



A vision adopting  
sustainable future  
Annual Report  
**2023**



**بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ**

In the name of God, the most gracious, the most merciful



The custodian of the two holy mosques  
**King Salman bin AbdulAziz Al-Saud**



His Royal Highness Prince  
**Mohammed bin Salman bin AbdulAziz**  
Crown Prince and Prime Minister

# Index



