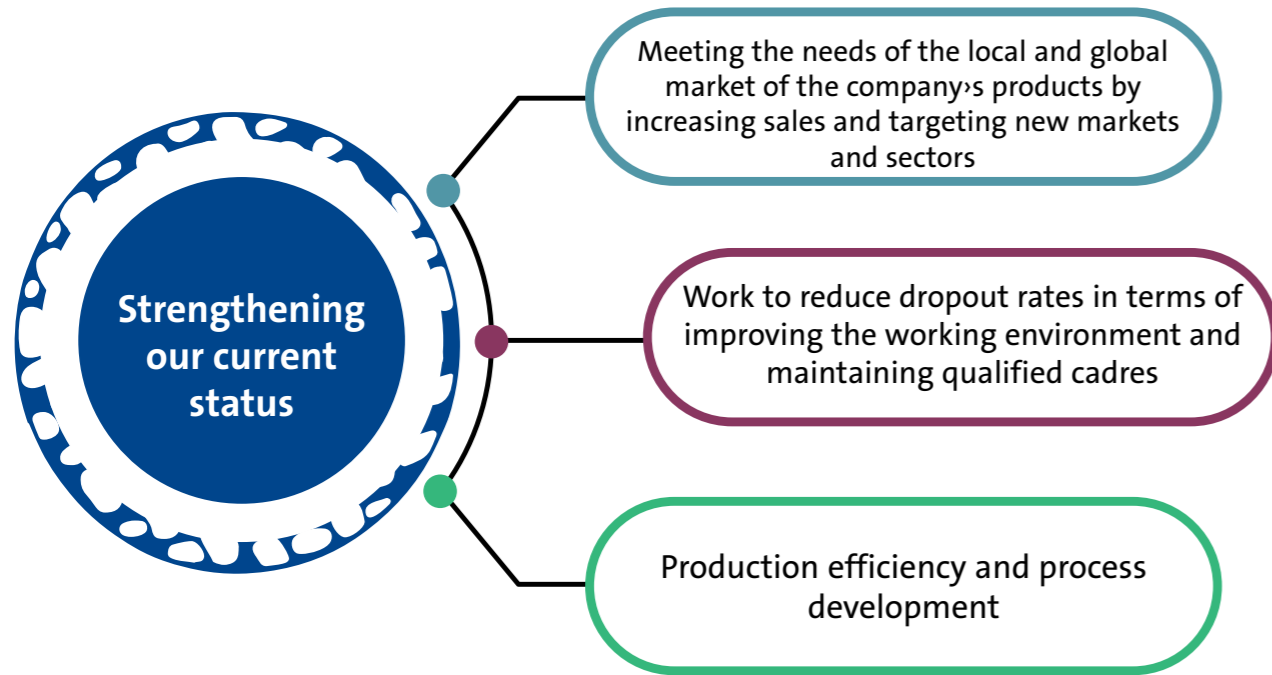
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# FIPCO

An extended journey with  
over 30 years



## Pillars of our strategy



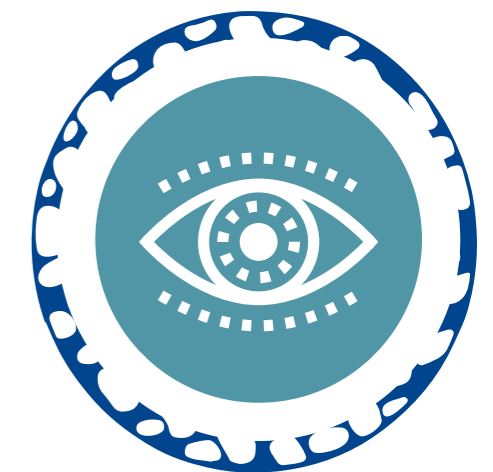
## Our Message



Expand our local and global presence through efficient production and effective marketing, with professional best practices, and achieve the results envisaged for stakeholders

## Our Vision

To be a key player in manufacturing, competitiveness, sustainable growth, regional market leadership, and presence in global markets



Share our expertise with the subsidiary (FPC Industrial Company) and promote it to lead the regional and global markets.

**Optimal investment in growth sectors**

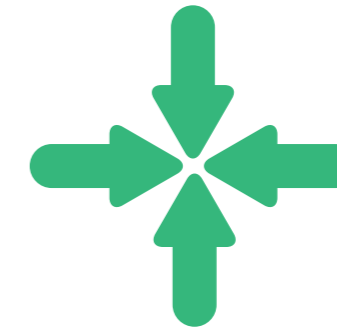
Diversify sources of income by managing cash and entering into new investments with growth



## Establishment

FIPCO was established as a Saudi joint stock company under the commercial registration issued by Riyadh City. (1010084155) Date 04 Al-Hajjah 1411 and Ministerial Resolutions No.( 935 & 851) In 29 Dhuqqa 1411 AH, the plant operates under industrial licensing by amended resolution with a number (441102120230), the facility code (910253), dated 131410/11/ A.H., the Headquarter of FIPCO is located in Riyadh, Saudi Arabia. FIPCO has been listed on the Saudi stock market since 1998.

FIPCO is one of the leading pioneers in the production and marketing of polypropylene woven bags FIPCO produces two types of lined and non-lined bags with low-density polyethylene bags for long-term heavy-duty uses, large-volume bags, plastic tie tapes, plastic fillings for caps, plastic knitting threads, polypropylene woven rolls, polyethylene liners and plastic waste recycling, and marketing inside and outside Saudi Arabia.



## Activity

As required by the FIPCO Foundation system, the company conducts and implements manufacturing and its branches according to industrial licenses.

This is mainly the production of polypropylene woven bags lined with low-density, non-padded polyethylene bags for heavy use, large-volume bags, plastic marsupials, plastic ligament bands, plastic fillings for caps, plastic threads, polypropylene woven rolls, ethylene liners, side-hole cement bags, and plastic waste recycling.

**However, the purposes allowed to be exercised as set out in the Foundation Company's Regulations include:**

Electricity, gas, water, and its branches.

Mines, petroleum, and its branches.

Transport, storage, and cooling.

Building and construction.

Contracting.

Operation and maintenance.

Trade.

IT.

Financial, business, and other services.

Social, collective, and personal services.

Agriculture and fishing.

The Company retains the right to conduct some or all of these activities as required by the nature of its work and in line with its operational strategies as decided by the Board of Directors, with emphasis on follow-up of all statutory procedures relating to any of these activities.

## Fipco In numbers



Cement bags

**100 million**  
bags per year



Jumbo Bags

**3 million**  
bags per year



Textile Production

**180 million**  
longitudinal meters per year



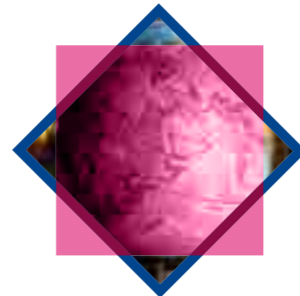
Small bags

**155 million**  
longitudinal meters per year



Other Products

**11,5 million**  
kg per year



Countries We Reach

**+20**  
Country



working group

**+1000**  
Human Cadres

# Centers of power and competitive advantages



Leading the local market with a successful march over 30 years, contributed to the formation of an age-old brand name in the local, regional, and international market.



One of the earliest companies listed on the Saudi stock market, where it has been listed since 1998.



Supporting Vision 2030 by contributing to the goal of raising non-oil exports.



An enormous production capacity of about 2,500 tons per month of various products.



High Saudi enabling rates of the country's youth and girls in various technical and administrative fields



Exports represent approximately one-third of sales volume



A broad and diverse customer base where we sell and market our products on 5 continents, and export our products to more than 20 countries.

المصدرات السعودية  
هيئة تنمية المصدرات السعودية



One of the strategic accounts of the Saudi Export Development Authority

المشغل الاقتصادي المعتمد  
Authorized Economic Operator  
أولوية PRIORITY



One of the members of the operator. Approved Economics



A high percentage of the local content measurement index is according to the measurement mechanisms of the local content and government procurement authority.



Enormous human resources and highly experienced technical and administrative staff of more than 1,000 employees of 15 different nationalities



One of the members of the «saudi made»

A strong reputation for adhering to the highest quality rates approved by major international specialized bodies.



Giant factories built on an area of 75,000 meters incorporating the latest technology of industry and machinery in the second industrial city of Riyadh.



FIPCO always invests in sustainability initiatives and clean energy solutions and keeps pace with global developments.



The factory is located within the boundaries of the Industrial Cities and Technical Zones Authority (MODON) and enjoys compliance with all security and safety requirements in force.

Operational processes and handling of industrial waste are handled in accordance with the requirements of the National Environmental Commitment Center.

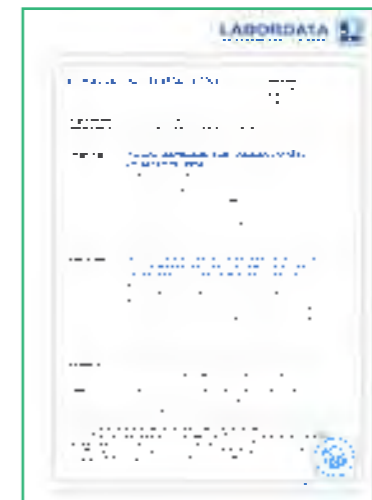
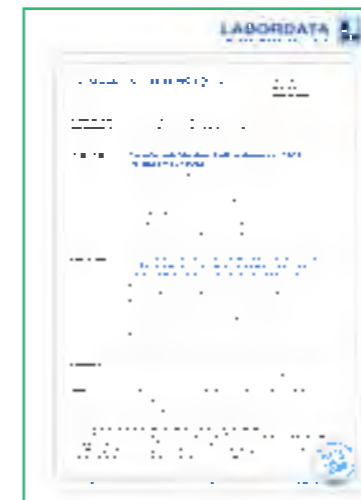


## Certificates of excellence

FIPCO is certified with all Quality Management Systems (22000:2005 & 9001:2015). (Food Safety Management System)

FIPCO is fully responsible for the quality of its products in front of customers at all stages of its manufacture. To increase reliability, all FIPCO products have been tested in specialized and technically supported laboratories through international reputable laboratories such as LABORDATA in Germany and elsewhere.

The quality confirmation team reviews all stages of production, follows up on specifications and performance %100, and conducts a scientific inspection systematically to ensure accuracy and quality



## Our products

FIPCO manufactures more than 20 different products, each with different uses and purposes. FIPCO adapts its products to satisfy its customers' aspirations, as well as proposing the right product for customers and making recommendations to help them meet their needs while reducing cost.

Our main activity is the production and manufacturing of woven polypropylene bags which combine the advantages of high strength, low weight and water resistance and environmental changes proof; Making it an ideal solution for packaging problems, it is also ideal product for heavy, sharp, bulk items and chemicals with different physical properties, these bags are easily recyclable and can be used more than once, and they are available in three different sizes with connecting tools designed to meet customers' aspirations.

### Examples of our main products include:

#### Jumbo Bags

Giant jumbo bags large woven bags made of polypropylene, large size, and high capacity starting from 500kg up to over 2000kg.

These bags are used in many areas, including but not limited to reconstruction, food and cereal industries, petrochemicals, chemical industries, and mining.

In terms of design and types, there are many designs as per the customer's request and also according to the purpose of use.



#### AD\* STAR Bags

Side aperture packing bags are a major boom in packaging for packaging materials. They were specially manufactured from the cement of all kinds, lime plaster, glue, etc., but quickly spread to other areas such as organic compounds, chemicals, and petrochemicals.

The reasons why most industries switch from paper bags to these bags are to reduce the proportion of production and transportation damage as paper bags are known to be easy to damage and cannot resist moisture or rain, which has driven most consumers

To orient to this distinct type of bag. In addition, some States require that their exports and imports be packaged in the type of bags known to be environmentally friendly.



#### Small Bags

Woven bags made of small size polypropylene are the most widely used products, these bags are used in foodstuffs such as rice, flour, sugar, salt, etc. They are also used in fodder packaging, chemical and petrochemical fields, recycled materials and additional contracting field.

There is more than one type that varies depending on the packing capacity and the type of material packaged within it. There are also types that contain an internal plastic layer or an laminated outer layer of polyethylene that are resistant to leaking air or water to preserve the products. FIPCO is also in line with the Saudi Standards and Standards Authority's instructions to comply with Saudi standards in

Produce biodegradable bags to protect the environment in all sizes and colors. These bags start from 5kg up to 100kg

### Cable Fillers

This product is used in the electrical cable industry and ensures the safety of internal wire, as this product is manufactured in different and precise measurements

Measurements vary depending on the type of caps, whether high, medium or low voltage.

This product is wrapped on either paper, wooden or plastic rollers according to the filler size and then coated from outside with thermoplastic material.

In order to satisfy the wishes of the customers, FIPCO produced the product of filler caps without using the twist unit, and were steps that pioneered and spread to some large customers in the production of capes locally and regionally



### Strapping Band Tying Rolls

Plastic ligament tapes are used to connect and secure goods and close carton packagings such as electrical and electronic device packagings and also secure concrete drums and blockages so as to keep the product itself from slipping or leaking during the shipping process which helps to reduce practical losses



### Container liner

The woven casings of containers are a container casing in order to pack the materials inside which secures the materials during the transport process and prevents their leakage out of the container, preserving the value of the product from the country of origin to discharge and consumption. These products are used in the transport of bulk goods such as petrochemicals and foodstuffs as well as crumbled or ground grains of whatever quality.

This type of product is measured on a size of 40 or 20 feet depending on the container capacity. This product is also characterized by saving time and effort to complete the container loading process. The process is automatically done by pumping materials into the bag inside the container so that the container is fully filled in a few minutes.



### Agri Twins Agricultural Threads

FIPCO provides many products, including threads of all kinds, whether for agriculture, ligation or knitting. These products are available in different densities, colors and weights and contain a high percentage of UV-resistant materials due to the environmental factors to which they may be exposed during their use.



# Operating performance

# 2

## Operating and Processes Management

- Production Department
- Research and Development  
Department
- Quality Control Department
- Maintenance Department

**Sales and Marketing  
Department Procurement  
Management**



## Operating and Processes Management

FIPCO's main activity is the production and sale of packaging materials. Its activities and operations are managed through several departments and departments. In the forthcoming lines, we summarize its most important achievements during the past year and highlight its objectives during the current year as follows:

### 1. Operational and Operational Management

Undoubtedly, the Department of Operation and Operations is the main driver of FIPCO as it is responsible for the manufacture of all FIPCO products to ensure quality and efficiency and in line with the needs of the customers. To this end, FIPCO's Department of Operation and Operations relies on 4 key divisions, all working in harmony to achieve the goals of FIPCO CO. These sections are:

#### First: Production Department

It is responsible for the main production processes where it converts raw materials into a finished product according to each customer's specific specifications. Under this section, several sub-classifications are made for the manufacture of different products in terms of size, capacity and usage. FIPCO's main products include woven bags of various types as follows:

- 1 Jumbo Bags
- 2 Small Bags
- 3 AD Star Bags
- 4 Rolls Fabric Liner Bags
- 5 loading and shipping bags
- 6 Rolls Tying Strapping Band of PP&PET materials
- 7 Ballet Threads
- 8 Agri Agricultural Threads Twins
- 9 Film Polyethylene Blown Film
- 10 Thread Sewing
- 11 Lamination All Bags with layers ranging from 20:30 Micron



#### Second: R&D Department

In the face of heated competition between local and regional companies working in this area, it has become necessary to focus on research and development initiatives with a view to reaching a standard operating mechanism to raise production capacity and improve production rates without a model flexible manufacturing strategy. Lean Manufacturing is designed to develop the best global technologies that will improve production processes, improve the quality of existing products, create new products and provide creative solutions for customers in line with their aspirations and wishes.

The main objective of the R&D department since its launch has been to focus mainly on product development activities and applications. In 2022, efforts continued in collaboration with the research and development team of the company to develop capabilities in the fields of process evaluation by activating joint action mechanisms to provide added value and focus on R&D processes, and introducing new products that achieve added value for both companies.

Overall R&D teams' efforts have resulted in increasing productive efficiency, improving the quality of operations and utilizing all available resources Through the concerted efforts of the technical teams of the company and its subsidiary, which led to the development of creative solutions suited to the demands of the customers through the creation of products with new qualitative characteristics and at a lower cost, The success of new printer testing trials and other pieces and tools needed to integrate the production processes as well as the success of non-slip trials of some products according to the requirements of some customers and to expand the use of recycled materials and introduce them into intermediate production stages without affecting quality levels.

Major suppliers have also been approached to introduce new production techniques into machinery and raw materials. Recently, but not least, the final product packaging mechanisms in the factory's interior departments have been changed to save time and effort. The company's management also sent some members of the R&D team to visit some exhibitions and some companies specializing in manufacturing machinery and production lines in Germany, Austria, Thailand, India and the United Arab Emirates In order to stimulate industrial thinking by introducing the latest existing systems in this field and maintaining a permanent sector with all technical and operational developments in the areas of the company's work, To put in place mechanisms to implement and take seriously appropriate measures to ensure that they continue to lead the local and regional market.

FIPCO's investment in research and development initiatives was valued at SAR 1.2 million in 2022 compared to SAR 1 million in 2021 and an increase of 20%.

On the other hand, the company's technical cadres have been continuously studying and analyzing the full energy expenses since 2017, including wasted energy, wasted energy, detection of wastage causes, treatment of weaknesses, and efficiency levels to achieve accurate results by calculating the optimal cost of energy needed to produce each production unit, and then using production process engineering methods to analyze

Points of exchange, consumption and efficiency using theory (% 20 & % 80) through which the standard production equation was reached according to the latest technological methods.

For further information, a separate section of the present report detailed FIPCO's sustainable development initiatives and programs.



### Third: Quality Control Department

This section is an integral part of FIPCO's daily activities, and one of its strengths, as it plays a key role in ensuring product quality and conformity with the requirements and satisfaction of the customers.

Because we in FIPCO have ISO Certified Quality Management System and Digital Food Safety System - 9001 2015 & - 22000 2018 we have enough laboratory equipment to confirm quality through a highly efficient and professional working team. They verify the quality of raw materials used in manufacturing, review all stages of production, review technical specifications and endurance of bags produced in accordance with international standards in this field; Bearing in mind that the selection process is done tightly to confirm accuracy in order to reach the final product exit phase and conform to the international standards So we emphasize that all of our products have been tested in our transactions and supported by international laboratories such as LABORDATA in Germany, The company has also obtained the certificate of testing biodegradable products from the Saudi Commission for Standards, Metrics and Quality

The complaints of the customers are always processed after listening carefully to the observations of the customers and conducting a re-examination and scrutiny accordingly. All necessary corrective measures are taken and practical solutions are developed for the future handling of these observations. Field visits of the customers are also coordinated in order to raise the quality levels.





#### Fourth: Maintenance Section

This section includes a team of specialized engineers and technicians who provide the necessary technical and technical support to machinery and production lines to ensure continuity of work to ensure the manufacture of the required products according to the schedule. The section adopts a new policy aimed at reducing the consumption of spare parts and working on the development and encroachment that reduces energy consumption in line with the actions taken by FIPCO to reduce energy costs.

As a result of continuing efforts to re-engineer some machines to restore their original condition to their maximum production rates in addition to updating a number of production lines by replacing and refurbishing certain machines to improve their productivity, Also reflected in the energy costs and employment ratio, in addition to continuing to introduce some repairs to spare parts rather than purchasing them from abroad, while familiarizing technicians with the value of the spare sector in order to increase care, Resulting in tangible savings, as spare parts consumption rates decreased by 2022 compared to the last three years, Spare parts expenditure in 2022 amounted to SAR 1.1 million, a decline of 41% over 2021, with spare parts expenditure of SAR 1.9 million. At a decline of 45% over 2020, spare parts expenses were recorded at SAR 2.0 million. The percentage was also 55% lower than 2019, with spare parts expenditure at the time amounting to SAR 2.5 million. expenditure «, the graph highlights the impact of the change in the expenditure of spare parts consumed as follows:



On the other hand, a mechanism for the withdrawal of spare parts has been developed in a systematic manner. Daily withdrawals of spare parts are followed up and the depletion of new parts is reduced by repairing parts that can be repaired internally or can be maintained externally at negligible cost compared to their replacement value. The positive results of this methodology began to emerge during the fourth year 2021.


The maintenance team has also expanded the use of stagnant spare parts by modifying the nature of some machines' work mechanically and electrically, developing a mechanism to calculate daily consumption rates, monitoring consumption of high-rate objects, and developing solutions to them that do not affect the speed or capacity of machinery and the quality of products with the continued development of electrical parts and condensers to adjust the electrical power consumption of the machines, With the assistance of a number of companies specializing in the development of rationalization and other studies with specialized companies to increase solar capacity. As well as other projects, they will have a strong contribution to rationalizing energy consumption and acquiring the energy needed to operate from alternative sources.


On the other hand, the Maintenance Department contributes to the execution of some contracting, restoration and civil works related to all the company's departments and facilities, isolation, ventilation and adaptation solutions, etc., within the framework of their technical capabilities and know-how instead of hiring outside contractors for all tasks.


#### Operating Department's highlights for 2022





Proposed Operating and processes Management Development Plan for 2023


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Continue to raise production efficiency and reduce production process costs.
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To continue to maintain the company's basic infrastructure to ensure that the production process continues at the minimum cost and that it does not stop, in all production buildings and lounges.
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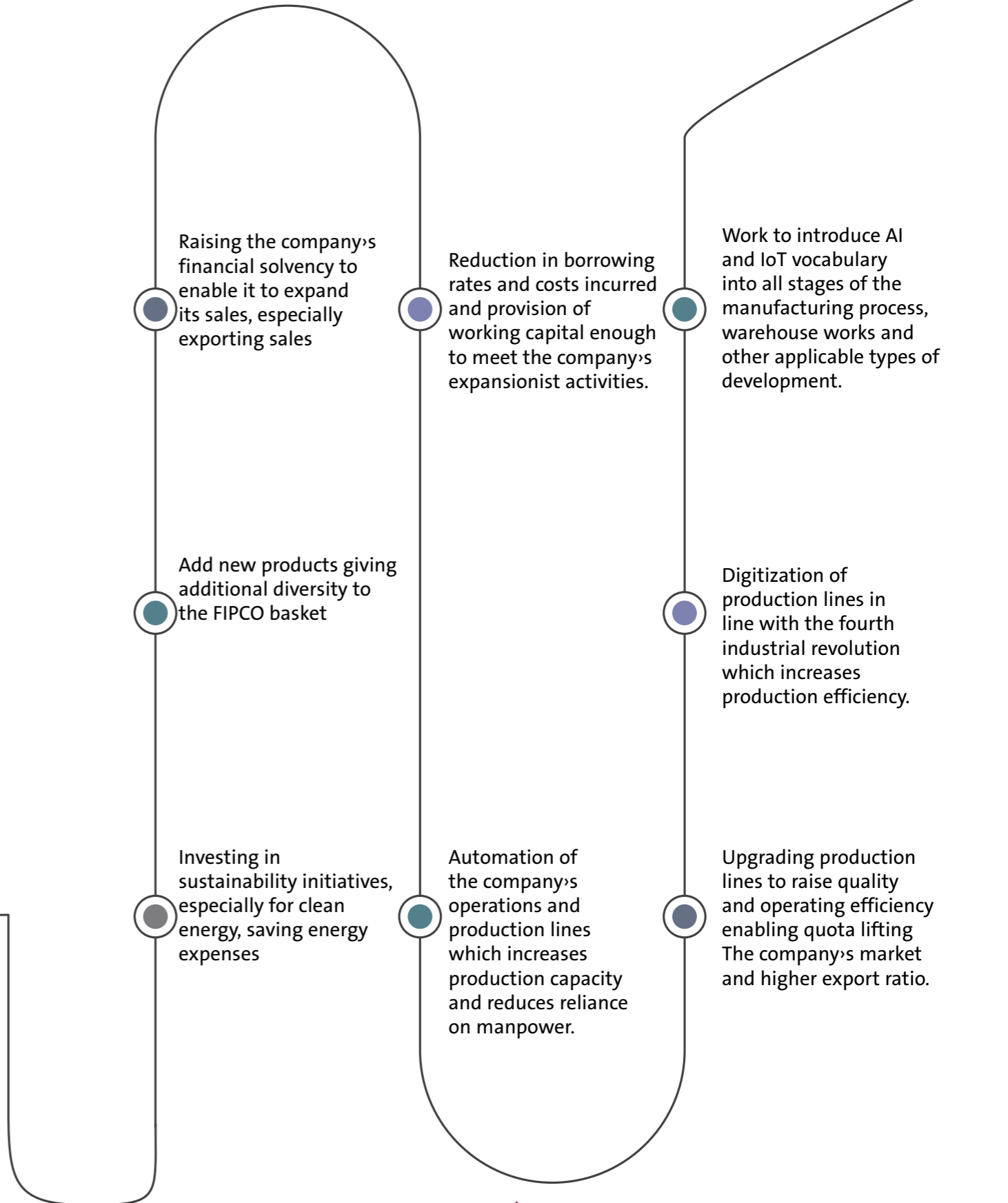
Work to reduce decimated rates in acceptable proportions and as little as possible in this area.
- 

The implementation of digital transformation plans without the use of technical personnel and under the supervision of the relevant technical partners.
- 

Continue to provide training programs to all members of the productive system in order to raise awareness and participate in the decision-making process and diversify training programs to extend to security, environmental toxicity, health and occupational health.
- 

To continue to implement the ERP System, which is being developed in cooperation with the Information Technology Section, with the aim of achieving outstanding production behavior in terms of the production cost calculation mechanism, introducing barcode and CRM, establishing a window for issuing reports and developing tools for entering data without human intervention to ensure the toxicity and accuracy of reports to facilitate decision-making.
- 

Working in harmony with all other departments and departments of FIPCO to achieve the objectives of raising capital to enable FIPCO to keep pace with the Fourth Industrial Revolution - one of the objectives of the Kingdom's Vision 2030 in industrial transformation programs aimed at increasing the efficiency of Saudi factories without the following:



# MARKETING

## Sales and Marketing Department

FIPCO carries out marketing operations and distributes its products through a highly qualified, experienced, and competent multi-nationality team to serve all spectrums of FIPCO customers around the world. Our client base brings together local, regional, and international companies from five different continents around the world to achieve one of FIPCO's most important expansion and deployment strategies. Dependent on the quality of our products and the efficiency of our marketing team.

The core activity of Sales and Marketing Department is based on the marketing, sale, and distribution of FIPCO's main products of bags and others on the disappearance of their types. In 2022, the Sales and Marketing Team continued its efforts to expand the domestic and international market by coordinating and working on visits and continuous communication with the customers, both before, free and after-sales service, in order to earn customer loyalty and increase FIPCO's market share in domestic and international markets in a sustainable and satisfactory manner.

Although some of the repercussions of the coronavirus and its transformations, which have cast a huge and remarkable shadow over the global economy, have continued to recover and continue to implement their plans to expand and spread, focusing heavily on sales of giant bags, small bags, cement bags and caps fillings, while making efforts to sell and market

More other products, especially those that do not need manual labor greatly and their manufacture mainly depends on automatic machinery.

On the other hand, as part of the implementation of the plans and initiatives of FIPCO for sustainable development, FIPCO, in cooperation with the government and semi-government entities, has worked to develop and convert cement bags into plastic bags instead of paper bags for the local market, as this development will have a significant local return as it will be produced locally 100%. These experiments have been very successful and the company is currently in the process of signing supply agreements with a number of target companies and sponsored by the competent authorities to achieve the objectives of the oil industry demand sustainability program.

Given the intensity of competition in the domestic and global market for such products, FIPCO looks forward to targeting the top customers for greater market share, based on raising the production capacity and efforts of the research and development team at FIPCO to improve the quality of products to distinguish from competitors in technical specifications.

**استخدام الأكياس البلاستيكية المستدامة في قطاع الأسمنت**

**أثناء مرحلة التصنيع**

تُصنع الأكياس من مواد بوليمرية متينة مما يساهم في تقليل النفايات وبعزز من إعادة الاستخدام والتدوير ويقلل استهلاك موارد المياه والديغلات المصاحبة لقطع الأشجار ومعالجتها لتصنيع أكياس الورق ذات الاستخدام الواحد.

**فوائد استخدام أكياس البلاستيك**

- مقاوم للطقس
- انبعاثات كربونية أقل
- أثار كربونية أقل
- متانة عالية
- قابلية لإعادة التدوير
- حماية متينة
- أقل إهداراً للمواد الخام

**إعادة الاستخدام**

الأكياس البلاستيكية المتينة تعتبر قابلة لإعادة الاستخدام مما يساهم في تقليل النفايات والاستغناء عما يقارب 50 مليون كيس ورقي والذي يعادل 5000 شجرة سنوياً.

OSP

## Procurement management

Where participation, arrangements and meeting potential leaders at local and international exhibitions are one of the most important pillars on which the sales and marketing team relies to expand the base of customers and attract new customers from different countries of the world through distinctive and effective attendance at most of the international events and events held in our business area that are carefully selected according to geographical diversity. To this end, FIPCO participated in a number of regional and international exhibitions in Saudi Arabia, Egypt, the United Arab Emirates and Germany as part of its efforts to implement its expansion strategy by steadily increasing the proportion of its exports over the next few years in line with the Government's direction and making use of support programs for this purpose.

With regard to the base of customers, in 2022, FIPCO continued to earn the trust of its customers, with which they have had strategic relationships for more than 20 years and those relationships with such governmental and semi-governmental entities and global companies are usually free of tenders and competitions in which the contracting period extends for long periods of up to three years, FIPCO has successfully entered into contractual relations with large local companies such as mills and wheat companies around the Kingdom's regions and specialized petrochemical companies, and FIPCO also successfully entered into contractual relations with clients on the African continent despite the difficulty of competing in those areas as well as the reinstatement of agreements with a number of clients interrupted for various reasons over the past years, The company has already completed renegotiation and agreements with a number of them. It has managed to reach customers in different countries that FIPCO has never entered these markets.

During 2022, FIPCO continued to invest in its technical architecture, leveraging social media sites and making e-commerce more effective by supporting its website with more information, inquiry, and online ordering while expanding the company's e-marketing portals through global e-commerce companies, as well as launching promotional clips to familiarize the company and its products to ensure the expansion of its presence on media sites such as LinkedIn & Alibaba and other globally applicable digital marketing tools



The nature of procurement departments' work varies from sector to sector, but in FIPCO and its subsidiary, they are an integral part of the integration of the production process. It is the department responsible for planning and implementing the procurement of raw materials in terms of their types, quantities and procurement time according to our productive need and is responsible for selecting the supplier and negotiating with him about the price, Quality assurance, delivery assurance and can also include direct or indirect liability for transportation, receipt, inspection, control of commodity inventory and customs clearance's expansion plans to diversify products and increase market share, The necessary spare parts are secured as soon as possible to ensure the continuity of the machinery's operation's inability to meet its obligations and take into account price differences that may arise from one period to the next.

On the other hand, the Procurement Department performs its mandated role in supporting the management business of the company, concluding agreements with the best suppliers to ensure that all the company's needs are supplied in a manner commensurate with the needs of the production process while ensuring that these suppliers commit to paying an annual bonus. (Return) on the volume of annual purchases with facilities in payment, working with engineering departments to bring the best contractors to conduct expansion, restoration or internal maintenance of buildings, as well as dealing directly with entities related to FIPCO's business such as the Ministry of Commerce, General Authority of Zakat, Tax and Customs, cooperating with the Human Resources Department in providing some services to the company such as (Rental of cars and equipment, catering services, security guards, contracting with telecommunications and Internet service providers).

The Procurement Department's work for FIPCO and FPC during 2022 can be summarized as follows:

1 Dealings with major suppliers amounted to SAR 147 million with 85.7% of annual purchases

2 The main items purchased constitute SAR 127 million at 67.7% of annual purchases.

3 Average waiting time from purchase order to supply in international procurement was 28 days

4 The number of purchase orders created is close to 7,000 purchase orders.

5 Total annual purchases amounted to 168 million, including local purchases estimated at 127 million riyals, while international purchases amounted to 35 million riyals.

6 The price reduction rate for the purchases of FIPCO from major materials domestically and internationally was 3.73%, while the prices for the largest third raw materials used by FPEC were negotiated and reduced by 16%, 24% and 12% compared to the same items purchased in 2021.

The Procurement Department's work for FIPCO and FPC during 2022 can be summarized as follows:

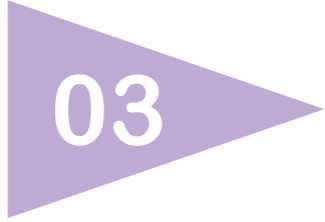
Renegotiate with 12 consumer suppliers in FIPCO to convert their purchases into future for periods ranging from 45:90 days with the same benefits and prices as previously provided. The suppliers of the main raw materials in FPC have also been converted to the same advantages and prices rather than bank accreditation.



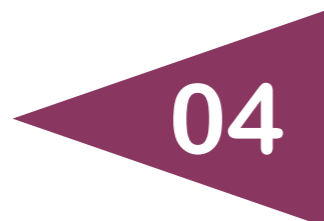
Reinstatement of relations with former suppliers with whom work has already been discontinued after improved contracting conditions and payment methods, especially for intermediate production suppliers, with the addition of approximately 7 new suppliers in different sectors.



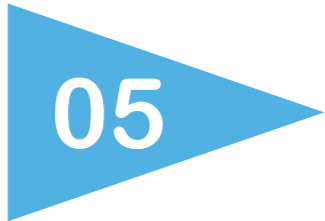
To agree to schedule repayment to senior customers in order to serve the company's cash position, and review this monthly in accordance with the cash flow plan, while renegotiating to raise credit limits



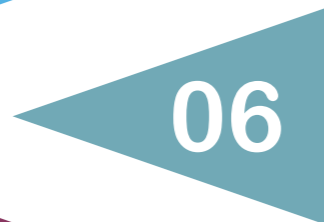
Renewal of customs exemptions in FIPCO to include 26 machines in addition to recently added parts associated with them.



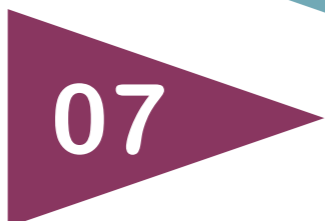
The main raw materials in FPC have been exempted for 5 years.



Take advantage of the approved economic operator's program to facilitate clearance procedures, expedite the clearing of goods and ensure the recovery of customs duties without delay.



Work to standardize the customs code of all spare parts so that they are exempt directly from customs without submitting a request for a pre-exemption or payment and then submit a request for a refund saving time and effort.



With regard to the Procurement Management Vision 2023, it intends to:

Continue the trade-off policy between suppliers based on the best price, payment facilities and after-sales service guarantee.

01

Increase internal communication between FIPCO departments and externally with suppliers by activating field research mechanisms and relying on means of modern communication to complete some of its purchasing operations to ensure that its purchasing plans are on track

02

Conduct SOWT analysis and build a comprehensive strategic plan for procurement and submission to senior management.

03

Targeting price reductions ranging from 2% to 5% in view of the current challenges of mainly high inflation, high energy prices and persistent shipping and supply chain problems.

04

Periodically review and track inventory while reducing the safe inventory limit of each substance according to its sensitivity.

05

Solve the problem of stacking which affects price averages, track items and update profiles Suppliers and procurement classification to make objective transfers and ensure the accuracy and accuracy of reports.

06

Continue working to reduce the transaction of bank credits and make payments to suppliers, and set the targets for the purchase of futures by 90% for FIPCO and 50% for FPC, taking into account the reduction or stabilization of prices and the completion of the strategy to reduce cash transaction to a minimum.

07

Communicate with the competent technical teams to reschedule purchases for spare parts to become each quarter to cover approximately 90% of the requirement and then reduce air freight payments or Fast shipping unless absolutely necessary.

08

# FPC

## FPC Industrial Company

# 3

- Project Idea
- Competitive advantages
- FIPCO's objectives from the project
- Vision and Mission
- Background
- Stages of the production process
- Production capacity and Quality levels
- Quality certificates and assurances
- Our leading partners
- Exhibitions and events
- Product series and applications
- Photos of some of our projects
- Highlights of the company's achievements in 2022
- Development plans and initiatives during 2023
- Targeted projects





## Project Idea

Textile industry with technical and industrial characteristics of high-density yarn coated with polyvinyl chloride (pvc), silicon or tafflon, abbreviated (CTF)



### Message

Meeting the needs of our customers with the highest quality and best price and building a long-term relationship of trust on a global level from the heart of Saudi Arabia.

### Vision

We plan to become the leading technical textile industry in local, regional and global markets

### Values

- Honesty
- Trust
- Excellence
- Respect
- Initiative
- Cooperation

# Competitive Advantages



The first of its kind in the Middle East in terms of production technology and the fifth of its kind globally in terms of production capacity and product diversity.



Localize the technical textile industry locally to meet the needs of domestic demand from the government and private sectors and replace imported products.



An intelligent factory where most manufacturing processes are automated and rely on a few manpower



Keeping abreast of Vision 2030 and covering the demand for current and future projects that serve the Vision's objectives.



Professional multi-skilled and experienced team from different countries of the world in this field.



Production lines are the latest in their field and the latest in European technology.



The only factory in the world that packages tissue with PVC&PTFE materials under one roof



Production lines are designed to manufacture multi-application products.



The first Saudi factory to receive the Saudi quality mark for most of its products from the Saudi Commission for Standards, Standards and Quality



We invest in R&D to manufacture value-added products and unconventional solutions.

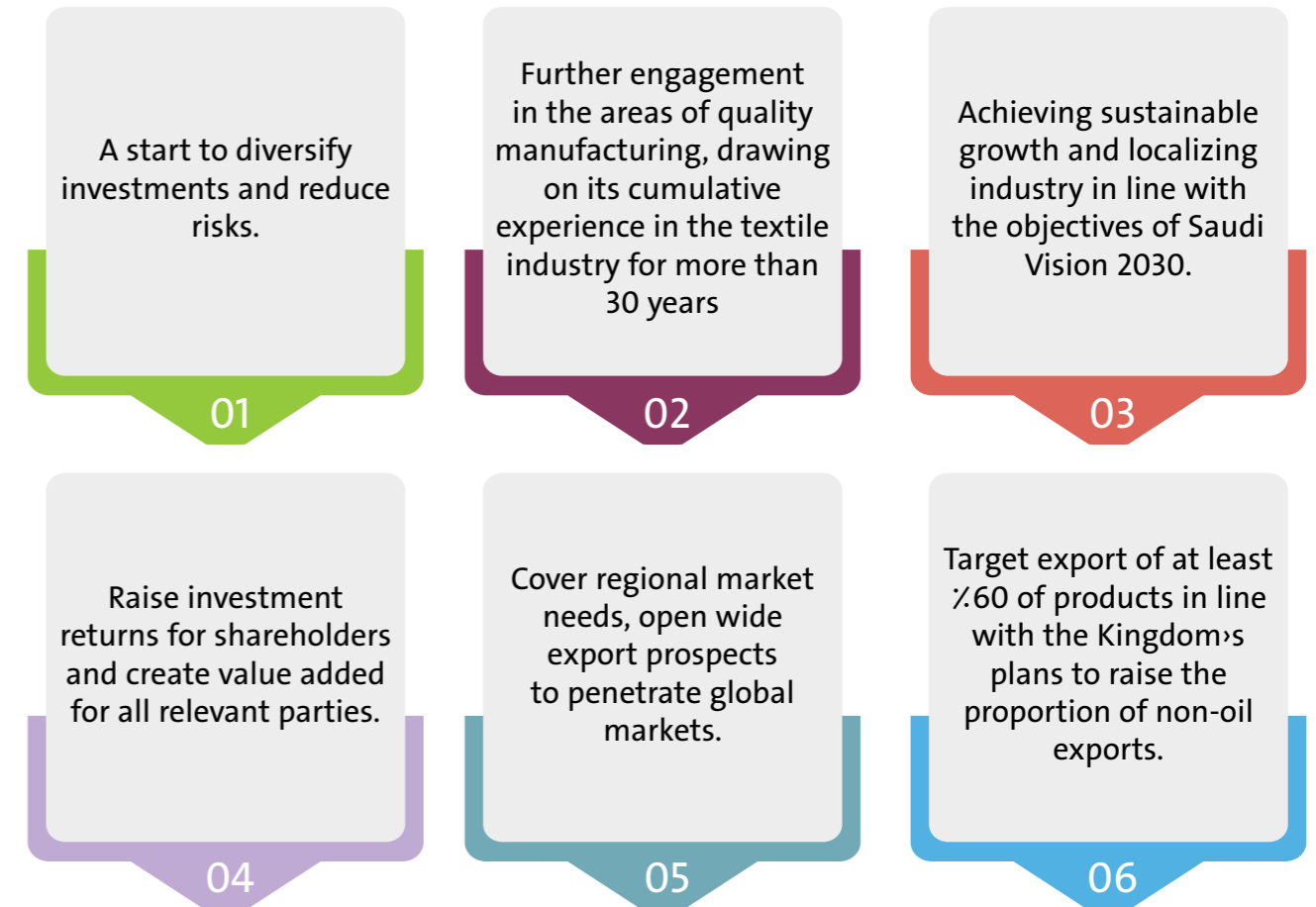


Take advantage of initiatives and programs launched by the State to support local content and localize government procurement.

## Background

Subsidiary Name	FPC Industrial Company
Legal entity	One person's company with limited liability
Main Activity	Processing industries and their branches
Sub-activity	Textile industry with technical and industrial characteristics of high-density yarn and coated with polyvinyl Chloride (pvc), silicon or tafflon, abbreviated (CTF)
Capital	SAR 18,000,000
Year of Establishment	2017
State of Incorporation	Saudi Arabia
State of Operations	Saudi Arabia has a marketing office in Dubai in the United Arab Emirates and exclusive agents in Poland and the United States of America
FIPCO Ownership (Direct)	٪100
Partners and their ownership ratios *	Not applicable
Total revenues during the year 2022	The company started its commercial production at the beginning of the second quarter of 2019, with revenue in 2022 amounting to SAR 58,3 million, compared to SAR 49,7 million in 2021, and a growth rate of ٪17.

## FIPCO's Objectives of the Project



## Stages of the production process

### Warping

01



### Weaving

02



### Painting process

03



### QA & QC

04



### Inspection

05



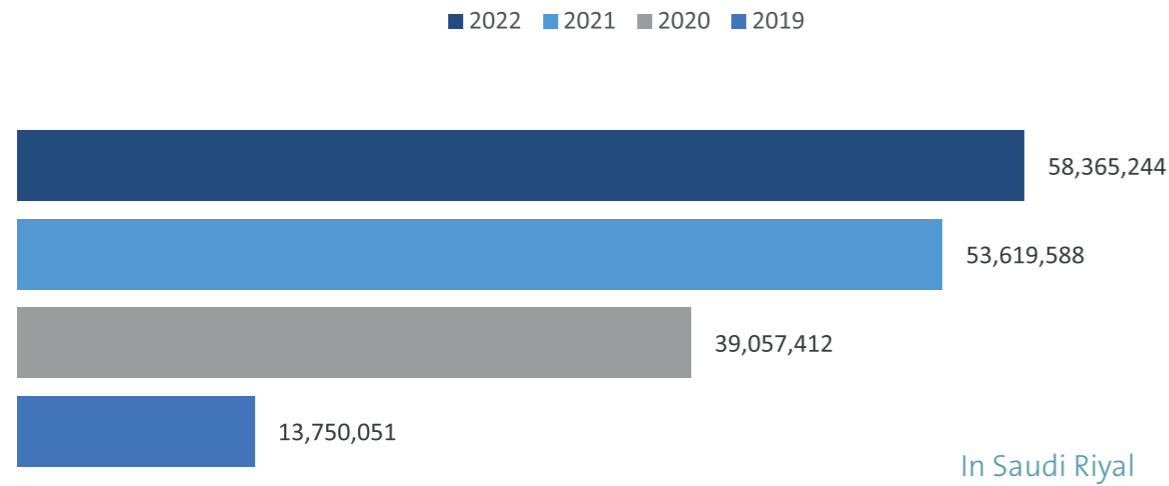
### warehousing

06

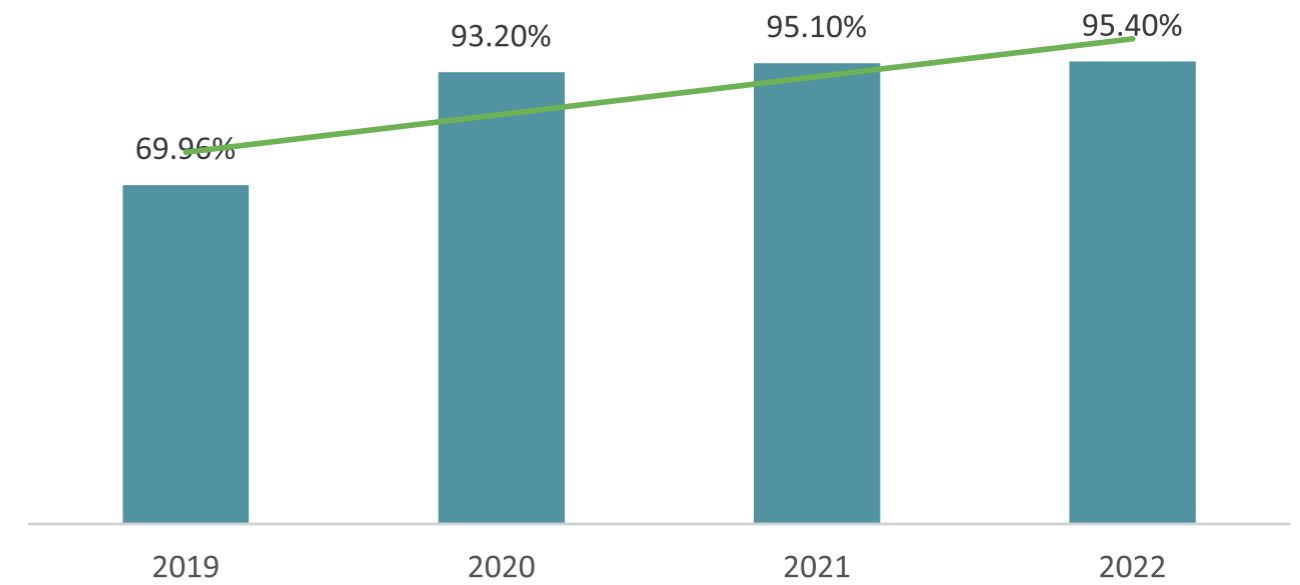


## Production capacity and quality levels

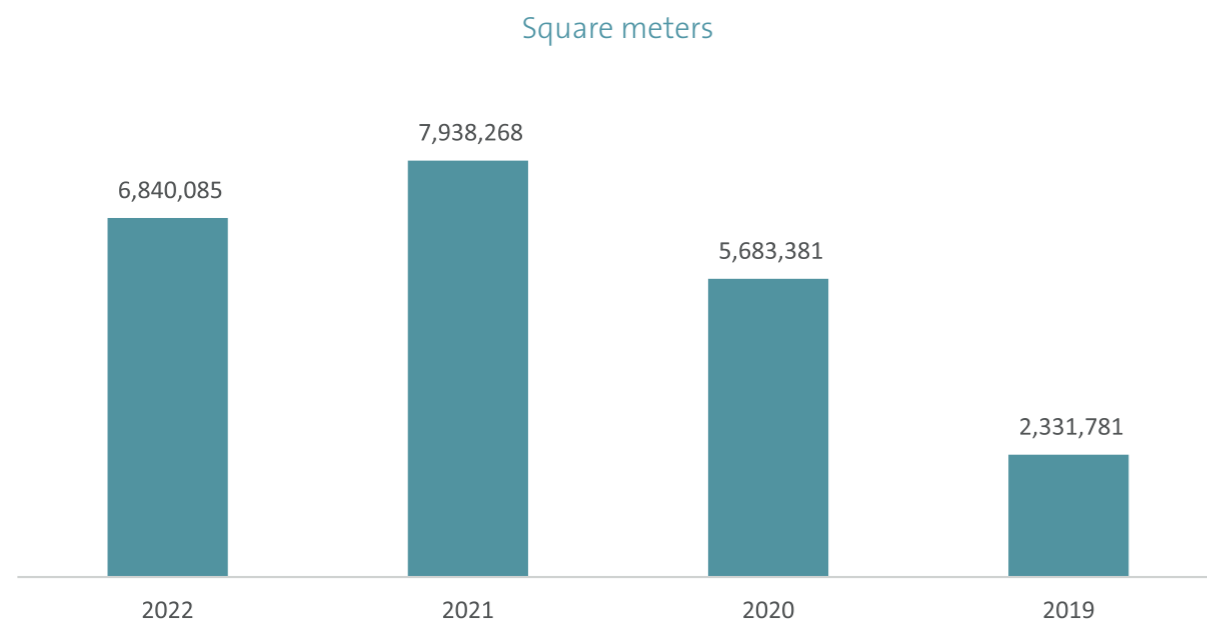
### Evolution of sales 2019 - 2020 - 2021 - 2022



### Evolution of Quality Level 2019 - 2020 - 2021 - 2022



### Evolution of productive capacity 2019 - 2020 - 2021 - 2022



## Quality Certificates and Confirmations



لهيئة السعودية للمواصفات والمقاييس والجودة  
Saudi Standards, Metrology and Quality Org.



FPC Industrial Company is pleased to announce that its products have obtained the quality mark and are thus the Kingdom's leading company in the field of manufacturing technical textiles that obtains the Saudi quality mark for specifications, standards, and quality and is the preminent quality certificate at the level of Saudi Arabia.

## Our leading partners



نيوم NEOM



## Exhibitions and Events

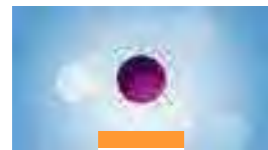
2019



Jordan Build



The Big 5  
Construct Egypt



Techtextil



Techtextil



IFAI



Saudi Build

2020



The Big 5 digital festival  
Africa- Online  
Online



Saudi Build



HAJJ & OMRA  
EXHIBITION



The Big 5 Show  
CONSTRUCT Kenya

# 2022



The Big 5 Show  
Nigeria



Saudi Build



IAA  
transportation



Techtextil



# 2023



Haj Expo



Saudi Entertainment and  
Amusement EXPO





## Product Categories and Applications

### Signage, Billboard & Sign Board Technical Fabric



### PVC



### Tarpaulin & Truck Covers



### PTFE Fabric



Architectural Tensile Technical fabrics for buildings such as markets, commercial buildings, offices, and entertainment complexes



Blockout



Agricultural Technical Fabric



Foldable Water Tanks



### Technical Fabric for Military Applications



Facade

### Hajj tents



Sun shades Technical Fabric



## Pictures of some of our projects

### Field Hospital (Sierra Leone - Africa)



### Air Dome – Jordan



### Air Dome – USA



### Military Projects



### Al Andalus Private Schools – Riyadh



### Starbucks – London



### Brentford – London



### King Faisal School, Riyadh



Greece - Air Dome



Greece - Air Dome



Greece - Air Dome



## Highlights of the company's achievements in 2022

### Oslo, Norway



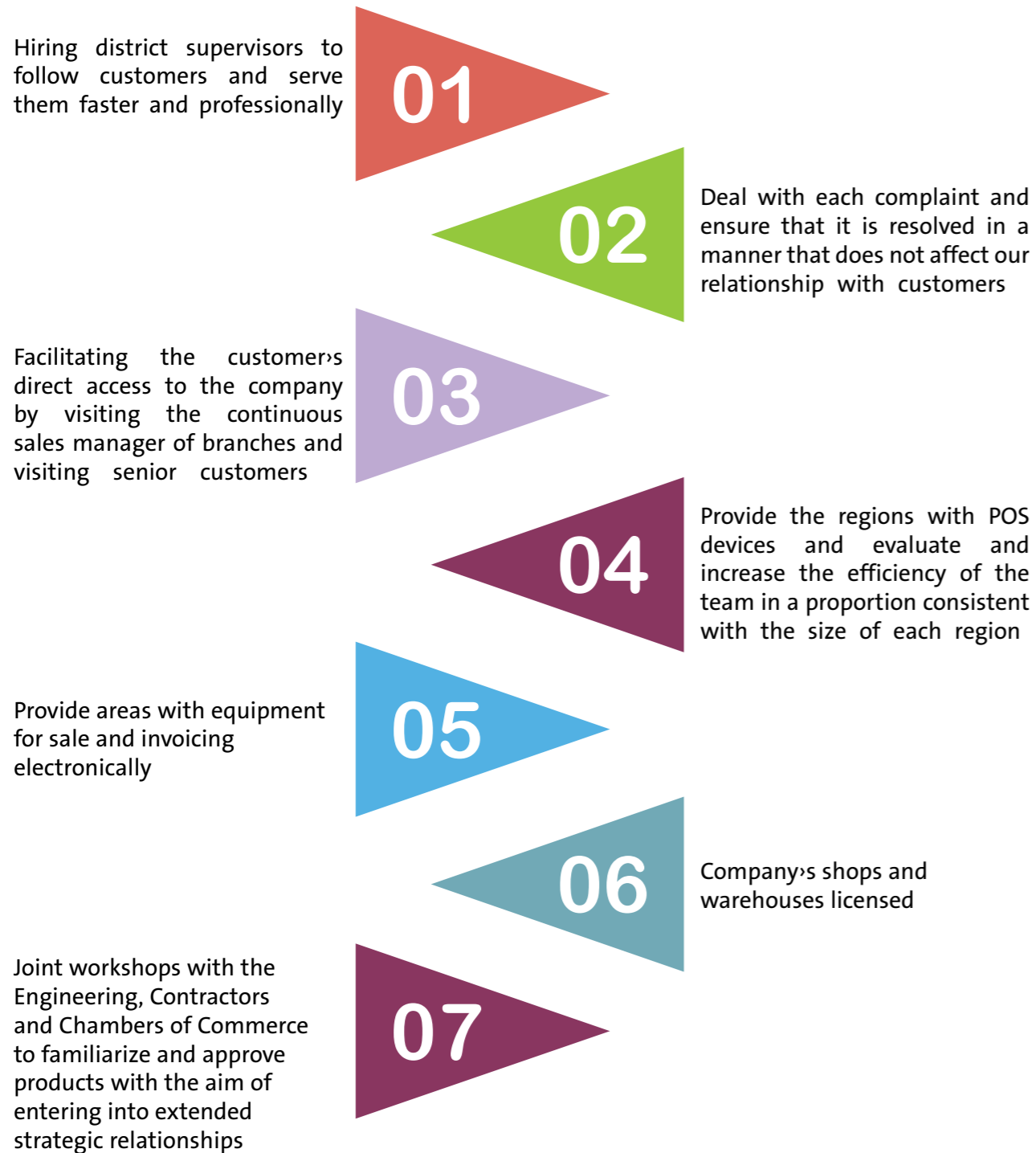
### Luton – England



<p>Sales increase by 17%</p> <p>01</p>	<p>GRADE A increased from 95.1% to 95.8%</p> <p>02</p>	<p>Export sales increase SAR 10 million to SAR 21 million by 110%</p> <p>03</p>
<p>Signing a supply agreement with one of the largest marketing companies specializing in marketing the company's products in European markets</p> <p>04</p>	<p>Signing a distribution agreement with one of the largest marketing companies specializing in marketing the company's products in the US market.</p>  <p>05</p>	<p>SASO Quality Tag Certification for FPC Products</p>  <p>06</p>
<p>Develop high-quality fire-resistant products and toxic fumes according to European specifications which are considered higher Technical Fabric Specifications.</p> <p>07</p>		

## In terms of sales and marketing activities, emphasis has been placed on:

### Provide and improve sales and after-sales services through:



## Development Plans and Initiatives for 2023

- Continue to appoint sales representatives in the target countries in accordance with market studies and a flexible commissions system linked to sales targets.
- Continued expansion of retail and opening branches in various regions of the Kingdom to sell the company's products of varying quality according to market needs.
- Continue to develop framework agreements to enter into contractual relations with raw material suppliers to obtain preferential benefits and competitive prices and give the company an annual return on its annual volume of purchases in order to ensure that supply is guaranteed and mitigates the risk of not obtaining the materials needed for manufacturing in time, especially in the light of the political and economic variables that the world has been witnessing during the recent period.
- Continue to update the company's website and develop promotional materials for marketing the company's products, and improve the rate of the company's appearance on global search engines and networking
- Develop automatic solutions for the company's stores to facilitate the shipping, transportation and distribution process.
- Continue to establish the technical structure to connect all machinery and production lines to the resource management system and produce the necessary reports to make appropriate decisions.
- Develop new products according to the requirements of local and global markets.
- Targeting the Ministry of Sport's announced projects aimed at establishing 11 sports stadiums.
- Take advantage of the initiatives of the Local Content and Government Procurement Authority to oblige government sectors and companies where the State owns to give a price preference to national products.
- Take advantage of projects in tourism, leisure, sports, event management and hosting large events globally
- Working in harmony with our trading agents in the US and European markets to create projects Shared within and outside the Kingdom.



## Targeted projects

athletic track



Neom



Aamaala



King Salman Park Project



### Diriyah Gate



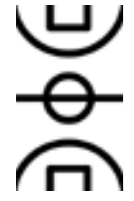
### Qiddiya



### Red Sea Project



## Investment Events Fund Projects



**5**  
Indoor  
playgrounds



**2**  
Shooting  
Grounds



**16**  
THEATRE



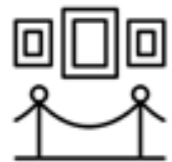
**5**  
Shooting  
Center



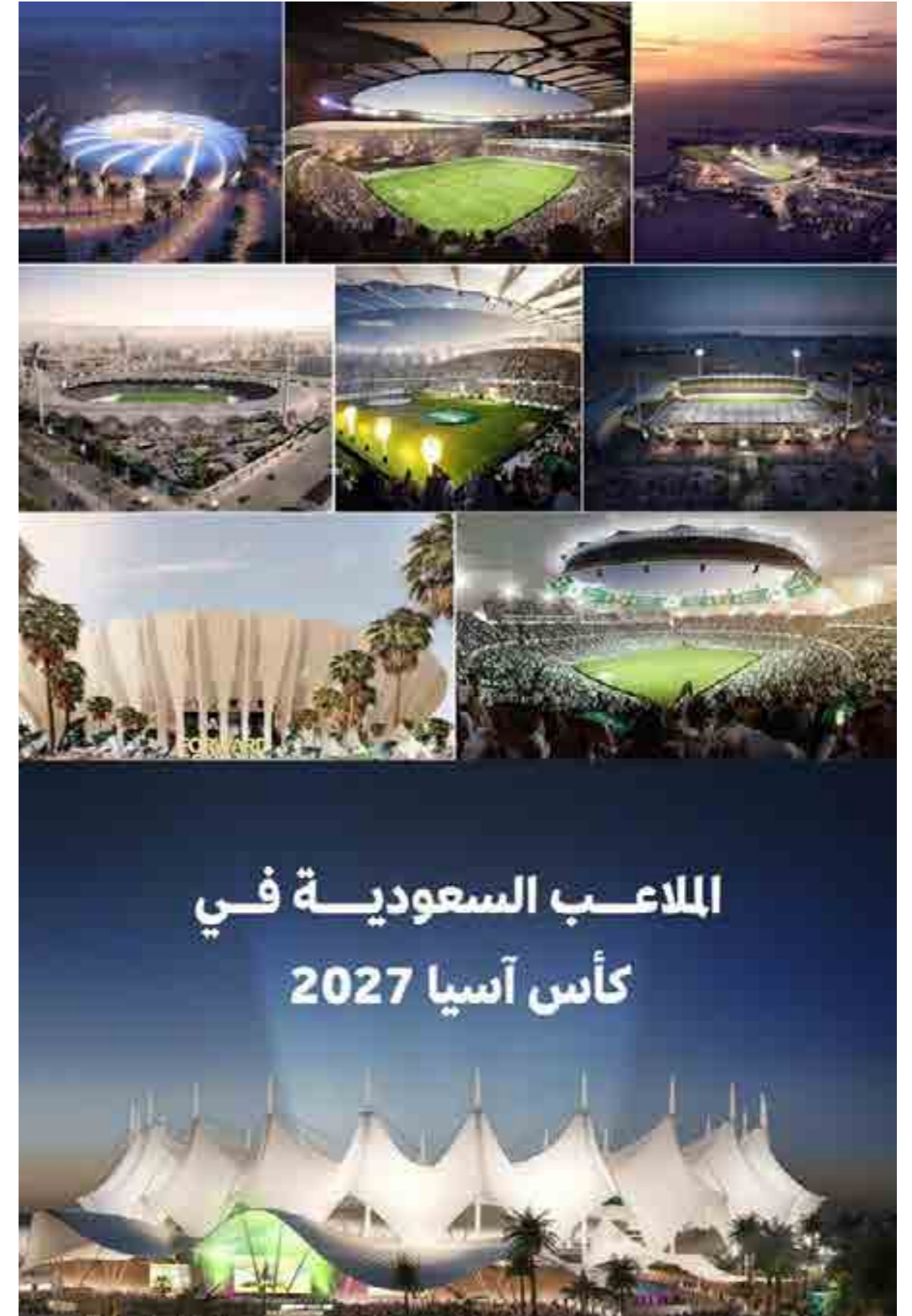
**2**  
Race Track



**2**  
Horse Racing  
Course



**3**  
MUSEUMS



SOURCE: SAUDI PROJECTS TWITTER ACCOUNT



# financial performance

# 4

- Company Sales
- Performance of each of the company's business size
- Operating profits
- Net profits
- Earnings per share in Saudi riyal
- Evolution of asset growth
- Assets vs. liabilities
- Obligations vis-à-vis property rights
- Change in property rights
- Liquidity ratios and indicators
- Geographical analysis of FIPCO's revenues
- Loans
- Regular payments
- Zakat Illustration & VAT
- Fines
- Deviation from the application of any of the applicable accounting standards
- Update on Capital Increase by offering priority rights shares.

### First: Company Sales

FIPCO's net sales amounted to SAR 260.7 million in the fiscal year ended December 31, 2022 compared to SAR 222.6 million for 2021, an increase of 17.1%. The following table shows net sales against the cost of sales over the past five years:

	2022	2021	2020	2019	2018
Net sales	260,7	222,6	181,5	164,1	163,5
Sales cost	218,5	193,6	152,2	141,6	134,6
Total income	42,2	28,9	29,3	20,6	29,0
Net profit	9,8	9,1-	3,0-	20,3-	5,9-

### Second: Performance of each of the company's business size

#### 1.Jumbo Bags

Sales of giant bags during 2022 amounted to SAR 68.3 million compared to SAR 59.4 million for 2021, an increase of 14.9%, owing to higher orders for the customers during 2022 compared to last year in addition to increased sales prices, representing almost giant bags 26% of total sales.

#### 2.Bags Small & Valve

FIPCO sales of small bags and cement bags amounted to SAR 100.3 million for 2022 compared to SAR 80.1 million for 2021, an increase of 25.2%, due to high customer orders in 2022. Small bags and cement bags represent approximately 38% of total sales.

#### 3. Twisted Products

Sales of twisted products (capping fillings - suspension threads and agricultural ligation) for 2022 amounted to SAR 32.4 million compared to SAR 26.3 million for 2021, an increase of 23.2% due to high demand during the period for CABLE FILLER products in addition to increased selling prices, twisted products account for approximately 12% of total sales.

#### 4.The contribution of the subsidiary (FPC Industrial company) to the scale of the company's activities

The subsidiary (FPC Industrial company) sales for 2022 amounted to SAR 58.3 million, compared to SAR 49.7 million for 2021, an increase of 17% due to increasing demand for the company's products and gradually increasing production and quality levels. FPC sales account for approximately 22% of total sales.

### Third: Operating profits

Operating profits for 2022 amounted to SAR 10.8 million compared to operating losses of SAR 5 million for 2021, owing to higher overall profit due to higher sales, higher non-operating revenue, and lower expected credit losses in line with International Standard 9.

### Forth: Net profits

FIPCO reported net profits of 9.8 million riyals by the end of 2022, compared to losses of 9.1 million riyals recorded during the same period in 2021, mainly due to:

Higher overall profit as a result of increased sales and improved profit margins, despite higher indirect costs as a result of higher minimum wages for employees.

Reduced provision for projected credit losses in line with International Standard 9 as a result of improved collection levels and review of credit relationships with certain clients

Change in the obligation to purchase non-controlling equity.

Higher profits realized and unrealized from financial investments at fair value through profit or loss.

Increased other revenues as a result of the company's acquisition of government subsidies during the period as well as the replacement of low-cost capital assets during the corresponding period in 2021.

Low zakat money.

### This came despite:

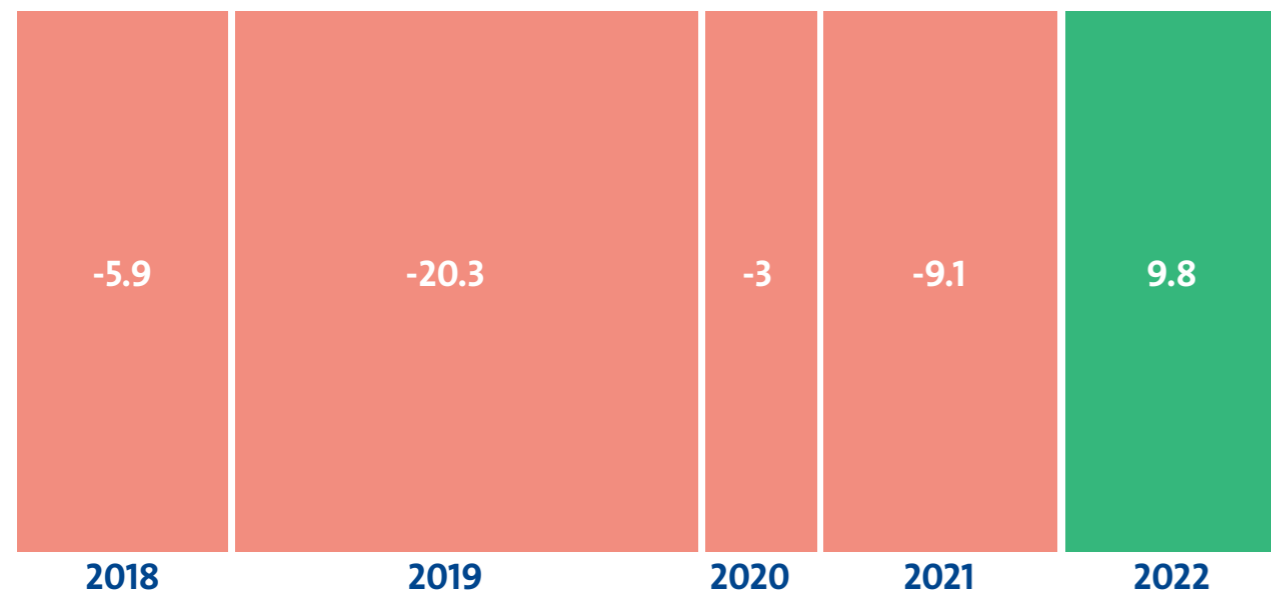
Higher sales and marketing expenses due to higher shipping costs, in addition to expanding the subsidiary's participation in international fairs with the aim of increasing its market share in the global markets and achieving its export objectives.

High public and administrative expenses.

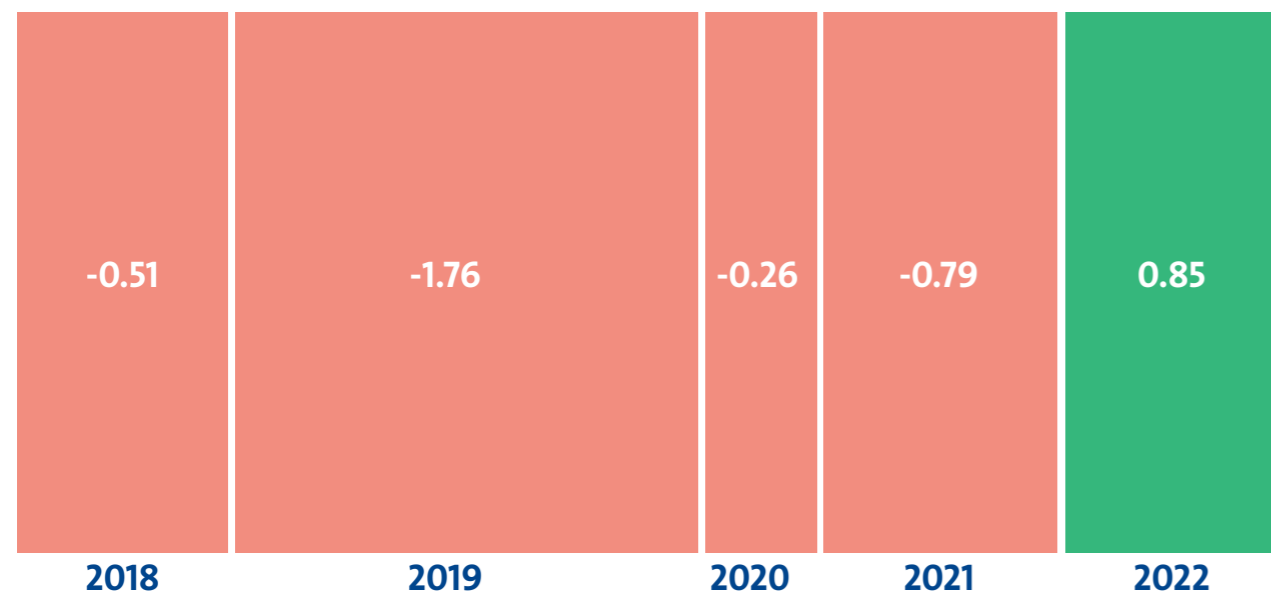
Increased funding costs as a result of the end of government initiatives launched by the State to mitigate the effects of the coronavirus, regarding the postponement of payment of outstanding installments of zero-interest loans, as well as higher interest rates on borrowing, despite the company's repayment of some non-outstanding short-term loans with variable interest rates in 2022



Net profit in million riyals



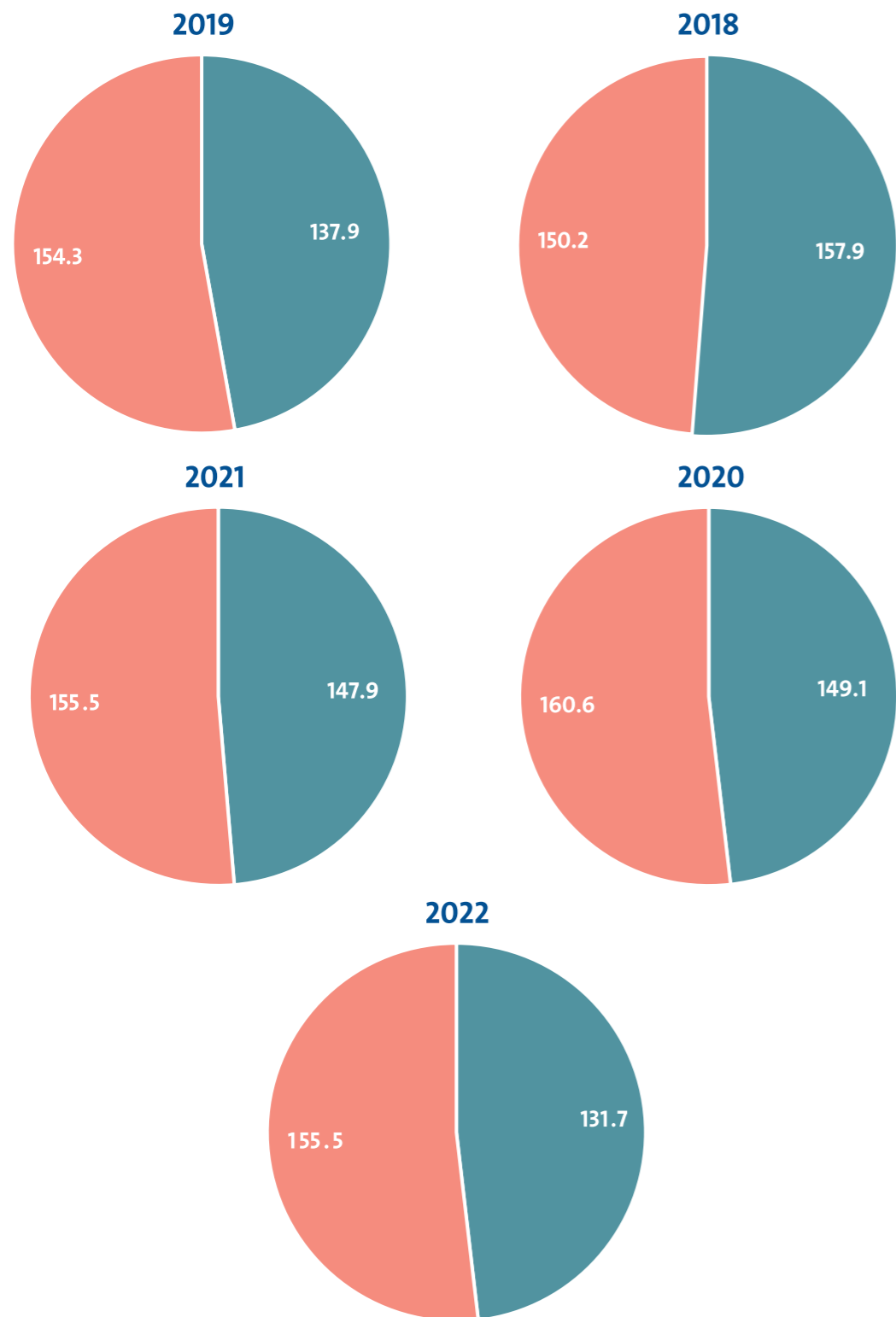
Fifth: Earnings per share (Saudi riyal)



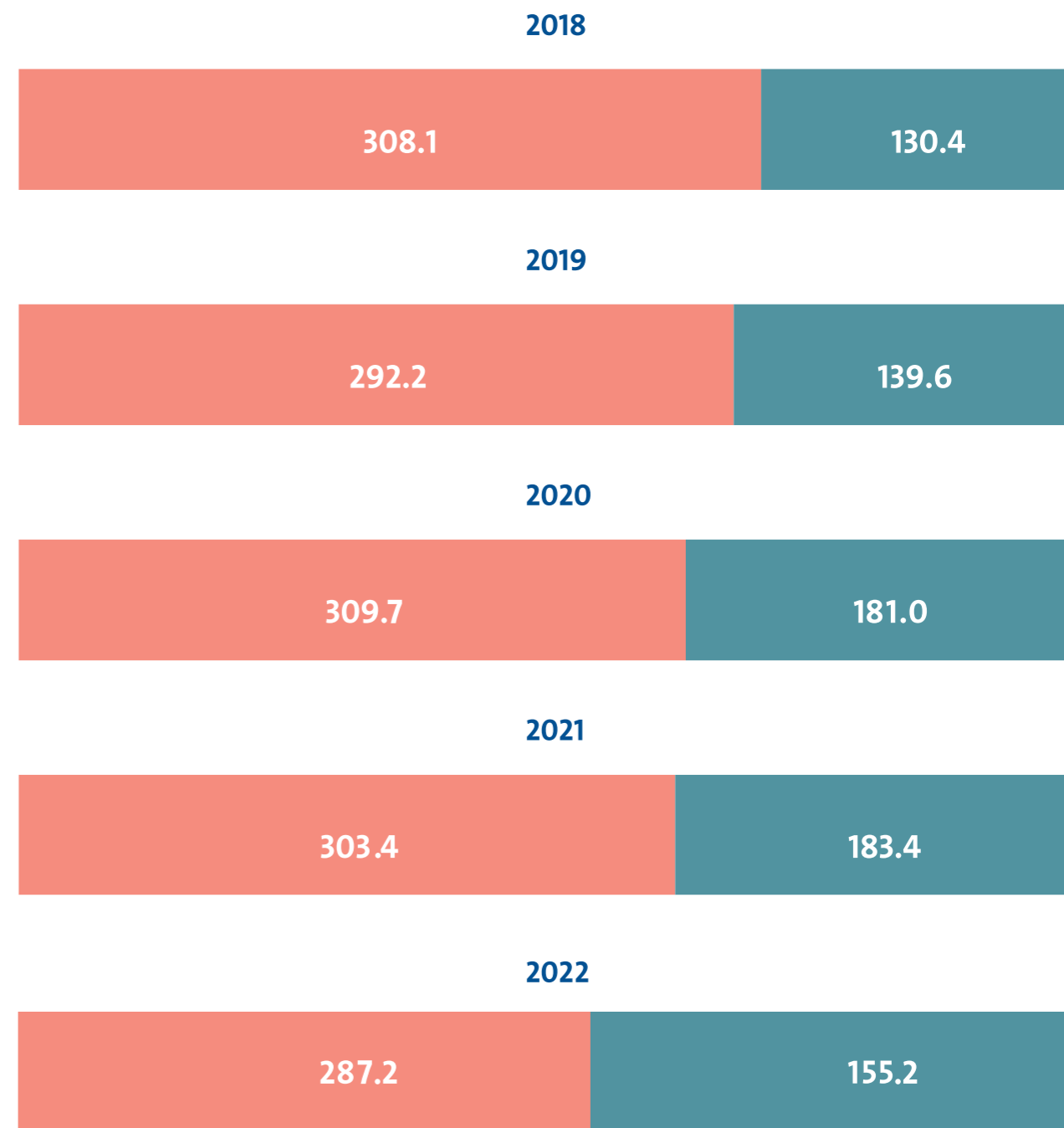
Sixth: Evolution of asset growth

	2022	2021	2020	2019	2018
Assets	131,7	147,9	149,1	137,9	157,9
Non-current assets	155,5	155,5	160,6	154,3	150,2
Total assets	287,2	303,4	309,7	292,2	308,1
Current obligations	76,4	87,3	98,2	85,2	76,8
Long-term liabilities	78,8	96,1	82,8	54,4	53,6
Total liability	155,2	183,4	181,0	139,6	130,4
Shareholders' Rights	132,0	120,1	128,7	157,6	176,9
Non-controlling property rights	0	0	0	5,0-	0,7
Total Property Rights	132,0	120,1	128,7	152,6	177,6
Total obligations an	287,2	303,4	309,7	292,2	308,1

Evolution of asset growth (in million rials)



Total assets and liabilities (in million rials)

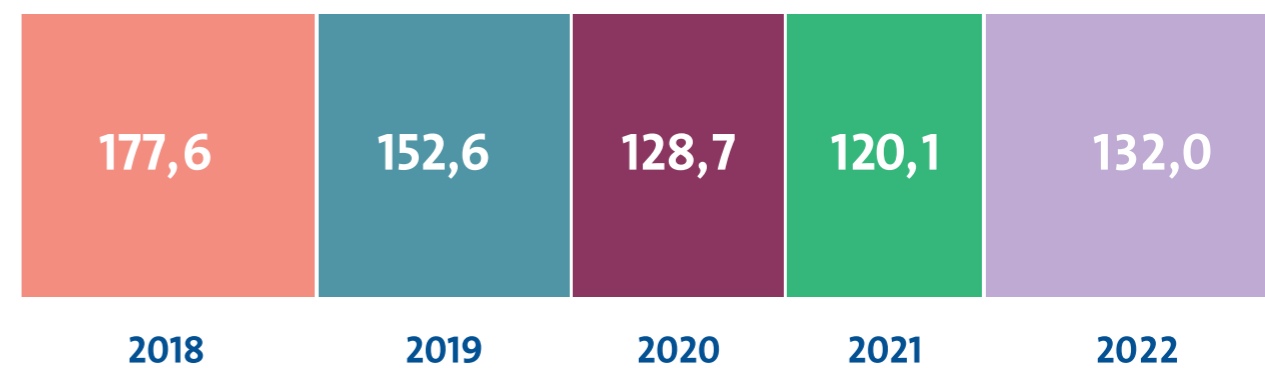




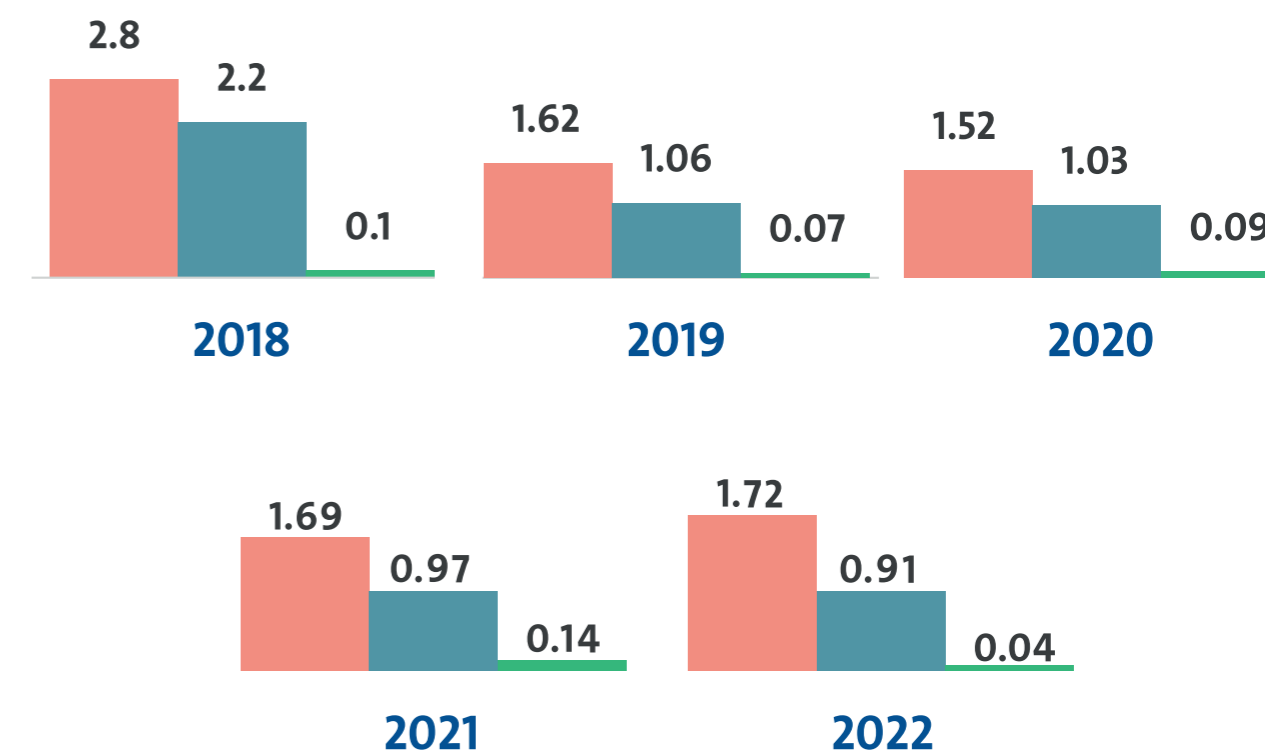
Evolution of obligations and property rights (in million rials)



Total equity (in million rials)



Liquidity ratios and indicators (in million rials)



Total liability

Long-term liabilities

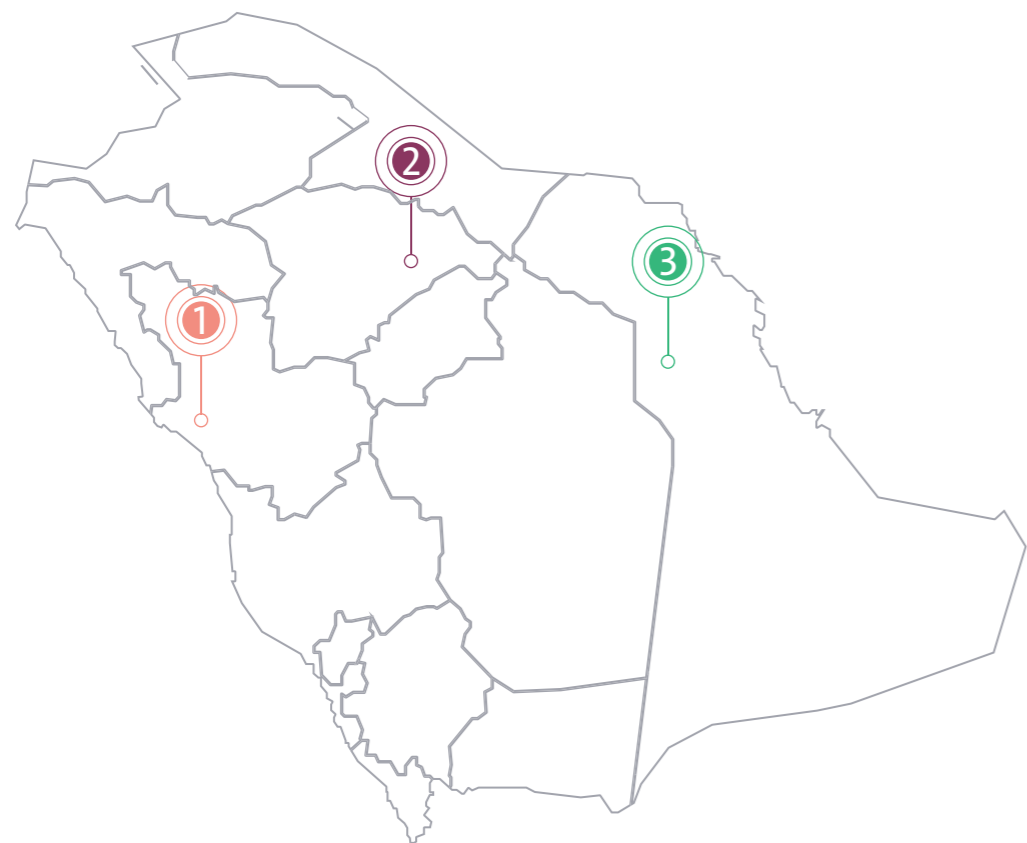
Current obligations

Circulation Ratio

Fast Trading Ratio

Cash Ratio

Sales in Saudi Arabia



**1** Western Region

2021	2022
45.9	58.1

Central Region **2**

2021	2022
72.5	83.3

Total

2021	2022
31.8	39.6

Eastern Region **3**

2021	2022
31.8	39.6

Sales outside the Kingdom

Europe



North America



Asia (non-Gulf States)



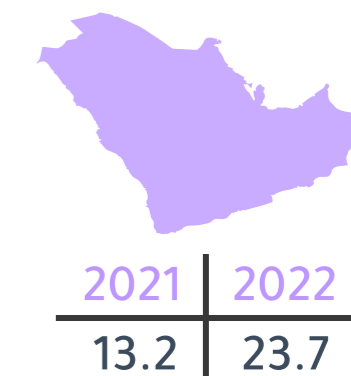
Africa



Total

2021	2022
72.4	79.7

Gulf States



All figures in million SAR

Twelfth: Loans

FIPCO-based loans and subsidiaries as of 31\12\2022 SAR million

	Donor	Loan Type	Loan Origin Amount	Purpose		First-year balance	Additions throughout the year	Payment	End of the year balance	Payment method
1	Saudi Industrial Development Fund	Long-Term	53.4	FIPCO Production Line Expansion Finance	Financing the subsidiary's project (FPC) industrial company	7.55	0.00	0.00	7.55	nonequal installments starting from 15\04\1430 Until 14\02\1451
2	Saudi Industrial Development Fund	Short-Term	5.78	FIPCO Public Capital Financing		0	5.78	0.00	5.78	One-Time Worth a Date 28/09/2023
3	Saudi Industrial Development Fund	Long-Term	35.3			32.1	0.00	5.40	26.7	Biannual nonequal installments starting from 15\08\1442 Until 15\02\1447
4	Riyad Bank	Long-Term	38			32.1	20.79	22.29	30.6	Biannual Equal installments From May 2019 to July 2027
5	Riyad Bank	Short-Term	23			6.00		6.00	0	Revolving loan up to a maximum of 6 months
6	Al Balad Bank	Short-Term	30			22.67		22.67	0	Revolving loan up to a maximum of 12 months
7	Al Balad Bank	Short-Term	18.9			0	17.76	17.76	0	Revolving loan up to a maximum of 12 months
Total			204,38	...		100,42	44,33	74,12	70,63	

million Saudi riyals

Current Portion of loans	25,74
Non-Current Portion of loans	44,89
Total	70,63

### Thirteenth: regular payments.

It includes all payments made by the company or owed to regulators, whether related to the company's own business or its subsidiary

clause	2022	2021	Due by the end of 2022 AD and has not been paid	the description	the reasons
zakat	2,703,359	4,337,013	3,096,536	Payment of legal zakat	The due amount is paid after submitting the zakat declarations and approving them with the Zakat and Income Authority
Social Security	3,580,502	2,701,711	329,672	Workers' participation and pensions under the insurance law	Governmental fees
Value added tax	7,154,384	4,347,726	270,484	Payment of taxes due in accordance with the regulations of the General Authority for Zakat and Income	Governmental fees
withholding tax	9,217	12,670	600	Payment of taxes due in accordance with the regulations of the General Authority for Zakat and Income	The company withholds taxes on some transactions with non-residents in the Kingdom of Saudi Arabia as required in accordance with the tax regulations in force in the Kingdom of Saudi Arabia, and the withholding tax related to foreign payments is recorded as liabilities
Passports and labor office	3,049,754	4,963,907	-	Approved statutory costs for non-Saudi workers	Governmental fees
Saudi Industrial Development Fund	5,872,700	6,548,800	-	Payment of loan installments and follow-up fees	The loan will be repaid as indicated in the loan schedule as per the agreement
Saudi Stock Exchange Company (Tadawul)	266,499	268,889	-	Trading services fees and request reports	Regular fees
the customs	2,487,566	2,235,574	-	Customs duties on imports	Governmental fees

### Fourteenth: Clarification of Zakat

Zakat allowance is calculated in accordance with the regulations issued by Zakat, Tax and Customs Authority. Zakat allowance is uploaded to the list of profits and losses. Any additional liabilities are also recorded, and settlements resulting from the zakat ligament (if any), which may become due upon completion of the linkage in the same financial year as the zakat linkage.

The Group submitted the Zakat Declaration «in its view» for the fiscal year ended December 31, 2021. The Group obtained a certificate from the Zakat, Tax and Customs Authority valid until April 30, 2023.

With regard to FIPCO's tax status, income and expenses from assets are recognized after deduction of transaction tax (VAT) except for items not subject to this type of tax. FIPCO is also obliged to withhold taxes on certain pillars with non-resident entities or individuals in Saudi Arabia in accordance with applicable tax regulations.

### Fifteenth: Fines

In 2022, FIPCO and its subsidiary signed fines of 12,725 SAR by Saudi passports due to delays in renewing some employees' stays and tariff fines of SAR 85,304 for delaying some imports and these circumstances are exceptional and non-recurrent, In addition to a fine of SAR 40,000 by Social Insurance in addition to the amount of 5,450 traffic violations and precautionary action plans have been developed to avoid repeating such errors, as alerted to the relevant departments and the application of labor regulations against some underserved employees to avoid this in the future

The company has not imposed any of the penalties, sanctions or reserve restrictions imposed by the CMA or any other supervisory, regulatory or judicial authority.

### Sixteenth: deviation from the application of any of the applicable accounting standards

FIPCO is committed to the application of the accounting standards issued by the Saudi Authority of Chartered Accountants, and there is no deviation in the application of those standards.

The Board of Directors is obliged to provide the CMA with any additional information it requests in the event of the auditor's making any reservations about the annual financial statements.



ESG

- Risk and sustainability
- Outlook
- Governance in FIPCO

Environmental and  
social practices and  
corporate governance  
"ESG"

# Risk and sustainability

## FIPCO Risk Management Concept

Risk management is a process of measuring and assessing potential risks and developing their management strategies to ensure preventive response to those risks and facilitate early detection of actual problems with a view to reducing its negative effects on FIPCO.

### Why FIPCO is interested in risk management

- 1 Tighten control and control over the risks surrounding FIPCO's activities and actions.
- 2 Qualitative ivory identification for each type of risk.
- 3 Minimize and accept losses.
- 4 Provide appropriate trust to all stakeholders in FIPCO, in particular shareholders, creditors, customers and suppliers to protect the ability to generate profits despite any incidental losses that may or may not result in a reduction in profits.

### FIPCO's Risk Management Philosophy

FIPCO believes that risk is an integral part of any for-profit activity, especially in the industrial sector, and the optimal treatment of risk management from the perspective of FIPCO is to adopt an open risk management policy to ensure that risks that may result in significant losses or material impacts are addressed, while not losing sight of lower impact risks.

Therefore, FIPCO deals with risk from classification to 4 key stages, including:

Acceptance Risk Tolerance	Transfer Risk	Reduction Risk	Avoid Risk
It means accepting losses when they occur, which may be acceptable in small risks.	Securing means that help to accept risk and are usually done through contracts or financial protection such as insurance contracts.	This is done by reducing the amount of investment that results in that risk or involving others in the risk.	It means trying to avoid activities that may lead to a risk.

## 1. Global economic volatility and financial crises

Not only is FIPCO affected by the local economy, but its operations and expansions extend to global economic conditions and are certainly affected by the global financial crises that emerge from time to time, which may force existing and potential FIPCO customers to reduce expenditure on FIPCO products and thus influence their profitability, especially since FIPCO has not a small proportion of external customers in various continents of the world, as well as the financial institutions with which FIPCO deals, may be affected, cannot be predicted by the time, strength or duration of any subsequent economic slowdown or recovery.



## 2. Regional Political and economic conditions

The region is experiencing some political volatility that extends to many of the countries with which FIPCO deals in addition to global conflicts and potential Harbys that overshadow energy markets, cash movements, exchange rate variability, and other variables of the world economy that may negatively affect access of some customers in those regions, thus affecting one of FIPCO's most important strategic objectives by targeting new markets and diversifying sources of income.

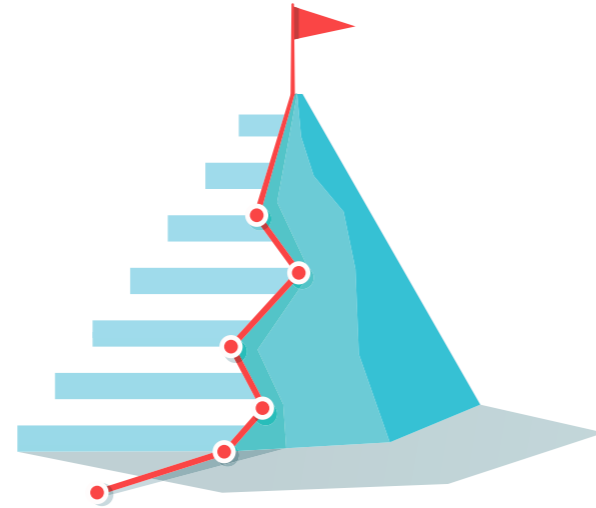
## 3. Saudi Arabia's economic performance

Despite the launch of Saudi Vision 2030, the Government of Saudi Arabia is adopting its new fiscal transformation program aimed at disengaging oil from Saudi Arabia's GDP and creating an economic environment that is not fully dependent on oil. However, any fluctuations in oil prices may directly overshadow the Kingdom's economy and all its sectors. In particular, the industrial sector relies heavily on raw materials from petrochemical or petrochemical derivatives that may affect the company's performance and key operations and may negatively affect the company's expectations and business results.



#### 4. Competitive environment

FIPCO's growth and maximization of its profit level are closely linked to its ability to compete and maintain its leadership position among other local, regional, and international companies without maintaining the quality and diversification of its products, but the competitive environment may prompt FIPCO to lower some of its prices to maintain its large customers and market share.



#### 5 - Key suppliers

Relying on one major supplier of raw materials used by the company to manufacture its products is one of the greatest risks that FIPCO pays special attention, especially as the main supplier directly affects the main activities of FIPCO if the supply is interrupted for any reason or the supplier refrains from any consideration as well as its exclusive entitlement to determine the price levels of raw materials. On the other hand, FIPCO does not have sufficient capacity to import such materials from the global market at higher prices due to customs, transportation, storage and other duties, as well as difficulty in obtaining the consent of the stakeholders to import a locally available product.

#### 6. Key Customers

Reliance on major customers to purchase large products from FIPCO is also one of the most important risks that FIPCO pays special attention to. To this end, FIPCO has always expanded its customer base and disappeared in the quality of goods sold, with a view to reducing reliance on key customers locally or internationally to avoid continuous changes in price levels and pressure on profit margins.



#### 7. Prices of energy products and raw materials

FIPCO's sales and profitability depend directly on two main components: energy product prices and raw material prices. In addition to fluctuating prices of raw materials according to global oil price volatility, FIPCO cannot predict, especially with differing government decisions according to global economic changes that may result in higher prices for energy products, with a lack of visibility that they could increase in the future, this is expected to be repeated in the future and FIPCO's performance depends in part on its ability to include these cost changes in product sales prices.



#### 8 - Stop operation and sudden disruption

FIPCO's workforce division system is in place to ensure that the plant continues to operate non-stop 24 hours a day, 7 days a week's operational efficiency, such as natural disasters, malfunctions in machines or computers, accidents involving critical personnel, electricity or water outages and heavy thundery rains, which can lead to increased costs and lower revenues and profits, FIPCO is unable to provide any assurance that its operations will not be disrupted, even though it has met all the standards of regular and continuous preventive maintenance.



## 9. FIPCO Enterprise Resource Planning (ERP)

All FIPCO departments rely mainly on computer systems to manage their assets and control their financial activities and records, as well as using the ERP Enterprise resource planning (in all its financial, administrative and operational operations, and therefore any disruption arising from this system or the non-renewal of employment permits or a dispute over its property or other rights will adversely affect the operations and smoothness of its operation, To avoid this, FIPCO ensures that the system is updated periodically and through a specialized consultant and a competent company is contracted to store all information as a backup



## 10 - Currency exchange rates and interest rates

In all its international imports and exports, FIPCO deals with currencies closely linked to Saudi Riyals such as the US dollar and the euro, any fluctuation between the value of the Saudi Riyal and any such aunts may have a negative impact on FIPCO's revenues and profits, and any negative shift in exchange rates in markets not dominated by the dollar can have a negative impact on the US dollar. Moreover, fluctuations in interest rates between Saudi banks (Saipur) in addition to global interest rate volatility and their impact on financial institutions that FIPCO may now or future deal with can increase borrowing costs and have a negative impact on the results of operations.



## 11. Insurance Coverage

Although FIPCO has a number of insurance coverage associated with its manufacturing work, these policies or documents may not provide full insurance against all potential risks related to its business as a result of changing market conditions, and insurance premiums and tolerance ratios in some insurance policies can in some cases increase significantly. This could result in a significant increase in operational costs, thereby reducing its profitability.

## 12. Human resources

High labor wages are one of the most significant risks facing FIPCO, because the nature of the industry in FIPCO depends on the hands Hence, FIPCO has undertaken several initiatives to reduce the dropout of employment, which has contributed significantly to reducing its risk to the workforce. FIPCO's most important initiatives include improving the working environment of the human cadre as well as increasing wages and incentives, as well as automating some production lines to reduce dependence on the human factor.



## 13 - Legislative and regulatory environment

FIPCO operates in a dynamic legislative environment as FIPCO is subject to the regulations and laws in force in Saudi Arabia and these laws and regulations may be subject to change which may have a negative or positive impact on FIPCO's work, FIPCO may also modify its products or processes to bring its activity into line with any future changes in such legislation and laws. and to minimize the negative effects of any such changes where they exist, FIPCO is constantly engaged in any infringements of the regulations in force locally or in any of the countries to which its activity extends. and then examine the impact of such infringements on the scope of its work and then take all necessary measures to minimize their effects or attempt to employ them to the benefit of its work.







#### 14- Labour laws and regulations

Legislation in the Kingdom of Saudi Arabia requires compliance with the achievement of a rate of satisfaction for jobs in companies without a program of ranges that requires a proportion of Saudi employees out of total employees. FIPCO has achieved the required percentage. It also continues to strive for the return of a number of administrative jobs in conjunction with its expansion plan that requires many employment in its various departments.

While FIPCO believes in Saudi Arabia's importance as a national development requirement, it faces difficulties and challenges owing to the nature of its industrial activity, the inadequacy of its work for citizens seeking employment and its dependence mainly on migrant workers, which makes it difficult to achieve Saudi and settlement ratios, and the associated risks continue, especially with high labor and employment costs.

#### 15- Environmental, safety, and occupational health

From FIPCO's pursuit of the highest occupational security, toxic and health rates, FIPCO has undertaken to adopt stricter standards to provide preventive safety requirements. s business «, which raises its costs and may have a negative impact on its business results and financial position, FIPCO's business and financial position may also be adversely affected in the event of material loss or damage that may result from handling hazardous and toxic substances or accidents during production processes that are not covered by insurance policies or caused by accidents not covered by insurance policies. The preservation of the health and toxicity of its staff and human resources is therefore one of its most important strategic priorities, and all its facilities are subject to domestic and international toxic standards.

#### 16. Financial results of the subsidiary (FPC Industrial Company)

FIPCO owns 100% of its subsidiary company (FPC Industrial Company) The project is fully funded through a combination of self-financing and industrial fund funding as well as bank facilities, Commercial operations were started in the second quarter of 2019, gradually until the full production capacity was reached. Therefore, any disruption of this project, inability to enter the market for the company's products, or a halt to production for any reason, will result in the burden of financial and investment losses for FIPCO.

Considering that the company is growing steadily and improving production capacity and quality levels s Republic of Korea «, however, the risk persists and needs to be placed at the top of the priorities.

#### 17. Risks associated with disease outbreaks

In general, outbreaks of infectious diseases, a similar public health threat, or fear of such events may have a fundamental negative impact on the company's business and financial situation. A new type of coronavirus has been discovered. (This disease has spread in most countries of the world, leading many countries, including Saudi Arabia, to take multiple measures to curb the spread of the virus, including temporary restrictions such as travel bans and curfews. The magnitude of the impact of the coronavirus on the company's business depends on the evolution of current events and new information that may emerge regarding the seriousness of the virus and the procedures necessary to contain or redress its impact. If the virus outbreak increases, restrictions continue or new restrictions that limit the company's business, suppliers and customers will have a substantial negative impact on the company's business, financial situation, results of operations and future growth. In the meantime, FIPCO has put in place precautionary measures that can be used in the event of similar future threats.



#### 18- Conflict and Harby risks

Undoubtedly, conflicts and Harbys have serious repercussions on the world's economic situation. And since we are part of this world, there must be a focus on feedback and alternative plans to reduce potential risks, especially the complex problems of supply chains, sharp fluctuations in shipping trends, record highs in freight rates and inflation rates, which will lead FIPCO to further aggravated procedures and to activate the principles of prudence and caution in all its dealings with all stakeholders.

Sustainability is of great importance at the global and global levels, which in turn motivates FIPCO to continue its work and support its future plans with the same passion and vitality.

Sustainability in FIPCO has become an integral part of the company's culture and has become a major driver of decision-making within FIPCO

## How FIPCO Looks at Sustainability

FIPCO's sustainability strategy is subject to periodic review to ensure its continued effectiveness to enhance the positive impact in environmental and socio-economic aspects, especially that FIPCO and its subsidiary have begun to adopt new mechanisms in the industry to keep pace with the fourth industrial revolution by adding new areas to its strategy. «Digitization» or its operational operations, taking advantage of the programs and initiatives launched by the State to keep pace with the Vision 2030, where FIPCO announced on the Saudi market website «Tadawul» on February 4, 2020 on signing an agreement with the Saudi Authority for Industrial Cities and Technical Zones (Cities) to support the industrial transformation plan within the initiative of the national productivity program after passing the controls and standards developed by cities in partnership with the Saudi Industrial Development Fund and King Abdul Aziz City for Science and Technology to enter the program. The program's initiatives aimed at empowering industry and enhancing national productivity have been advanced through the submission of studies and transformation plans through a global technical partner, placing FIPCO in the ranks of national companies contributing to the creation of an industrial environment and sustainable development.

FIPCO and its subsidiary are therefore pursuing their efforts to maximize the benefits of the program's outputs, which FIPCO believes will have future positive repercussions that reduce industrial costs, mainly by reducing energy costs, reducing high numbers of employment, improving product quality levels and detecting and addressing errors, as they are the most significant challenges facing FIPCO today.

High employment numbers of more than 1,000 workers depending on the nature of the industry in FIPCO, which carries an estimated annual salary of SAR 38 million, in addition to the electricity cost of approximately SAR 7 million per year

FIPCO has always adhered to environmental standards and environmental, health, safety and security requirements in accordance with its value, purposes, objectives, policy and annual key performance indicators. Since 2019, FIPCO has successfully passed biodegradable plastics tests for a number of its products at the Saudi Authority for Standards and Metrics, and has obtained the official license to do so.

These certificates are renewed annually, and the affiliate's products have been successful.

FIPCO has always adhered to environmental standards and environmental, health, safety and security requirements in accordance with its value, purposes, objectives, policy and annual key performance indicators. Since 2019, FIPCO has successfully passed biodegradable plastics tests for a number of its products at the Saudi Authority for Standards and Metrics, and has obtained the official license to do so.

These certificates are renewed annually. The subsidiary's products have also succeeded in passing the tests of the global research centers for the relevance of products to the environmental and health considerations applicable globally, thus expanding the export prospects of the company's products. The subsidiary recently obtained the Saudi Quality Certificate as the first factory to receive the Saudi Quality Certificate in the field of technical tissue for 9 of the company's main products and efforts are being pursued with legislative bodies to raise the quality of products in domestic markets and to commit to introduce

new environmental, health and preventive items that serve public health and support the Kingdom's directions to Harbyds sustainable development.

Over the past two years, FIPCO has made tangible developments in the areas of environment, health, toxic and security, including improving toxic actions and sustainable environmental performance, increasing a Harbyeness of employees' health and product sustainability and promoting a toxic culture, which will be discussed in detail in the coming lines.

The company continues to decline the rate of serious accidents in its locations to reach the zero rate of such accidents

FIPCO's strategic business units and its subsidiary have achieved an accident rate of less than (one) in accordance with the standards of the United States Department of Safety, Health and Occupational), which is a very strong industrial performance, and the Environment, Health and Safety and Security teams have provided extensive support to build organizational capacity and promote a strong culture of environment, health, safety and security.

FIPCO's efforts are combined with some private sector companies and R&D to develop eco-friendly credential and plastic products that are used as supporting tools in many industries. During 2022, FIPCO has already collaborated with oil demand sustainability program «OSP» and a number of cement companies to develop studies to implement the program to convert cement packaging bags from paper to plastic. s Development «, taking into account that targeted bags have qualitative characteristics that reduce cost, support sustainability and mitigate reliance on paper and paper derivatives and are manufactured from natural materials that have environmental implications.



In addition, since the promotion of local content is a key pillar for the realization of Vision 2030, FIPCO has started working with the Local Content and Government Procurement Authority to lay the foundations for measuring the local content of the company in line with the Kingdom's vision. The company achieved a very advanced level in the Local Content Measurement Index after the audit of its file submitted by one of the licensed entities by the Authority and the Authority officially approved its classification in early 2020, and this approval was reviewed and obtained a higher percentage in mid-year 2021. The ratio continued to increase during 2022, and the company has even begun to develop the subsidiary's local content ratio and aims to work on additional programmes to raise current ratios.

Last but not least, FIPCO believes that leadership in sustainability at the local, regional and global levels requires optimal guidance of the company's resources by placing sustainability as a key objective in the company's senior strategy, which is embraced by the Board of Directors

## FIPCO Sustainable Development Programs

### • Solar Energy (Alternative)

Solar energy is one of the most important alternative sources of energy to reduce the use of electric energy used in production processes. FIPCO has therefore been working to operationalize the use of solar panels in its plants not only to reduce expenditures but also to activate clean energy initiatives in line with the achievement of FIPCO sustainability goals and the provision of durable solutions based on natural sources of energy and in line with the Kingdom's Vision 2030. As a result of its pioneering role, FIPCO has begun to reap the fruits of the savings achieved as a result of the installation of solar cell units. It is expected that the return on investment will return in about seven years since the project was launched.

Due to the latest technology and the latest technologies related to solar energy, FIPCO has seen its project structured in several stages to benefit from price reductions and keep pace with modern technologies. FIPCO had fully completed the installation of solar cell units with a capacity of 0.5 MW (500 kWh) As the first phase of the three-phase integrated project with the aim of completing the second phase, which is expected to cover the bulk of the plant's current consumption and which ultimately ensures that FIPCO's energy consumption is provided by solar cells, This will have a positive impact on FIPCO's production costs over the coming years, ensuring leadership, raising profitability and contributing to sustainable development. At another level, FIPCO is studying one of the other self-generating projects from sources other than solar panels, but the project is still under study and rationing with relevant government agencies.



### • Investing in Technical Architecture & Cybersecurity

Recognizing the importance of technology and its role in the advancement of the company, its strong and remarkable impact on cost reduction, business facilitation, investor confidence and a secure electronic environment that ensures the realization of FIPCO's recent digital transformation programs and electronic transactions within the mechanisms of achieving its ambitious strategy and alignment with Vision 2030. To this end, FIPCO has enhanced its investment in its inspection structure through

- policy building for upgrading key servers, network hardware and technical support. - Improving the infrastructure of systems and applications.
- Design the Scher Point interface to manage and enable the team to quickly find files and cooperate seamlessly via the internal FIPCO portal.
- Upgrade and update all computers and operating systems of employees in different departments.
- Implementation of best practices for the special storage system for all servers and systems used.
- Automate the human resources management system, quality control programs and point of sale programs and integrate all those applications with the company's resource management system. - Implementation of basic cybersecurity controls and auditing of such practices from an accredited audit office



### • Current Machine Re-engineering

This is done by modifying working methods to reduce energy consumption and increase machinery efficiency, as well as introducing some engineering modifications and automating certain processes to reduce reliance on the human element, thereby reflecting on the quality of products and production processes to Harbyds the optimal goal of reducing cost and meeting customers' requirements with a high degree of professionalism

FIPCO has also been implementing ambitious plans since 2021 and continued in 2022 to target the purchase of new machines with modern technologies. It features nanotechnology to ventilate bags during the packing process as well as features that will enable the user to easily open the bag in order to facilitate the business, In addition to a number of sewing machines with advanced properties, shearing and cutting machines, innovative tools, intermediate production machines used at different stages of the manufacturing cycle and others, which will give FIPCO a competitive advantage over its most prominent competitors, As the new machines are able to manufacture new products at lower cost and at lower prices in addition to their superior ability to raise production capacity, improve quality and create the flexibility necessary to develop products and provide creative solutions according to the needs of the domestic and global market.

FIPCO continues to study technical developments related to the textile industry by investing in new machinery that will expand the manufacture of certain products to meet the growing domestic and global demand for them, increase their production capacity of various products, improve product characteristics, provide solutions and raise quality levels as well as attracting advanced pieces and machines that will reduce the time of change between production orders, reduce the proportion of deceased and increase production.

On the other hand, FIPCO aims to implement digital transformation initiatives and adopt proposed creative solutions

which came from previous years of research and analysis with global technical partners within

National Industry Development and Logistics Program (NDLP), where FIPCO has already been selected as a part

From this program after passing all the conditions, controls and standards established by the relevant government agencies.



### • Strengthen FIPCO's relations with major machine manufacturers and suppliers of materials used in bag production

Despite the repercussions of the coronavirus, the restrictions on freedom of travel and movement and the limited holding of meetings, research conferences and workshops in which FIPCO is always keen to participate and this has continued over the past two years, but this has not prevented FIPCO and its subsidiary from further developing its relations with its existing partners and establishing new relations with potential partners at all technical, logistical and strategic levels, For the purpose of keeping up to date with the developments of good manufacturing in the field of packaging and introducing modern technologies to Harbyds the production equation that achieves growth and continuity of production processes based on lower energy and higher quality rates according to market requirements s competitive position locally, regionally and globally, FIPCO also strengthened its partnership with the suppliers of materials used in the bag industry to achieve total quality and develop additives and enhancements that give FIPCO preference over other competitors by introducing qualitative specifications on its products that serve all customer areas

### . Integrate with sister companies and activate the utilization of affiliate products in Develop products and provide solutions

FIPCO was able to invest in the output of the production process in the sister company (VIC Industry) to be remanufactured in the form of finished products serving different segments of existing customers, attracting new customers for both companies and addressing new doors in the fields of manufacturing s products locally and globally, and the R&D team of both companies continues to work alongside the sales and marketing team in a harmonious effort to formulate a common strategy that ensures market penetration in the interests of FIPCO and benefits all its stakeholders.

As a result of these efforts, a number of products have been developed that serve new sectors and target a different customer network. Among these fledgling products are food preservation bags used in delivery applications, furniture tools and finished products that serve the tour supplies sector and other products that increase the company's market value, diversification of its sources of income and expansion of its customer base. FIPCO and its subsidiary have recently begun expanding their participation in exhibitions and events that serve both companies' aspirations, and work will continue to attract investments of mutual interest to achieve sustained growth rates in both companies

## Human capital

Since its founding, FIPCO has recognized the importance of the human element in its progress, recognizing that success undoubtedly depends on attention to this vital element. It therefore attaches the utmost importance to it through human resources management. which recognizes the importance of its role in creating a healthy and successful work environment, It helps the employee to create a career and enhances his production capacity to contribute to the continuation of the company's successes. They are keen to meet all the basic needs of the employee, in addition to ensuring the health and safety conditions.

FIPCO always seeks to create a working environment that gives an employee the ability to participate in the decision-making and to participate in the mapping of their objectives, to conform to the company's overall objectives, to create an environment for them, to stimulate them for any special work they do, and to help them to highlight their achievements as an important part of the system. FIPCO's vision for their human capital is:



### • Investing in human capital

Manpower is one of the most important challenges facing the Department of Operations and Operations in the past years. The frequency of these challenges has risen in the light of the coronavirus fallout and its mutations in recent years and restrictions on freedom of travel and movement. However, FIPCO has reviewed the situation of manpower in all production departments, investing in it, increasing skills and training, and attracting national competencies and cadres from the country's sons and girls. self-administered training programs, Ensuring the redistribution of labor and reducing their cost while keeping machines running 24/ 7

It should be noted that the Department of Operations has adopted a balanced policy of introducing new employment in line with the number of production requests s vision of increasing production capacity for a number of products with increased demand, A staff incentive system has also been launched and linked to key performance measurement indicators to reduce the number of manpower and make the most of the current human cadre. initiative «, a re Harbyd for managerial excellence has also been introduced to motivate competent and experienced people or those who offer initiatives that contribute to the productive process and are reflected in the efficiency of outputs (KPIs).

### • Creating National Competencies

Our firm belief that the private sector is a successful partner and complement to the public sector, FIPCO has contributed to the creation of national cadres and competencies through its partnerships with the Human Resources Development Fund (Objective) Higher Institute of Industries for Plastics to train national competencies for a diploma and an ambitious career path plan to upgrade these competencies for leadership positions In addition to raising the quality of their job performance through information that helps them achieve their goals and those of the company, Contributing to the development of their skills and abilities, together with the positive impact on behaviour and attitudes by acquiring ideas that contribute to changing one's behaviour for the better in its practical aspects, This benefits his abilities and skills in many situations, whether technical, intellectual or behavioural.

FIPCO also continued to work with its strategic partners to activate the training programs ending in employment and to urge the countrymen to knock on the doors of the industrial fields at all stages.



• **Optimal efficiency**

FIPCO continued to strive to raise the level of efficiency and quality through the efforts of human resources management according to many plans in order to raise the quality of internal work by developing the system of goals and performance evaluation. Restructuring, management integration, and enhancing efficiency that contributes to the achievement of the company's objectives.

FIPCO is also keen to develop programmes to receive new employees and upgrade their professionalism before they join the team, and enable them to obtain all the tools assigned to

Success in both practical and personal areas. In 2020, the Human Resources Department was able to develop the payroll scheduling system through the company's resource management system, which was launched in early 2021 to include all the company's employees. They have made some improvements to it through the development of a functional sequence that includes

Clear functional grades associated with basic and exceptional advantages. The Department has also increased and updated all of the company's job descriptions, used new custom models, worked to develop behavioural efficiency systems, technical efficiency and is developing an integrated programme of performance measurement indicators that is easy to apply, supports the company's development goals and helps employees achieve their career goals.



• **Healthy working environment**

Fipco recognizes the need to provide a healthy and attractive work environment to create a sense of happiness and comfort for employees, and to enhance their desire to come to the company with passion. This automatically invites them to work hard, dedicated and harmonious and contributes to harnessing their competencies and experiences to advance the company and achieve its goals and mission in the fullest way, which will positively reflect the public interest of the work. It contributes to the sustainability of excellence and excellence in all sectors and areas...

The company is keen to provide services and high benefits to its employees, as well as to provide needs

Personal and practical developments and preventive measures accompanying the coronavirus fallout in all of the company's facilities or employment accommodation based on its responsibility to Harbyds its human capital and in line with the health instructions issued by the relevant authorities. To this end, the Security and Safety Section has been restructured into the subdivisions of the Department of Human Resources and has made a number of concrete achievements since 2021.

which continued during the 2022 year and will be discussed in separate detail from this report.

### • Women's empowerment

Saudi women have shown remarkable and tangible superiority in their various experiences scientific and practical «, and was able to place it at the top. As such, FIPCO has been denied an important place in its system of success, and to be a key partner involved in decision-making, the formulation of messages and objectives, and the system's support in reaching all its aspirations. In 2021, FIPCO continued to increase women's empowerment in 2022. in which it was able to increase the number of female Saudi female employees in the production departments and hire them for new production tasks that are not limited to the usual sewing work, It has even extended to work on machinery, production lines and others, as well as attracting management competencies in other company departments, Saudi female workers constitute 50% of FIPCO's total Saudi employees.

FIPCO believes that its role in the empowerment of women is a reflection of the Government of the Kingdom's good interest in it and its future, and its desire to ensure that women have space in all spheres and locations by establishing laws and regulations that guarantee their rights to their choices in education and employment. FIPCO is therefore keen to be one of the leading companies in creating practical opportunities that fit the aspirations of Saudi women and that support them and help them invest their outstanding energies in line with the Kingdom's Vision 2030.



### • Empowerment of persons with disabilities

Because of our belief in the importance of integrating persons with disabilities into the working environment and the need to develop the workplace to be suitable for them so as to help them settle down to work, FIPCO has worked to integrate employees with disabilities into the company and the consolidation of the principle of supporting the work and employment of people of determination in our culture, This initiative aims to create opportunities for them and to support our society by increasing their employment rate We have implemented all the criteria of the harmonization programme for developing the working environment for people of determination, including the people of FIPCO and its affiliate to obtain a two-year silver category alignment certificate from the Ministry of Human Resources and Social Development as a supporting work environment for people of determination since 2021 and continued through 2022.



# Occupational Safety, Health and Environment (HSE)



Based on FIPCO's interest in providing a healthy and attractive work environment for all its employees, FIPCO has established a robust and robust system that operates on a systematic and scientific basis in line with the instructions of the competent authorities in this regard. The actions undertaken include:

## 1. Enhancing safety and protection levels through the following:

Contracting with Civil Defense accredited companies to add early Harbyning system devices and firefighting tools according to the requirements and requirements within the factories of fire boxes and fire extinguishers and provide emergency exits with its complete equipment and fire resistance). Home. Provide foam protection system for chemical storage areas. Adopt emergency evacuation safety schemes.

Add early Harbyning systems and automatic extinguishers in transformer rooms and electricity plates

Provide automated spraying system for the entire factory and ensure 100% coverage of all production areas

Contracting with a company that provides preventive maintenance of early Harbyning devices, fire fighting and wastes to ensure their effectiveness permanently.

Conduct simulation work in an emergency situation, evacuate the facility and submit the report after follow-up to the evacuation method, identify weaknesses and provide tools to upgrade the facility's emergency readiness

## 2 - Provide occupational health by:

The provision of translated publications in a number of languages that enhance staff members' activity, sensitize them to their physical and psychological health and motivate them to exercise.

01

To report and analyse injuries and to find appropriate solutions to prevent their recurrence.

02

Provide detergents and sanitizers approved by the General Food and Drug Authority and develop leaflets to explain their use.

03

Provide a clinic for the presence of a doctor on a daily basis who receives employees who suffer from any illnesses and follow up their condition and provide medicines to give attention to the employees of the company. We also offer workshops to sensitize employees on how they work and do it in the right way.

04

Provision of first aid boxes in all areas and departments of the company under the supervision of trained persons from within the departments.

05

Provide the necessary safety tools for each section according to the working method according to the risk determination schedule.

06

Develop accessible safety policies and procedures and translate them into Arabic, English and Urdu).

07



### 3 - Adopt best practices to Harbyds environmental commitment as follows:

- The company has contracted an accredited advisory office with the Meteorological and Environmental Protection Authority to undertake an environmental impact study of the company's production operations and its subsidiary and take action required in accordance with the proposed recommendations.
- Contracting with an accredited office that makes environmental measurements to determine periodically the level of audio, air and water contaminants.
- To contract with a company accredited with the Meteorological and Environmental Protection Authority for waste disposal by
- Requirements and Legislation Chemical Waste, Industrial Waste and General Waste) and dispose of them in proper and correct ways that conform to the Commission's requirements.
- Provide appropriate ventilation within all the company's facilities, especially production areas, by providing Ventilation fans, central air conditioners and air purifiers Obtaining a certificate of environmental conformity from the National Centre for Environmental Commitment.
- Successful experiments with the measurement of chemicals in water used in all of the company's facilities and its subsidiary and take the necessary steps to keep it within the permissible thresholds.

### 4 -Periodic screening by risk classification through the preparation of daily screening forms to verify the following:

- Clean up places and areas of production and make sure there are no obstacles to fire fighting devices and ensure ventilation and lighting and no corridors of escape from any obstacles.
- Chemical storage and handling method.
- Fire pumps room and pump test to make sure they are effective weekly.
- Follow up water pressure inside the fire control system on a daily basis.
- Test fire extinguishers and make sure they work when necessary monthly.



### 5 - Development initiatives:

- Review and update policies and procedures annually to comply with compliance with all regulations and legislation promulgated by the relevant regulatory authorities.
- Preparation and updating of the risk register for industrial operations and associated activities and finding solutions to identify and reduce the risk rate as much as possible. Annual re-examination and identification of risks for the entire register and follow-up and periodic reassessment of high-risk books.
- Periodic meetings to discuss new notes and developments
- Staff safety and appropriate solutions through a problem committee for this purpose
- Called the Occupational Safety, Health and Environment Committee where departmental supervisors participate
- Production to raise problems related to operations within the factory and discuss injuries and find solutions to reduce their frequency. Implementation of a proposal to replace liquefied gas with natural gas to reduce the risk of reservoirs containing.
- Spread the culture of occupational safety among employees.
- On fast working materials in large quantities and producing environmentally damaging materials, it has been completed
- The project according to the required requirements and followed in the Kingdom of Saudi Arabia. Train staff in the use of fire extinguishers and water cannons and sensitize them to the types of fires and the correct ways to extinguish them.



## FIPCO Social Responsibility (CSR)

Based on its keenness to achieve ethical goals, and recognizing that investing in the visible society will benefit all, FIPCO believes as a responsible national company since its inception that the company's growth and development depends not only on its financial position CSRO but also on its ability to contribute to society. To this end, FIPCO is keen to play its role to Harbyds society by:



- Provides a competitive and attractive work environment and stimulates development and creativity initiatives and entrenches quality concepts.
- Improved working environment to attract employees with disabilities and has obtained certificates harmonized by the Ministry of Human Resources.
- Continuously communicates with its clients and strategic partners internally and externally to ensure sustainable trust, interaction and partnership and listens carefully to their views and suggestions to develop products and enhance the mental image.
- Sustainability initiatives in collaboration with a number of ministries support government and parastatal bodies concerned with environmental dimensions, vision initiatives and national transformation programmes.
- It plays its part to Harbyds the environment by relying on raw materials that have no environmental damage. It also carries out some recycling work and reduces the consumption of natural resources in order to preserve the environment, as well as adopting high standards of security, safety and occupational health. Invest in recycling mechanisms and decimate chemicals and develop new products of recycled materials.
- Assigns some work to charities rather than contracting with businesses for mutual benefit.
- A great deal of attention is paid to the Saudi women's component, which relies on them for some of the tasks of the administrative and productive process. The women's component constitutes ٪50 of the total Saudi labour force and diversifies their benefits at all levels of technical, productive and administrative. During 2022, more Saudi female employees were recruited for professional positions in a number of parts of the production company.
- Concludes agreements and supports initiatives with industrial and training agencies to develop human resources, and works in harmony with government agencies and large companies to adopt training initiatives ending in employment and other programs that contribute to the happiness of the industrial sector.
- Supporting scientific research programs and joint development initiatives with a number of Saudi universities and research centers in the Kingdom. Recently, early 2023, a memorandum of understanding was signed with Imam Mohammed bin Saud Islamic University



## Joining the «Made in Saudi Arabia» program



FIPCO Packaging Materials Manufacturer and subsidiary FIPEC Industry Company were honored to join the «Made in Saudi Arabia» program after applying and completing the program.

All accession requirements. The «Made in Saudi Arabia» programme is also a national initiative launched by the Saudi Export Development Authority as part of the National Industry Development and Logistics Programme and aims to stimulate national industries, encourage consumers to buy domestic goods and develop and promote the Kingdom's exports to world markets, It serves as an opportunity to celebrate technical innovations and creative talents and reflects the Kingdom's ambitious vision for the national economy Programme of Action «, which contributes to enhancing cooperation among participating manufacturers and thereby advancing the national economy. The Manufacturing Program in Saudi Arabia is committed to building a unified industrial brand with the aim of providing promising opportunities for companies, expanding their business and promoting their products, so that Saudi commodities are the preferred choice locally and globally. The program works to build a cooperative society for member companies to be the focus of its attention by providing them with the necessary support from the public and private sectors. The use of the slogan «Made in Saudi Arabia on the products of Saudi companies also enhances the image of the Kingdom in the world.

## Advantages and incentives to join the «Made in Saudi Arabia» programme

Through the Made in Saudi Arabia program, national businesses can benefit from marketing, joint cooperation, and related events, as well as support services and many benefits

Most notably -

- Promote the name of the company on the site of the program and the directory of companies that will be established shortly.
- The company's use of the logo of the program «Made in Saudi Arabia» on the company's products and in means
- Social communication.
- Communicate with many government sector entities through the program.
- Learn more by sharing knowledge through services and better by government partners
- and private sector experts.
- Strengthen your relationship with the program's public and private partners through the program.
- Participating in training workshops and obtaining special consultations in quality certificates, entering global markets, developing local content or other skills provided by the program.
- and many other features and hooks offered by government agencies; It should also be noted that membership is permanent and free of charge, but must be followed up on the fulfilment of all the requirements and requests to be asked by the agency by the program



## Outlook in line with Saudi Vision 2030

Saudi Vision 2030 is Saudi Arabia's post-oil plan announced on April 25, 2016, and is based on three main axes: Arab-Islamic Depth. The leading investment force, the axis of connecting the three continents, is being implemented progressively through several factors initiated by the Kingdom of Saudi Arabia to announce the national transformation programme approved by the Council of Ministers on June 7, 2016, and the subsequent modifications and launching of accompanying development programmes in all sectors.

Supports the aforementioned axes. To achieve a prosperous economy, Saudi Arabia's vision is to «raise the proportion of non-oil exports from at least 16 to 50% of the gross non-oil domestic product.» The Kingdom's ranking in the Logistics Services Performance Index is 49th to 25th in the world and No. 1 regionally and mining in the Kingdom.

One of the main points of Saudi Arabia's ambitious plan is to increase the private sector's contribution to GDP from 3.8% today to 5.77%, increase women's participation in the labour market from 22 to 30 and reduce unemployment among Saudis from 11.6 to 7. With regard to manufacturing industries, the Kingdom has started its large industrial project, which aims to shift from an importer of manufactured materials and consumer end products to manufacture and production locally through the exploitation of the wealth of raw materials, thus opening up the prospects for huge investments in the manufacturing sector estimated at 200 billion riyals and providing nearly 100 thousand jobs. As an extension of the above, under the direction of the Kingdom's strategic policies to support its economy by relying on non-oil means and focusing on supporting industry, opening up the way to encourage exports and developing ways of employing the vast wealth of raw materials locally for the development of manufacturing industries.

to diversify its final and consumer products, halt its import and provide self-sufficiency Giving Saudi factories the opportunity to export surplus, all these ingredients support FIPCO activity The continued growth of its business, which is viewed by FIPCO, is optimistic and is working hard to invest that



Ingredients for leadership and sustainable development. FIPCO strives to provide tangible social and economic benefits by adding value to the national economy through business revenue, social consultation, job creation and improved environmental a Harbyeness, especially since most of FIPCO's major operations are in line with the goals of Vision 2030 by being environmentally friendly and generating revenue from external exports.

They are key factors in the financial transformation programme. As for FIPCO's future plans, we plan to effectively expand the manufacture and marketing of its products inside and outside Saudi Arabia despite domestic and external competitions. We affirm our determination to continue to develop and grow by diversifying our products and launching new manufacturing production lines, which we believe the market is still hungry for such projects In addition to targeting the manufacture of products that are not available on the domestic market and whose users depend on import greatly in line with the achievement of our profitable objectives to maximize the return on investment for FIPCO shareholders and our role in supporting the Kingdom's vision plans and programmes, To that end, our new project was launched with the establishment of FPIC Industry to enter into the manufacture of new products in the field of manufacturing The new project has been highlighted in all its details in section III of the present report.

FIPCO also seeks to engage in value-added partnerships in manufacturing. FIPCO and its new affiliate also intend to expand their participation in local and international exhibitions and forums to maximize our brands and open local, regional and international investment windows. At the technical and technical level, FIPCO aims to rely on technology developments in the production process to reduce technical and professional errors and to reduce dependence on human workers at all stages of manufacturing. To that end, we visit the world's number and machinery exhibitions to learn about the technical and technical developments that can be used in our factories, Plans for such visits have been affected by the current coronavirus restrictions. With regard to FIPCO sales, for the purpose of continuing to increase current growth rates and alleviating profit-margin pressures, we are implementing a number of initiatives and means to maintain effective growth rates by diversifying income sources and targeting new products with high profit margins. undertake further market studies and research to improve product quality and reduce the proportions of raw materials used in manufacturing, low waste and recycling.

FIPCO is fully a Harbye that achieving these goals depends on a strong and qualified team, so it continues to invest in human capital and attract qualified human cadres to provide the best Value for its customers and investors. We are committed to supporting growth and development plans benefiting from existing national economic transformations Looking for Harbyd to a promising future as one of the most important national manufacturing companies.

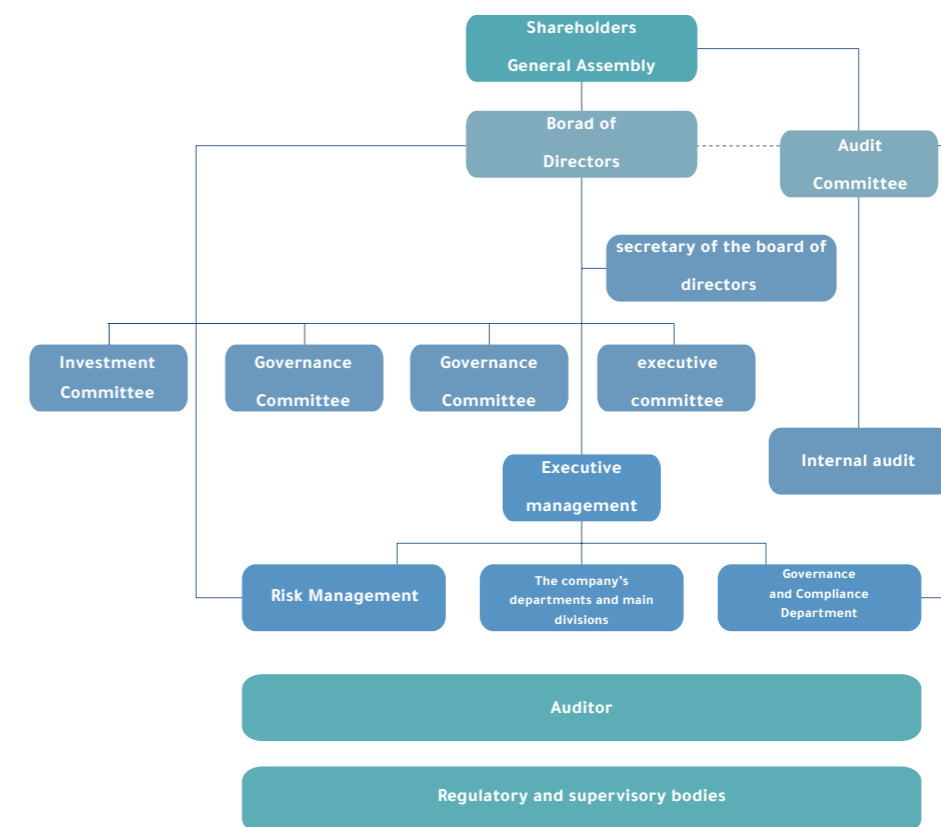
## Governance in FIPCO

### First: FIPCO's philosophy to Harbyds governance

corporate governance system is defined as the optimal system through which a company is guided and controlled «. The governance structure determines the division of powers and responsibilities among the company's various participants; Such as board members, directors, shareholders and other parties, and clarify the rules and procedures relating to decision-making in relation to all company affairs.

Therefore, FIPCO firmly believes that full compliance with effective governance systems and adherence to good governance, financial and non-financial reporting standards is the necessary firewall to overcome many potential risks, whether internal or external, while establishing a clear mechanism for separating functions between the board and the company's executive management to facilitate company matters, monitor attractive investment opportunities and accelerate decision-making. To this end, FIPCO has always taken care to adopt governance practices and standards in a manner that ensures the institutionalization of the governance system, Therefore, FIPCO has made great efforts in consolidating some of its business principles and policies to make governance a culture rather than an obligation by establishing the principles of transparency, disclosure, justice and the preservation of rights for all stakeholders and this trend has also been extended to VIC Industry.

### Second: FIPCO Governance Structure



### Third: The historical development of governance in FIPCO

#### 2006

The CMA issued its first corporate governance code and was not binding on companies included in the execution but binding on disclosure.

#### 2008

FIPCO issued its governance rules for the first time on January 23, 2008

#### 2009

The Capital Market Authority (CMA) made a number of amendments during the period from 2009 to 2012 which include the obligation of certain articles of the governance code relating to shareholders' rights, internal control regulations and the formation of the Council and committees

#### 2013

FIPCO reflected those amendments to its governance regulation and reintroduced the governance regulation through the twenty-fourth ordinary general assembly held on April 21

#### 2015

The new corporate regulations of the Ministry of Commerce and Industry were promulgated during 2015 by Royal Decree No. M/3 of 28/01/1437H

#### 2017

The Capital Market Authority issued the updated Corporate Governance Regulation to reflect the variables of 2017 in April the corporate system while updating and developing the most comprehensive doors and articles of the regulation in line with international best practices

#### 2017

FIPCO has updated the general framework of its governance rules in line with systemic changes with the introduction of 12 policies that enhance governance practices and the effectiveness of the Board of Directors. All of them were approved by the Board of Directors on November 2017, 05. Some of these policies were lifted to the General Assembly and adopted on December 2017, 12.

#### 2021

The Capital Market Authority issued some amendments to the Regulations on 14 January 2021 and the Company is considering these amendments and will amend its policies to reflect the relevant changes.

#### 2022

The new Companies Regulation was issued by the Ministry of Commerce and then the Capital Market Authority issued the Executive Regulations of the Private Companies Regulation of Listed Shareholding Companies, followed in early 2023 by issuing updates to the Corporate Governance Regulation and other regulations reflecting the variables of the new Companies System

### Forth: Functions of the Board Of Directors

The Board's main responsibilities are to guide the company to its long-term interests. The Board of Directors is also responsible for issuing clear directives to the executive management of the company and determining the criteria within which it operates, including setting the clear vision and strategy, identifying the powers delegated to the executive management and establishing the policies and standards within which the department is permitted to operate.

This is achieved through:

- Develop, review and update a company's comprehensive strategy, business master plans and policy risk management.
- Determine the most appropriate capital structure for the company, approve its annual budgets, supervise capital expenditures and own and dispose of assets.
- Identify the objectives of the business to be achieved and supervise its implementation and follow up the overall performance of the company in general.
- Periodic review and approval of the company's organizational and functional structures. Establishing and supervising rules for internal control systems.
- Develop a written policy regulating conflicts of interest and addressing any potential inconsistencies of both board members, executive management and shareholders, including misuse of the company's assets and facilities and misconduct resulting from the transactions of the parties involved.
- Ensure the integrity of financial and accounting procedures, including those related to the preparation of financial reports.
- Ensure that appropriate risk management control procedures are applied by predicting and transparently disclosing risks that the company may face.
- Annual review of the effectiveness of internal control systems.
- Formulate the governance system and rules in the company in a manner that is not inconsistent with the provisions and provisions of the regulations in force and monitor the effectiveness of these rules in general and amend them where necessary.
- Develop a written policy regulating the relationship with the parties involved in order to protect the rights of all parties.
- Develop professional ethics for the company's managers and employees in conformity with sound professional and ethical standards.
- Develop policies and procedures that ensure the company's respect for regulations and regulations and the company's obligation to disclose material information to shareholders, creditors and other parties.
- Preparation of financial statements and annual report on the company's activities and financial position for the expired fiscal year, including the proposed method of payment of dividends.
- Developing and implementing policies, standards and procedures for the membership of the Board Of Directors after their approval by the General Assembly.
- Recommend to the General Assembly of shareholders the appointment, dismissal and fee of auditors.

## Fifth: Composition of the Board Of Directors and classification of its members

Article 17 of the Company's Statute provides that FIPCO shall be administered by a Board of Directors composed of five members appointed through the Regular General Assembly for a period not exceeding three years. This is as follows:

	Members Name	Position	Membership Status
1	Ahmed Abdul Latif Al-Barak	Chairman of the Board of Directors	Non-executive
2	Faisal Mohammed Al-Harbi	Vice Chairman and Managing Director	Executive
3	Hathal Safar Al-Otaibi	Member of the Board of Directors	Independent
4	Nimr Nasser Alharbi	Member of the Board of Directors	Independent
5	Abdullah Muhammad Alharbi*	Board Member and Director of Risk Management	Executive

Board Member Mr. Abdullah Mohammed Al-Harbi was appointed CEO of the company with his previous functions in the Risk Management Unit assigned to the Governance Committee and the name of the Committee was amended to the Governance and Risk Management Committee as of 01 January 2023. This was announced on the Saudi Stock Market Website (Tadawul) on 01 January 2023.

Below we summarize the qualifications and experiences of the members of the Board of Directors:

	Members Name	Membership Status	current jobs	previous jobs	Academic qualifications	Practical experiences
1	Ahmed Abdul Latif Al-Barak	Non-executive	<ul style="list-style-type: none"> <li>- Chairman of the Board of Directors at FIPCO</li> <li>- Member of the Board of Directors of the Fpc Industry Company</li> <li>- Member of the Board of Directors of Budget Saudi Arabia</li> <li>- Member of the Board of Directors of the Tourism Projects Company (Shams).</li> <li>- Chief Executive Officer of Bena Industrial Investments Holding Company</li> </ul>	<ul style="list-style-type: none"> <li>Systems Management Assistant at the Saudi Electricity Company.</li> <li>Operations Manager at Bena Factory for Advanced Concrete Products.</li> <li>General Manager of the Saudi Binaa Office for Engineering Consultations.</li> <li>Vice Chairman and Managing Director of FIPCO</li> </ul>	<ul style="list-style-type: none"> <li>- Bachelor of Systems Engineering, King Fahd University of Petroleum and Minerals - Dhahran</li> <li>Executive Master of Business Administration from King Fahd University of Petroleum and Mineral</li> </ul>	<ul style="list-style-type: none"> <li>- Engineering consultancy work.</li> <li>Executive management work.</li> <li>Business of boards of directors</li> </ul>
2	Faisal Mohammed Al-Harbi	Executive	<ul style="list-style-type: none"> <li>Vice Chairman and Managing Director of FIPCO</li> <li>- Chairman of the Board of Directors of the Fpc Industry Company</li> <li>- Member of the Board of Directors of the Tourism Projects Company (Shams).</li> </ul>	<ul style="list-style-type: none"> <li>- General Manager of the Saudi Faya Company</li> <li>- General Manager of Savannah International Trading Company</li> <li>- Chairman of the Board of Directors at FIPCO</li> <li>- Member of the Board of Directors of the Arab Pipes Company (submitted his resignation on September 11, 2022 AD)</li> </ul>	<ul style="list-style-type: none"> <li>- Bachelor's degree in Business Administration, majoring in Marketing</li> <li>MBA Master of Business Administration</li> </ul>	<ul style="list-style-type: none"> <li>- Entrepreneurship and investment in a number of companies</li> </ul>
3	Nimr Nasser Alharbi	Independent	General Manager of Business Climate Corporation	General Manager of Nafaa International Company	Commercial secondary diploma - specializing in office work	Diverse practical experience in business and company establishment
4	Abdullah Muhammad Alharbi*	Executive	<ul style="list-style-type: none"> <li>- CEO of FIPCO (appointed on 01 January 2023)</li> <li>- Member of the Board of Directors of the Fpc Industry Company</li> <li>- Member of the Board of Directors of the Arab Pipes Company.</li> <li>- Member of the Governance and Risk Management Committee of Budget Saudi Arabia</li> <li>Co-founder and CEO of Makamin Management Consulting.</li> </ul>	<ul style="list-style-type: none"> <li>- Director of Public Relations at the Saudi Faya Company</li> <li>- Journalist in economic fields</li> <li>- Director of Risk Management at FIPCO</li> </ul>	<ul style="list-style-type: none"> <li>- Bachelor's degree in Business Administration, majoring in Marketing</li> <li>MBA with honors</li> </ul>	<ul style="list-style-type: none"> <li>Diverse practical experience in business and economic journalism writing</li> <li>Administrative consulting.</li> <li>- Governance and risk management</li> </ul>
5	Hathal Safar Al-Otaibi	Independent	- Regional Director of Sofercom in the Kingdom of Saudi Arabia	<ul style="list-style-type: none"> <li>- Oil field engineer at Schlumberger</li> <li>- Graduating in the functions of the Communications and Information Technology Commission, up to the position of Director of the Commission's branch in the Eastern Region</li> </ul>	<ul style="list-style-type: none"> <li>- Bachelor of Electrical Engineering from King Fahd University of Petroleum and Minerals</li> <li>- Master of Communication Systems Management from Northeastern University</li> <li>- Executive MBA from King Fahd University of Petroleum and Minerals</li> </ul>	<ul style="list-style-type: none"> <li>Communication and information technology systems</li> <li>Strategies, policies and procedures</li> <li>- Development, creativity and leadership skills</li> </ul>

Board Member Mr. Abdullah Mohammed Al-Harbi was appointed CEO of the company with his previous functions in the Risk Management Unit assigned to the Governance Committee and the name of the Committee was amended to the Governance and Risk Management Committee as of .2023 January 01 Governance and Risk Management Committee as of .2023 January 01 Website (Tadawul) on

**Sixth: Names of companies inside or outside the Kingdom whose member of the Board of Directors is a member of the company or its directors**

	Members Name	Names of companies whose current boards or directors are members of the Board of Directors	Company Headquarters		legal entity	Names of companies whose current boards or directors are members of the Board of Directors	Company Headquarters	legal entity
1	Ahmed Abdul Latif Al-Barak					Filling & Packing Materials MFG. Co. (FIPCO)	Saudi Arabia	public shareholding company
		FPC Industrial Company	Saudi Arabia		Limited Liability		-	
		Bedget Saudi Company	Saudi Arabia		public shareholding company			
		Tourism Project Company (Shams)	Saudi Arabia		public shareholding company			
2	Faisal Mohammed Al-Harbi	FPC Industrial Company	Saudi Arabia		Limited Liability	Filling & Packing Materials MFG. Co. (FIPCO)	Saudi Arabia	public shareholding company
		Tourism Project Company (Shams)	Saudi Arabia		public shareholding company	Arab Piping Company	Saudi Arabia	public shareholding company
					public shareholding company	Savana International trading company	Saudi Arabia	Limited Liability
4	Nimr Nasser Alharbi	-			Limited Liability	Filling & Packing Materials MFG. Co. (FIPCO)	Saudi Arabia	public shareholding company
5	Abdullah Muhammad Alharbi	FPC Industrial Company	Saudi Arabia		Limited Liability	Filling & Packing Materials MFG. Co. (FIPCO)	Saudi Arabia	public shareholding company
		Makaman Consulting Company Administrative	Saudi Arabia		professional company		-	
		Arab Piping Company	Saudi Arabia		public shareholding company			
6	Hathal Safar Al-Otaibi	-				-		

**Seventh: Executive Management**

Name	Current Position	Past Position		Qualifications	Experience
Faisal Mohammed Al-Harbi	Vice Chairman and Managing Director	This has already been mentioned in the Board of Directors segment.			
Abdullah Muhammad Alharbi	Board Member and Director of Risk Management	This has already been mentioned in the Board of Directors segment.			
Hamza Baybars	Executive Vice President of Finance	He worked for Ernst & Young in Jordan and Saudi Arabia and then graded in internal audit and financial management		Bachelors in Accounting and Passing US CPA Examinations	15 years' experience in external audit, internal audit and financial management
Karim Marquis	General Manager of Subsidiary Company (FPC Industrial Company)	- Director of Convertex Plastics & Printing Industries Factory in Lebanon and Romania - Got a number of managerial and leadership positions in a number of companies working in the field of plastic industries, including National Plastic Company, East Plastic Factories, Saudi Printing and Packaging Company, and Al Marqai Group for Industry		Bachelor's degree in mechanical engineering and then master's degree in plastic manufacturing from the University of Grenoble in France	30 years in plastic manufacturing and printing through France, Lebanon, Romania and Saudi Arabia
Salah Sabry	Director of Governance and Commitment	- Working in the Department of Technical Analysis and Financial Market Research at City Trade Company - Working with the Investor Relations Department and the Secretariat of the Board of Directors at Greer Marketing Company - Assistant to the Saudi Automotive and Equipment Services Company's Director of Governance (SASCO)		Bachelor of Languages and Translation - Al-Azhar University - Egypt - Certified CCGO Corporate Governance Officer Certificate from London School of Business and Management - Obtaining the Secretariat of Secret Program from the Egyptian Directors' Centre of the General Authority for Financial Control. - Successfully passed a certificate of disclosure test in accordance with trading requirements at the Financial Academy of Riyadh	Multiple experiences in governance and commitment Business administration and secretariat of boards and committees for approximately 15 years



### Eighth: Attendance record for board meetings and general assemblies held during the fiscal year 2022

During the year 2022 AD, 4 physical meetings of the Board of Directors were held, in addition to the Board taking six decisions by passing among its members in line with the FIPCO basic system in order to take important decisions, including approving the financial statements for the purposes of publication and disclosure, bearing in mind that the Board is always keen to hold physical meetings as Periodic, at least 4 meetings per year.

Also, during the year 2022 AD, two meetings of the General Assembly of Shareholders were held, namely (the thirty-fifth Ordinary General Assembly), in which the formation of the audit committee was approved, its tasks, work controls, and the remuneration of its members for the new session, in addition to the (thirty-sixth Ordinary General Assembly), in which the company's annual financial results and a report were approved. The auditor and the report of the company's board of directors for the fiscal year 2021 AD, appointing the auditor to audit the accounts for the fiscal year 2022 AD and the first quarter of the year 2023 AD, and determining his fees.

The following is a statement of the dates of the above-mentioned meetings, the attendance of the members of the Board of Directors and the percentage of their participation

	Name	The dates of the meetings held during the year 2022					
		Jan 1st	Feb 21	April 12	Dec 27	Attendance Times	Attendance percentage
1	Ahmed Abdul Latif Al-Barrak	√	√	√	√	4	% 100
2	Faisal Mohammed Al-Harbi	√	√	√	√	4	% 100
3	Hathal Safar Al-Otaibi	√	√	√	√	4	% 100
4	Nimr Nasser Al-Harbi	√	√	√	√	4	% 100
5	Abdullah Mohammed Al-Harbi	√	√	√	√	4	% 100

The following is a statement of the dates of the meetings of the general assemblies held during the year 2022, and a statement of the attendance of the members of the Board of Directors and the percentage of their participation:

	Name	The dates of the meetings held during the year 2022			
		Feb 17	May 26	Attendance Times	Attendance percentage
1	Ahmed Abdul Latif Al-Barrak	√	√	2	% 100
2	Faisal Mohammed Al-Harbi	√	√	2	% 100
3	Hathal Safar Al-Otaibi	√	√	2	% 100
4	Nimr Nasser Al-Harbi	√	√	2	% 100
5	Abdullah Mohammed Al-Harbi	√	√	2	% 100



## Ninth: Capital and property disclosures

### Capital Information

The following table shows FIPCO's capital information and the number of its shares as at 31/2022/12/ M:

Capital	
Statement	Value
authorized capital (SAR)	115,000,000
Capital Payable (SAR)	115,000,000
shares issued *	11,500,000
Free Shares **	11,500,000
Nominal Value per Share (SAR)	10
Value paid per share (SAR)	10
Stock Market in which the stock trades	Saudi Stock Exchange (Tadawul)
Market Type	Main Market
Main Sector	Basic Materials
Share symbol	2180
International symbol	SA0007879352

\* All FIPCO shares exported ordinary shares, do not have any excellent shares.

\*\* Number of free shares varies from period to period according to FIPCO stock trading movement

## Share Details

The following table shows the company's share trading information during the fiscal year 2022

Trading information	
Statement	Value
Share Price as on 2021/01/02 (First Session Trade in 2022)	52,60
Share Price as on 2022/12/29(Latest Session Trade in 2022)	34,85
the highest share price in 2022	60.60 (recorded on 6 February 2022)
the lowest share price in 2022	33.35(recorded on December 12, 2022)

## Comparative Graphic of FIPCO Stock Performance with Sector Index and Market Index



### Investment Restrictions

There are no restrictions on the shares of the company as stated in both the rules governing the investment of qualified foreign financial institutions in the listed securities and the instructions regulating the possession by foreign strategic investors of strategic shares in the listed companies in accordance with the company's basic regulations and the instructions issued by the supervisory and supervisory authorities to which the company is subject.

### List of major contributors and change in ownership shares

FIPCO does not have any of the major shareholders with 5% or more according to the shareholders registry on 31/2022/12/.

### Share Ownership and Change Ratio for Board Members and Chief Executives

#### 1. Board members, spouses and minor children:

	Name	Number of FIPCO shares in which they have an interest				Debt instruments and financing instruments
		End 2022	Start 2022	Change during Year	Percentage Change%	
1	Ahmed Abdul Latif Al-Barak	1050	1050	0	0	-
2	Faisal Mohammed Al-Harbi	0	0	0	0	
3	Hathal Safar Al-Otaibi	0	0	0	0	
4	Nimr Nasser Alharbi	0	0	0	0	
5	Abdullah Muhammad Alharbi	0	0	0	0	

#### 2. Members, spouses and minor children of the Review Committee

	Name	Number of FIPCO shares in which they have an interest				Debt instruments and financing instruments
		End 2022	Start 2022	Change during Year	Percentage Change%	
1	Fawzi Ibrahim Alhobayeb	0	0	0	0	-
2	Abdulaziz Suleiman Al-Ateeqi	0	0	0	0	
3	Hathal Safar Al-Otaibi	0	0	0	0	

#### 3. Senior executives, their spouses and minor children

	Name	Number of FIPCO shares in which they have an interest				Debt instruments and financing instruments
		End 2022	Start 2022	Change during Year	Percentage Change%	
1	Faisal Mohammed Al-Harbi	-	-	-	-	-
2	Abdullah Muhammad Alharbi	-	-	-	-	
3	Karim Marquis	-	-	-	-	
4	Hamza Baybars	-	-	-	-	
5	Salah Sabry	-	-	-	-	

### Tenth : Committees emanating from the Board Of Directors.

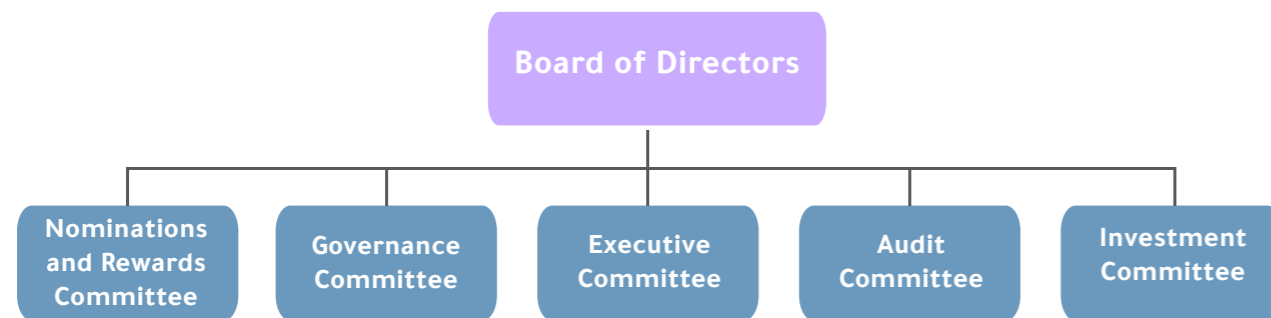
According to the need and working conditions of FIPCO, so that the FIPCO Board Of Directors can perform its functions in a manner

The Board of Directors has set up specialized committees in line with the base company system and the corresponding corporate system and the CMA's Corporate Governance Regulation. These committees have been formed in accordance with general procedures established by the Council, which include determining the functions of each committee. The duration of its work and the powers conferred on it and how to control it and follow up on its work. Made by the Board of Directors periodically to verify the performance of its mandated business.

It is worth mentioning that when forming these committees, FIPCO's Board of Directors took into account the provisions of the Corporate Governance Regulation issued by the CMA and in line with the best systems and practices in place globally by appointing a sufficient number of non-executive board members to the committees on tasks that may give rise to conflicts of interest such as ensuring the integrity of financial and non-financial reports, and reviewing related parties' transactions - If any - nomination to the board of directors, appointment of chief executives, determination of remuneration and others.

The chairpersons and members of those committees adhere to the principles of honesty, honesty, loyalty, care and interest in the interests of FIPCO and its contributors and present them in their personal interest.

The Board committees included the Review Committee, the Nominations and Remuneration Committee, the Executive Committee, the Governance Committee and the Investment Committee. All committees' terms of office expire at the end of the current session of the Board Of Directors (2024 / 12 / 31). The regulations governing the work of all committees have been updated to reflect the regulations issued by the relevant authorities.



In the following, we summarize a description of the subordinate committees, a statement of their members, their responsibilities and their meetings held throughout the year 2022

### 1- Audit Committee:

In accordance with Article 101 of the Companies Law issued by the Ministry of Commerce and Article fifty-four of the Corporate Governance Regulations issued by the Capital Market Authority and the corresponding articles of FIPCO's Articles of Association and Governance Regulations, the Audit Committee was formed by a decision of the thirty-fifth Ordinary General Assembly held on February 17 2022 AD and for a period of three years (2022- 2024) by three members who are not executive members of the Board of Directors, and among them are specialists in financial and accounting affairs, with the approval of the committee's work regulations specifying the controls and procedures for its work and the remuneration of its members

Accordingly, the composition of the committee during the fiscal year 2022 was as follows:

Name	Fawzi Ibrahim Alhobayeb	Khaled Ali Attin	Hathal Safar Al-Otaibi
Membership Status	President	Member	Member
Current posts	- Member of the Audit Committee of Al Jazeera Bank, member of the Audit Committee of Qassim Cement Company	- Works in the field of legal review, cosmetic, tax and administrative consulting partner of United Accountants Company - Board Member of Animation Society	
Previous posts	He worked in the Capital Market Authority for 12 years as head of follow-up and implementation, and then as head of internal audit Worked as Head of Internal Audit at the Arab National Bank for more than nine years Worked at Ernst & Young for more than three years	Graduation in the work of legal review to reach the position of partner in Ernst & Young. - Partner in the Professional Opinion Center for Training. Partner in the office of Talal Abu-Ghazaleh. - Worked in the Saudi Chevron Company in the completion of some special tasks. - Member of the Audit Committee of Saudi Airlines Catering Company.	
Academic qualifications	Holds a Bachelor's degree in Accounting - King Abdulaziz University - Passed the American Association of Certified Public Accountants (CPA) test	- Holds a Bachelor's degree in Accounting - King Saud University Fellowship of the Saudi Organization for Certified Public Accountants (SOCPA). - Fellowship of the Institute of Management Accountants (CMA), Australia - Fellowship of the Society of Fraud and Fraud Auditors (CFE) in the United States of America	
Practical experiences	Significant experience in internal auditing and auditing in the private and government sector	Work experience in financial and administrative consulting, auditing, zakat, tax and accounting in the private sector for nearly 30 years.	

One of the board members I have already spoken about

**In particular, the Audit Committee's functions include:**

**A - Financial reports**

- Examine the initial and annual financial statements before presenting them to the Board Of Directors and expressing an opinion
- Expressing technical opinion - at the request of the Board of Directors - on whether the report of the Board of Directors and the financial statements of the Company are fair, balanced and understandable and include information that allows shareholders and investors to assess the Company's financial position, performance and business model and its strategy.
- Examine any important or unfamiliar issues contained in financial reports. Thoroughly examine any issues raised by the CFO, his or her caretaker or official Obligation or auditor.
- Verification of accounting estimates in material matters contained in the financial reports.
- Examine accounting policies and express an opinion and recommendation to the Board of Directors.

**B -Internal audit**

- Studying and following up the internal and financial control systems and risk management in FIPCO.
- Studying internal audit reports and following up the implementation of corrective actions for the notes contained therein.
- Control and supervise the performance and activities of the internal audit department in Fipco to verify the availability of the necessary resources and their effectiveness in carrying out the work and tasks entrusted to it.

**C - Auditor**

- Recommend to the Board of Directors the nomination and dismissal of auditors, determine their fees and evaluate their performance after verifying their independence and reviewing the scope of their work and the terms of contracting with them.
- Verifying the auditor's independence, objectivity and fairness, and the effectiveness of the audit work, taking into account the relevant rules and standards.
- Reviewing the auditor's plan and work, and verifying that he does not submit technical or administrative work that is outside the scope of the audit work and expressing its views on that.
- Answering the inquiries of Fpco auditors.
- Studying the auditor's report and his observations on the financial statements and following up on what has been taken in their regard

**D- Ensuring compliance**

- Reviewing the results of the regulatory authorities' reports and verifying that the company has taken the necessary measures in this regard.
- Verifying the company's compliance with relevant regulations, regulations, policies and instructions.
- Reviewing contracts and transactions proposed to be conducted by the company with related parties and submitting its views on this to the Board of Directors.
- Raise the issues it deems necessary to take action on to the Board of Directors, and make recommendations for the actions to be taken.

In addition, the Commission oversees investigations related to fraud or errors in FIPCO or any other matter that the Committee considers important to investigate. To this end, the Committee has established a mechanism for submitting notes on any financial or other overreach confidential through the establishment of a dedicated e-mail as well as a fund for submitting such proposals to the company. The notes are to be reviewed and their materiality determined by the company's internal auditor and their report is to be submitted to the audit committee. and hence the Commission's role is to verify the proper application of this mechanism, conduct an independent investigation commensurate with the magnitude of the error or override and adopt appropriate follow-up procedures.

Four meetings of the Audit Committee were held during 2022. The following are members' names and attendance records.

Name	position	The dates of the meetings held during the year 2022					
		21 March	18 April	22 August	30 October	Attendance Times	Attendance percentage
Fawzi Ibrahim Alhobayeb	President	✓	✓	✓	✓	4	٪100
Khaled Ali Attin	Member	✓	✓	✓	✓	4	٪100
Hathal Safar Al-Otaibi	Member	✓	✓	✓	✓	4	٪100

✓ Attended

X- Did not attend

## Results of the annual audit of the effectiveness of FIPCO's internal control procedures

FIPCO's internal audit unit provides independent and objective confirmation and advisory services to add value, improve operations and achieve the company's strategic objectives and assists the Internal Audit Unit in achieving FIPCO's objectives by evaluating and improving the effectiveness of the internal control system, risk management and governance processes, Through a risk-based audit approach through which audit work is directed towards the most dangerous and important activities of the company, and in accordance with professional best practices.

The scope of work of the Internal Audit Unit also includes auditing and detecting activities, processes, risk management procedures, internal control systems, information systems, governance processes and assistance to protect against fraud, fraud and embezzlement, and all activities, functions, departments, subsidiaries and subsidiaries fall within the scope of the Internal Audit Unit's work.

The Internal Audit Unit has carried out some periodic audits in accordance with the 2021 plan approved by the audit committee with a view to giving the necessary assurances on the effectiveness and efficiency of internal control and risk management in FIPCO with a focus on high-risk activities and functions, the audit work carried out did not proceed as planned owing to the vacancy of the post of internal auditor from the end of the first quarter of 2022 until March 2023, despite the Committee's recommendation to expedite the appointment of an internal auditor so that the detailed audit plan or strategy is not affected. Based on the fact that internal control is one of the most essential for protecting FIPCO's assets as well as supporting it in achieving its objectives and since sound financial, operational and administrative control procedures can reduce the misuse of FIPCO's assets and influence their actions, FIPCO's Board Of Directors attaches particular importance to and annually verifies the effectiveness of these procedures by reviewing them annually and directing the necessary adjustments to develop oversight work. This is done in the light of the recommendations and guidelines issued by the Audit Committee.

To this end, the Board recommended that the Executive Administration expedite the recruitment of an internal auditor urgently or the direction of contracting with a specialized office to carry out the required work in line with the Audit Committee's directives. This was already completed on 15 March 2023

## Audit Committee's opinion on the adequacy of the internal control system in FIPCO

Based on the foregoing and based on the partial work carried out by the internal audit department in accordance with the plan approved by the audit committee during the financial year 2022 and the observations of the External Auditor of the Company, bearing in mind that any internal control system whatever the level of integrity of its design and the application of its procedures cannot provide absolute assurance about the effectiveness of the internal control systems in place and therefore the Audit Committee found no material weakness in the company's internal control system, With the continued recommendation of the Audit Committee of the Company Management to continuously follow up on the development and improvement of the efficiency and effectiveness of the internal controls in place and the need to continuously update the Company's policies and procedures and to implement the observations of the Committee on internal audit reports in line with the nature of the company's activity; while continuing to continuously assess all the affiliate's activities in the operational, financial, commitment and risk management aspects.

## 2- The Nominations and Remunerations Committee

**The Nominations and Remuneration Committee consists of three members:**

- Nemer Nasser Al-Harbi (independent board member) - Chairman of the Committee.
- Hazal Safar Al-Otaibi (independent board member) - member of the committee.
- Ahmed Abdul Latif Al-Barrak (non-executive board member) - Committee member.

And since all the members of the committee are members of the Board of Directors, we have previously talked about their current and previous jobs, their educational qualifications, and their practical experiences during the discussion of the part of the Board of Directors.

**Its duties and responsibilities are as follows:**

- Preparing a clear policy for the remuneration of members of the Board of Directors, the committees emanating from the Board, and the Executive Management, and submitting it to the Board of Directors in preparation for its approval by the General Assembly, taking into account the use of performance-related criteria when developing these policies.
- Clarify the relationship between the granted rewards and the applicable rewards policy, and indicate any material deviation from this policy.
- Periodic review of the remuneration policy, and evaluation of its effectiveness in achieving the objectives set for it.
- Recommending to the Board of Directors the remuneration of the members of the Board of Directors, its committees and senior executives of the company in accordance with the approved policy regarding nominations:
- Suggest clear policies and criteria for membership in the Board of Directors and Executive Management.
- Recommending to the Board of Directors to nominate and re-nominate its members in accordance with the approved policies and standards, taking into account not to nominate any person previously convicted of a breach of trust.
- Preparing a description of the capabilities and qualifications required for membership of the Board of Directors and for occupying executive management positions.
- Determine the time that the member should allocate for the work of the Board of Directors.
- Annual review of the necessary requirements of appropriate skills or experience for membership of the Board of Directors and executive management positions.
- Reviewing the structure of the Board of Directors and executive management and making recommendations regarding changes that can be made.
- Annual verification of the independence of the independent members, and the absence of any conflict of interest if the member is a member of the board of directors of another company.
- Develop job descriptions for executive members, non-executive members, independent members and senior executives.
- Establishing special procedures in the event of a vacancy in the position of a member of the Board of Directors or a senior executive.
- Determining strengths and weaknesses in the Board of Directors and proposing solutions to address them in line with the interest of the company.

Two meetings of the Nominations and Remuneration Committee were held during 2022, as follows:

Name	position	The dates of the meetings held during the year 2022		Attendance Times	Attendance percentage
		March 20	December 29		
Nemer Nasser Al-Harbi	President	√	√	2	٪100
Hathal Safar Al-Otaibi	Member	√	√	2	٪100
Ahmed Abdul Latif Al-Barrak	Member	√	√	2	٪100

### 3 - Executive Committee:

In accordance with the vision of the Board of Directors and an organization of work within the Board, the Executive Committee was formed of three members, and some tasks were assigned to it to play its role in allocating more time and effort to discuss certain issues to facilitate decision-making within the Board of Directors, and among those tasks are the following:

- Reviewing periodic management reports, evaluating performance, reviewing new investments or returning investments, and approving them before submitting them to the Board for approval.
- Review budgets and annual plans and investigate material differences related to budgets (if any) before they are presented to the Board of Directors.
- Follow up and receive reports on the implementation and completion of major projects or major expansion works of the company.
- Follow up on the company's performance and seek explanations for any deviations from approved plans, budget and expectations.
- Assisting the Council in carrying out its responsibilities, especially with regard to the tasks assigned to it by the Council when the time factor is critical.
- Receiving periodic reports from the company's management on the company's risk management operations, including risk assessment and procedures established to address and follow up on these risks.
- Ensure that the administrative committees (if any) in the company work effectively.
- Receiving management reports periodically through the Chief Executive Officer on the company's performance to be presented at Executive Committee meetings for discussion and review before submitting them to the Board (if the need arises).
- Communicate with senior officials in governmental and private agencies and private sector companies to overcome the difficulties that hinder FIPCO's work and explain its programs to officials as long as this is within the limits of the laws in force.

The Committee consists of three members whose qualifications and experiences have already been discussed in the Board Of Directors members' segment. The Executive Committee held two meetings during 2022, as shown in the table.

Name	position	The dates of the meetings held during the year 2022		Attendance Times	Attendance percentage
		June 12	December 27		
Ahmed Abdul Latif Al-Barrak	President	√	√	2	٪100
Hathal Safar Al-Otaibi	Member	√	√	2	٪100
Faisal Mohammed Al-Harbi	Member	√	√	2	٪100

### 4 - The Governance Committee:

FIPCO's rapid response to the development of its governance and governance rules comes in the belief that following good governance rules is the firm foundation for managing and controlling its resources and tightening its oversight to ensure the best returns to shareholders and stakeholders, which led the Board Of Directors to take its decision to establish a governance committee. Although the Committee is not obliged to establish a system to review periodically compliance with the governance rules and to devote more time and effort in this regard, based on FIPCO's desire to obtain advanced status in the indicators for measuring governance levels issued by the locally and externally designated centres of competence.

#### The Committee's main tasks are:

- Verify FIPCO's compliance with regulations and regulations issued by the Ministry of Trade and Investment, the Financial Market Authority and any other relevant regulatory or supervisory entities.
- Reviewing and updating policies and rules in accordance with global regulatory requirements and best practices.
- recommend amending the company's statute (if necessary).
- Review and develop professional ethics that represent the values of FIPCO, and other internal policies and procedures to meet the needs of FIPCO and conform to best practices for the development of the working environment. Keep board members up to date on developments in corporate governance and global best practices.

«ESG» companies played a major role in 2022 following the promulgation of the new Corporate Regulations and Regulations and corresponding regulations and legislation issued by the CMA. The Governance Committee developed proposals to amend the Company's regulations and regulations to bring them into line with the relevant regulations and regulations.

The Committee is composed of three members whose qualifications and experiences have already been discussed in the Board members' and Chief Executives' segment. During 2022, the Governance Committee held only one meeting, the statement of which is shown in the following table:

Name	position	The dates of the meetings held during the year 2022	Attendance Times	Attendance percentage
		September 29		
Abdullah Mohammed Al-Harbi	President	√	1	%100
Ahmed Abdul Latif Al-Barrak	Member	√	1	%100
Salah Mohamed Sabry	Member	√	1	%100

## 5 - Investment Committee

As stipulated in Board Of Directors Decision No. 4 of 2021 of 15 August 2021 on the establishment of the Investment Committee and the adoption of its working regulations, with the modernization of applicable investment policies, and the renewal of the Committee's working session during the new session 2022- 2024), its most prominent tasks are as follows:

- Submit recommendations in mergers and acquisitions to the Board of Directors.
- Make recommendations regarding the company's purchase of its shares.
- Review investment plans in the company's surplus liquidity. Receipt of periodic reports from the company management on the company's risk management processes, including risk assessment and procedures to address and follow up on these risks. Review important financial topics and criteria, including harmonization of funding. Review investment and expansion opportunities as well as identify challenges facing FIPCO's operational activities to ensure product quality.
- Periodic review of capital expenditures and keeping the company's assets in mind.
- Discuss and make decisions on topics that need to make urgent investment decisions such as entering into IPOs, linking deposits or other investment. Ensure the distribution of the company's resources in order to align the company's strategic plans with its companies
- Its subsidiary, operational objectives and investment objectives. • Prepare and review

recommendations to the Board of Directors regarding the annual and long-term financial objectives and strategies of the Company's financial planning. Review important financial matters of the Company and its subsidiaries, such as matters relating to capital structure, the Company's credit rating, cash flows, borrowing and investment deposits, in cooperation with the Company's executive management and not inconsistent with the work of other committees.

- Evaluate existing investments or explore future opportunities and submit a periodic report to the Board of Directors whenever applicable or upon request. The possibility of using specialized companies, individuals or houses of expertise to help evaluate or enter into any investment opportunity after confirming its economic viability.

The Committee is composed of three members whose qualifications and experiences have already been discussed in the section on the members of the Board Of Directors. During 2022, the Investment Committee held two meetings, the statement of which is shown in the following table:

### Dates of meetings held during 2022

Name	position	The dates of the meetings held during the year 2022		Attendance Times	Attendance percentage
		February 14	February 14		
Ahmed Abdul Latif Al-Barrak	President	√	√	2	%100
Faisal Mohammed Al-Harbi	Member	√	√	2	%100
Abdullah Mohammed Al-Harbi	Member	√	√	2	%100



### Eleventh:: Actions taken by the Board Of Directors to inform its members - especially non-executive ones - of shareholders' proposals and observations regarding FIPCO and its performance

The company's base system and the FIPCO Governance Regulation guarantee shareholders all rights related to the share

Accordingly, FIPCO has taken a number of actions to inform board members, especially non-executive members, of shareholders' proposals towards the company and perform them as follows: FIPCO has dedicated an investor relations unit to respond to shareholders' inquiries and receive feedback or complaints via available channels of communication via telephone, faxes or email to report any error or abuse relating to any of the Company's business or any of its related parties, This email is followed up and tracked by the President of the Council himself and members may raise the need to heed it if substantive information is received.

Such enquiries or information, if any, are examined and classified and substantially uploaded

These include to the Board Of Directors during its periodic meetings. FIPCO is always keen to urge all members of its Board of Directors to attend public associations to answer shareholders' questions and to carry out their visions and observations on the Company and its performance. The working regulations of the Council committees also bind the chairpersons of the committees of the Board of Directors or their delegates. Shareholders' questions and inquiries are recorded in the minutes of the meetings of public associations and are kept at the headquarters of the company and may be consulted by any shareholder.

### twelveth Means relied upon by the Council to assess its performance and that of its committees, members and external evaluators (if any)

FIPCO Board of Directors is keen to follow up on the implementation of the guiding articles of the CMA's Corporate Governance Regulation in particular with regard to the role of the President of the Board in hearing the views of non-executive Board members regarding their observations and views on the company's performance and the evaluation of its executive management, In addition, meetings were held from time to time between a member of the Council without the President of the Council to discuss the discharge of the functions entrusted to him by the President of the Council The meetings were held in 2022 following the Council's meeting on 27 December.

2022 AD. FIPCO has also developed a self-assessment model for Council members through appropriate and effective error detection mechanisms and is constantly updating those mechanisms in order for the member to evaluate himself and his peers from the Board of Directors and then to explore each member's opinion on the functioning of the Board and propose ways to develop the performance of the Board and its effectiveness; The role of each of the Board Of Directors's committees is also developed to ensure that they fulfil their mandated roles.

These committees' rules of procedure stipulate. It should be noted that no third party (external evaluator) has been hired, and this may be done in the future if the need arises, in accordance with the absolute assessment of the Nominations and Remuneration Committee and the approval of the Board of Directors.

### Thirteenth: Dividend Policy

FIPCO's dividend process is based on net realized profits, cash flows and future prospects for major investments, taking into account the importance of maintaining a strong financial position to counteract any changes in the overall situation, pandemic exposure, dramatic changes in global financial conditions or any fundamental changes that may affect the market situation and economic climate in general locally, regionally and globally.

Although FIPCO is keen to maximize return on investment for all its stakeholders However, there are no guarantees of current cash dividends and no guarantees of the value of future distributions, The dividend policy may also change from time to time depending on the company's financial performance and the board's vision based on an analysis of investment opportunities, cash and capital needs and projections of expansion in key activities. and the distribution process is done through the submission of a proposal by the Board Of Directors of the General Assembly endorsing or rejecting the proposal, If it is approved, distribution shall take place at the venue and on the dates set by the Board of Directors in accordance with the instructions and regulations issued by the competent authorities in this regard. According to paragraph 47 of the statute of FIPCO, which was approved by the extraordinary General Assembly on 201830/09/, the net profits shall be distributed annually, semi-annually and quarterly) after the authorization of the Council by the regular General Assembly, and this mandate shall be renewed. Annually, after deducting all public expenses and other costs as follows:

1. Avoid a proportion of the net profits of the company's regular reserve composition. The Regular General Assembly may discontinue such recourse when the said reserve amounts to 0 per cent of the capital paid up.
2. The Regular General Assembly may, at the suggestion of the Board of Directors, avoid 30 per cent of Net profits to form an agreement reserve allocated to support the company's financial position.
3. The statutory reserve shall be used to cover the company's losses or capital increases. If this reserve exceeds 0 per cent of the capital paid, the company's General Assembly may decide to distribute the increase to shareholders in the years in which the company does not achieve a net profit sufficient to distribute their assessed share of the company's base system.
4. The Ordinary General Assembly may decide to establish other reserves, to the extent that they are in the interest of the Company or to ensure that fixed dividends are distributed to shareholders as far as possible. The Association may also deduct from the net profits amounts for the establishment of social enterprises of the Company's employees or for the aid of any such enterprises.
- 5 - The remainder shall then be distributed to shareholders at least 75 of the paid-up capital.
6. The Board Of Directors shall adopt its annual report to the General Assembly the ratio of profits distributed to shareholders during the different periods of the current year, as well as the ratio of profits proposed for distribution at the end of the financial year and the total of such profits.
- 7 - Zakat systems and any other tax systems in force in Saudi Arabia apply. 8 - The cash dividends to be distributed to shareholders shall be deposited in their accounts associated with their portfolios and the shares awarded shall be deposited in the shareholders' portfolios after the announcement thereof on the Saudi Stock Market website (Tadawul).

Continuing to follow up on all new changes in the corporate system and the corresponding regulations of the Financial Market Authority, FIPCO and its Governance Committee intend to make the necessary amendments to the relevant baseline system and regulations to offset the changes in regulations and regulations during the regular periods, and will submit those amendments to the dividend policy or other to the General Assembly for adoption.

It is worth noting that Fipco's Board of Directors issued a resolution on March 2023, 4, to recommend to the General Assembly not to distribute cash dividends for the fiscal year 2022 AD due to the support of the financial position of Fipco and its 100% owned subsidiary, and financing its future expansions, which aim largely at diversifying its products including: In line with the company's goals and investors' aspirations.

#### **Fourteenth: Remuneration policy for board members, pop-up committees and senior executives and statement of any material deviations**

FIPCO's award of emoluments to members of the Board Of Directors, the pop-up committees and the Chief Executives relied on the policy governing that approved by the General Assembly and the corresponding system:

- The remuneration of the members of the Board of Directors consists of a certain amount or attendance allowance for sessions, certain benefits, or a certain percentage of the net profits, and it is permissible to combine two or more of these benefits.
- If the remuneration is a specific percentage of the company's profits, then this percentage may not exceed (10%) of the net profits, after deducting the reserves decided by the General Assembly, and after distributing a profit to the shareholders of not less than 5% of the company's paid-up capital.
- In all cases, what a member of the Board of Directors receives in terms of remuneration and financial or in-kind benefits does not exceed five hundred thousand riyals annually according to the controls set by the competent authorities.
- The members' remuneration may be of varying amount to reflect the member's experience, specialization, tasks entrusted to him, independence, the number of sessions he attended and any other considerations at the discretion of the Board of Directors.
- The report of the Board of Directors to the General Assembly must include a comprehensive statement of all that the members of the Board of Directors received during the fiscal year in terms of bonuses, allowances, expenses, and other benefits, and it should also include a statement of what the members of the Board received in their capacity as workers or administrators, or what they received in exchange for technical work. Administrative or consulting, and it should also include a statement of the number of Board sessions and the number of sessions attended by each member from the date of the last meeting of the General Assembly.
- A member of the Board of Directors may obtain a remuneration for his membership in the audit committee formed by the General Assembly, or for any additional work or executive, technical, administrative or advisory positions (a professional license is required if the nature of the business is advisory) that he is assigned to in the company, in addition to the remuneration that he can obtain in his capacity as a member of the Board of Directors and in the committees formed by the Board of Directors in accordance with the Companies Law and the Company's Articles of Association.
- The remuneration of the independent members of the Board of Directors shall not be a percentage of the profits achieved by the company or be based directly or indirectly on the profitability of the company, according to what is set by the competent authority.

During the year 2022, and based on the recommendation of the Nominations and Remuneration Committee during its meeting held on March 4, 2023 AD and the issuance of the Board of Directors' decision during its meeting held on March 4, 2023 AD, the following was approved:

- Not paying bonuses to members of the Board of Directors for their membership in the Board during the fiscal year 2022.
- Disbursement of remunerations of committees emanating from the Board of Directors as shown in the table of remunerations of committee members.
- Paying bonuses to the members of the Executive Council at the rate of 250 thousand riyals for each member.

Adopt the following:

- Non-payment of remuneration to Board members for membership during the year Financial 2022.
- With regard to executive management bonuses, they are subject to:
  - The Company's policies in this regard must be taken into account when approving the Executive Management Bonus and achieving the objectives set for it. Each executive management staff member's remuneration may vary according to the results achieved during the year under evaluation
  - When approving the bonus, account shall be taken of companies operating in the sector as well as companies operating in the Saudi market. The ceiling for executive management remuneration may be reviewed annually and any proposed amendments to the Board may be lifted.
  - This policy must be consistent with the company's strategy and objectives and consistent with the applicable performance and evaluation policy in terms of rewarding executive management.

FIPCO considers that the bonuses were distributed during fiscal year 2022 in accordance with the approved policy and there are no material deviations from it

## Fifteenth: What the members of the Board of Directors, the members of the committees and the Chief Executives

### 1. Remuneration of Board members

Nature of membership	Independent members		Non-executive members	Executive Members	
	Nemer Nasser Al-Harbi	Hathal Safar Al-Otaibi	Ahmed Abdul Latif Al-Barrak	Faisal Mohammed Al-Harbi	Abdullah Mohammed Al-Harbi
Fixed Rewards					
A certain amount	—	—	720,000*	—	—
Allowance to attend Council meetings	12,000	12,000	12,000	12,000	12,000
Commissions allowance	6,000	24,000	21,000	12,000	9,000
In-kind advantages	—	—	—	—	—
Reward for artistic, administrative and consulting works	—	—	—	—	—
Remuneration for Council President, Managing Director or Secretary if members	—	—	—	—	3,000
<b>Total</b>	<b>18,000</b>	<b>36,000</b>	<b>753,000</b>	<b>24,000</b>	<b>24,000</b>
Variable rewards					
Percentage of profits	—	—	—	—	—
Periodic rewards	—	—	—	250,000	250,000
Short Term Stimulus Plans	—	—	—	—	—
Long-term stimulus plans	—	—	—	—	—
Shares awarded	—	—	—	—	—
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
End of Service Bonus	—	—	—	—	—
<b>Total</b>	<b>18,000</b>	<b>36,000</b>	<b>753,000</b>	<b>274,000</b>	<b>274,000</b>
Expenditure allowance	—	—	—	—	—

\*The amount paid to the Chairman of the Board of Directors is equivalent to a monthly disposal bonus of SAR 60 thousand as lump sum as recommended by the Nominations and Remuneration Committee on July 2020. The Board's decision of 28 July 2020, based on the extraordinary efforts of the Board Chairman in managing a number of files related to the business of the Company and its subsidiary company, allows its strategic relations and based on the work and efforts it carries out from continuous communication with major customers and suppliers as well as some government entities, since these works greatly serve the interests of the Company and its time and effort.

### 2. Remuneration of committee members

Committee	Fixed bonuses (no session allowance)	Allowance to attend sessions	Total
Members of the Audit Committee			
Fawzi Ibrahim Alhobayeb	125,000	12,000	137,000
Khaled Ali Attin	75,000	12,000	87,000
Hathal Safar Al-Otaibi	50,000	12,000	62,000
Members of the Nomination and Remuneration Committee			
Nemer Nasser Al-Harbi	200,000	6,000	206,000
Hathal Safar Al-Otaibi	200,000	6,000	206,000
Ahmed Abdul Latif Al-Barrak	—	6,000	6,000
Executive Committee members			
Ahmed Abdul Latif Al-Barrak	200,000	6,000	206,000
Hathal Safar Al-Otaibi	—	6,000	6,000
Faisal Mohammed Al-Harbi	200,000	6,000	206,000
Governance Committee members			
Abdullah Mohammed Al-Harbi	200,000	3,000	203,000
Ahmed Abdul Latif Al-Barrak	—	3,000	3,000
Salah Mohamed Sabry	—	3,000	3,000
Investment Committee members			
Ahmed Abdul Latif Al-Barrak	—	6,000	6,000
Faisal Mohammed Al-Harbi	—	6,000	6,000
Abdullah Mohammed Al-Harbi	—	6,000	6,000

### 3. Senior Executive Rewards

The table below shows the total amount earned by five senior executives who received the highest remuneration and compensation, including the Managing Director and the Chief Financial Officer, plus the Risk Manager, the General Manager of the subsidiary company and the Director of Governance and Commitment. The Deputy Director General of Operations' relationship with the company was terminated during fiscal year 2021 as follows:

Six senior executives	
Fixed Rewards	
Salaries	2,753,617
Allowances	970,566
In-kind advantages	-
Total	3,724,183
Variable Rewards	
Periodic Rewards	-
Profits	-
Short-term stimulus plans	-
Long-term stimulus plans	-
Shares awarded	-
Total	-
End of Service Bonus	-
Total remuneration for executives Council *	500,000
Total	4,224,183

\*Includes the breakdown of the Board Of Directors members' remuneration scale and does not exceed it.

In this regard, FIPCO stresses the following:

- There are no arrangements or agreements whereby a member of the Board or a senior executive waived any remuneration, salary or compensation during fiscal year 2022.
- There are no arrangements or agreements whereby a FIPCO shareholder waives any profit rights during fiscal year 2022.
- There are no other investments or reserves created for the benefit of FIPCO employees during 2022 except for the end-of-service bonus as per the regulations issued by the competent authorities

### Sixteenth: Transactions with related parties

FIPCO asserts that during fiscal year 2022, no contracts, deals or transactions were concluded to which FIPCO or any of its subsidiaries were party and there was no interest in any Board member, Managing Director, Chief Financial Officer, or any of the Company's senior executives, nor did any Board Members, Senior Executives or any person related to them, related to any of them.

To engage in any competing business of the company or its subsidiaries.

### Seventeenth: Results of governance practices in 2022

During 2022, FIPCO is of the view that basic and mandatory governance provisions and rules have been adhered to and that there has been no breach of these provisions. FIPCO is always keen to achieve the guiding materials contained in the Governance Regulation as well as to develop global best practices in recognition of the importance of governance and its role in achieving sustainable development. To:

- Establishment of a governance committee of the Board Of Directors and adoption of its working regulations.
- Develop disclosure and transparency policies and identify appropriate procedures to ensure shareholders' retention
- Update on FIPCO's activities and business developments.
- Develop a risk management unit and define its terms of reference.
- A meeting of the Board Of Directors under the leadership of the President of the Council and without the presence of any Executive Board members.. A meeting of all members of the Council without its President for the purpose of assessing the performance of the President of the Council. Establish a list to confirm the implementation of the tasks of all committees of the Board Of Directors and review them periodically to ensure that the committees perform their mandated tasks. Development of mechanisms for the evaluation of the Board Of Directors through evaluation templates for evaluation
- Self-evaluation and peer evaluation of the Council as a whole annually according to appropriate performance measurement indicators.
- Develop appropriate training programmes for board members, where training courses are given to the board member in charge of the risk management unit on related topics; Executive members are dispatched to attend conferences and workshops on technical matters necessary for the management of the company. The President of the Council for the Executive MBA Program was terminated from a prestigious university workshops and lectures organized by governmental and non-governmental entities relevant to the company's business.
- Develop appropriate training programmes for the company's executive management team in accordance with the competence of each department so that financial management staff are trained in international financial reporting standards, technical management and operations officials are trained in new machinery and production lines and registered to attend tele-interactive seminars and workshops to familiarize themselves with all developments in the nature of the industry FIPCO is also interested in research and development initiatives and sends representatives to follow up on them, in addition to training administrative cadres in executive management programs, office works, computer programs, law, governance and others that may benefit the company and the employee in the future.

- Fipco is keen to undertake social action initiatives and has some social responsibility initiatives and has therefore devoted a section to the report.

## Eighteen: Disclosure and Transparency Policies

Disclosure and transparency policies are an integral part of FIPCO's governance regulation. Believing in the shareholder's right to have access to all information with the clarity and detail necessary to build investment decisions thereon while ensuring that information is not discriminated against in the provision of all shareholders; This is done through the multiplicity of dissemination and disclosure mechanisms that FIPCO deems necessary for stakeholders' access to FIPCO publishes its quarterly and annual financial results on the Saudi Stock Exchange website. (Trade) during the regular periods necessary to publish and post them also on the company's website and on its official accounts on social media platforms and also undertakes to disseminate all information relating to systemic disclosures or substantive developments in a timely manner as they occur and without delay; Whether it belongs to FIPCO itself, its subsidiary or any variables that have a significant negative or positive impact on FIPCO's activities and operations The Company's management continuously improves the level of disclosure through the nature, quality and timeliness of the information disclosed, while continuing to enrich the website with all information that may help all stakeholders in knowing the activities and developments of their business to help them make their investment decisions.

FIPCO is also always keen to include all information in more detail in its annual report. Based on the fact that the annual report is one of the most important disclosure tools that enables stakeholders to accurately observe the company's activities and business developments, whether related to it or its subsidiary, as well as to highlight the reasons for the change in results and to establish the reasons for strategic decisions that may be taken by the board of directors or the management of the company during the financial year or significant events prior to or following the end of fiscal year 2022.

Disclosure date	Disclosure type	The nature of the disclosure
December ,15 2021	Credit facilities	Signing a financing agreement with the Saudi Industrial Development Fund
January ,02 2022	Board of Directors and Committees	Appointment of the Chairman of the Board of Directors, his deputy and the Managing Director, and the formation of sub-committees
January 2022 ,27	General associations	Inviting shareholders to attend the thirty-fifth Ordinary General Assembly meeting
February ,20 2022	General associations	The results of the thirty-fifth ordinary general assembly meeting
February ,23 2022	changes in capital	Recommendation of the Board of Directors to increase the company's capital through offering rights issues
February ,28 2022	changes in capital	Appointing a financial advisor to manage the subscription in rights issue
March 2022 ,22	financial results	Consolidated annual financial results for fiscal year 2021
April 2022 ,19	financial results	The consolidated quarterly financial results for the first quarter of the fiscal year 2022 AD
April 2022 ,27	General associations	Inviting shareholders to attend the thirty-sixth Ordinary General Assembly meeting
April 2022 ,19	Credit facilities	Renewal of the Sharia-compliant banking facilities agreement with Riyadh Bank
May 2022 ,29	General associations	The results of the thirty-fourth Ordinary General Assembly meeting
August 2022 ,10	changes in capital	Submitting an application file to increase the company's capital through offering rights issues to the Capital Market Authority
August 2022 ,23	financial results	The consolidated quarterly financial results for the second quarter of the fiscal year 2022 AD
October 2022 ,31	financial results	Consolidated quarterly financial results for the third quarter of fiscal year 2022
January 2023 ,01	Executive management	Appointing a CEO for the company
January 2023 ,18	Signing memorandums of understanding	Signing a non-binding memorandum of understanding with Imam Muhammad bin Saud Islamic University

### Nineteenth: Subsequent substantial developments

Subsequent substantive developments mean significant events that occurred after the end of fiscal year 2021 and prior to the issuance of this report, which were announced on the Saudi Stock Exchange website (Tadawul) as soon as they occurred. However, FIPCO considered that they should be referred to in this report in view of their relative importance and materiality in determining the investment decisions of existing shareholders or potential investors.

- On February 23, 2022, FIPCO announced the recommendation of its Board of Directors to the extraordinary General Assembly to increase the company's capital by issuing priority rights shares by SAR 115 million «, with a detailed breakdown of its objectives from the request for an increase in capital, Subsequently, on 28 February 2022, it announced the appointment of Financial Advisor Capital Brokerage «to manage the subscription of priority rights shares. The company obtained the approval of the Capital Market Authority on 29 November 2022 and recently the company convened the extraordinary General Assembly on 13 April 2023. This was announced on a trading website on 22 March 2023

- FIPCO announced on January 01, 2023 the decision of its Board of Directors to pass on January 01, 2023 on the recommendation of the Nominations and Remuneration Committee, which includes the appointment of Mr. Abdullah bin Mohammed Al-Harbi as the Company's Chief Executive Officer while retaining Board membership as an Executive Member.

### Twenty: Board Of Directors's declarations.

The Board Of Directors recognizes:

The account records were properly prepared.

The internal control system was prepared on a sound basis and effectively implemented. There is little doubt about FIPCO's ability to continue its activity.

### Twenty-one: Confirmations of the Board of Directors.

In line with the Corporate Governance Regulations issued by the Capital Market Authority and the Corporate Governance Regulations of FIPCO, the Board of Directors confirms the following:

- FIPCO is committed to working to protect the rights of shareholders, not to discriminate between shareholders who own the same class of shares, and not to withhold any right from them in the form of fair treatment for all shareholders.
- FIPCO did not receive from shareholders who own ٪5 or more a request to convene the General Assembly during the year ended, and it was not convened.
- FIPCO has not received from shareholders who own ٪5 or more a request to add one or more topics to the agenda of the General Assembly meeting when preparing it.
- FIPCO has not taken any measure that may impede the use of the shareholder's right to vote.
- FIPCO did not provide any cash loan of any kind to any of the members of its Board

of Directors, nor did it guarantee any loan contracted by a member of its Board of Directors with third parties.

- Loans with terms exceeding three years have not been contracted, and no real estate owned by FIPCO has been sold or mortgaged, other than what has been disclosed in this report.

- Some of FIPCO's debtors were discharged from their obligations during the year 2022 AD, with the aim of excluding those amounts from the accounts, and most of these amounts were more than a year old and their reasons varied between problems in the quality of some supplies of products previously manufactured at the beginning of the commercial operation of the subsidiary company, or disputes in Invoicing operations at the beginning of the VAT implementation phases or amounts belonging to former clients who were declared insolvent or declared bankrupt by the court, in addition to excluding some stagnant inventory materials during the year 2022 and granting some permanent customers discounts on them, in addition to that the Fipco subsidiary obtained judicial execution orders against A number of its defaulting clients and the necessary legal procedures have been issued against them, and FIPCO continues its efforts to collect some or all of these amounts.

- FIPCO or any of its subsidiaries did not issue any shares or debt instruments during the year 2022 AD.

- Neither Fipco nor any of its subsidiaries have informed any person (other than members of the Board of Directors, senior executives and their relatives) that they have any interest or rights in the category of voting shares during the year 2022 AD.

- There is no interest, contractual securities, or subscription rights belonging to members of the Board of Directors and senior executives in shares or debt instruments of FIPCO or any of its subsidiaries during the year 2022 AD.

- Neither Fipco nor any of its subsidiaries has any convertible debt instruments, any contractual securities, subscription right notes or similar rights issued or granted by Fipco or any of its subsidiaries during the year 2022 AD.

- There are no transfer or subscription rights under transferable debt instruments, contractual securities, subscription right notes, or similar rights issued or granted by Fipco or any of its subsidiaries during the year 2022 AD.

- Fipco or any of its subsidiaries do not have any refund, purchase or cancellation of any redeemable debt instruments during the year 2022 AD.

- FIPCO does not have privileged shares or shares that enjoy special priority in voting for either shareholders or members of the Board of Directors. All FIPCO shares are ordinary shares of equal nominal value and equal voting rights and other rights as per the system.

- During the fiscal year 2022 AD, the auditor did not provide any advisory services to the company and did not receive any fees in this regard.

**Twenty-third: Shareholders' rights and the mechanism of communication with them**

Based on FIPCO's keenness and interest in the rights of its shareholders, and the awareness of the Board of Directors in knowing its responsibilities towards the shareholders in order to achieve communication based on a common understanding of FIPCO's strategic objectives and interests, it has included all the rights of shareholders and stakeholders in its bylaws, and focus has been placed on those rights in detail in the Shareholders' Guide. All these documents can be found on Fipco's website [www.fipco.com.sa](http://www.fipco.com.sa).

There is also a special department for FIPCO to follow up on the affairs of its shareholders, which performs its duty through continuous communication, responding to inquiries and following up on any potential problems that shareholders may face regarding dividend distributions or others. You can contact the Investor Relations Department through e-mail [fir@fipco.com.sa](mailto:fir@fipco.com.sa) or By speaking to us directly on the phone 0112652299/ - ext. 770.

And as Fipco is keen to protect the rights of its shareholders and all its stakeholders, an e-mail [secret@fipco.com.sa](mailto:secret@fipco.com.sa) has been launched and announced on its official website for the purpose of disclosing any misleading transactions or suspicions of fraud or others, and these cases are dealt with directly by Senior Mfgco Management.

- The auditor's report did not include any reservation or draw attention to the annual financial statements for the fiscal year 2022 AD.
- FIPCO did not receive from the auditor a request to convene the General Assembly during the ending fiscal year, and it was not convened.
- No recommendation was issued by the Board of Directors to replace the auditor before the end of the period for which he was appointed.
- There is no conflict between the management's decisions and the audit committee's recommendations.
- There are no recommendations from the Audit Committee that the Board refused to consider regarding the appointment and dismissal of the auditor, determining his fees and evaluating his performance.
- There are no cases filed for or against FIPCO whose value exceeds ٪5 of its net assets during the year 2022.
- FIPCO does not have any treasury shares to hold during the fiscal year 2022 AD or any previous years.
- There are no material subsequent events affecting the soundness of Fipco's financial position and the results of its operations that occurred after the end of the year and were not clarified, other than what is included in this report.
- The profits due to shareholders that were previously decided to be distributed to them by the General Assembly of shareholders and were not received by their owners until 2022/31/12 AD due to not updating the data amounted to 5,149,274 riyals.

**Twenty-second requests for FIPCO shareholders' records during the 2022 year**

Date of application	Reason for request
03 Jan	Update the shareholders register and ownership data of board members, senior executives, their wives and minor children in order to prepare the annual report for fiscal year 2021.
08 Feb	Corporate Actions
17 Feb	List of voting contributors to the thirty-fifth regular meeting of the General Assembly
15 May	Corporate Actions
26 May	List of voting contributors to the regular General Assembly meeting Thirty-sixth
07 Aug	Corporate Actions



[www.Fipco.com.sa](http://www.Fipco.com.sa)



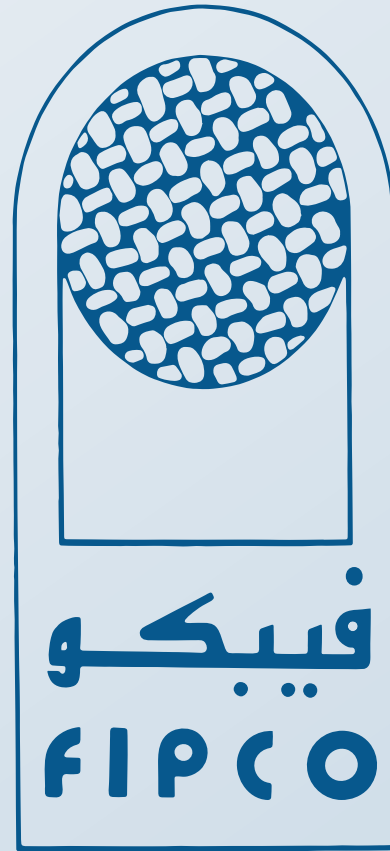
@fipco



@fipcoksa



FIPCO Company



✉ [info@fipco.com.sa](mailto:info@fipco.com.sa)

☎ +966 112 652 299

🌐 [www.fipco.com.sa](http://www.fipco.com.sa)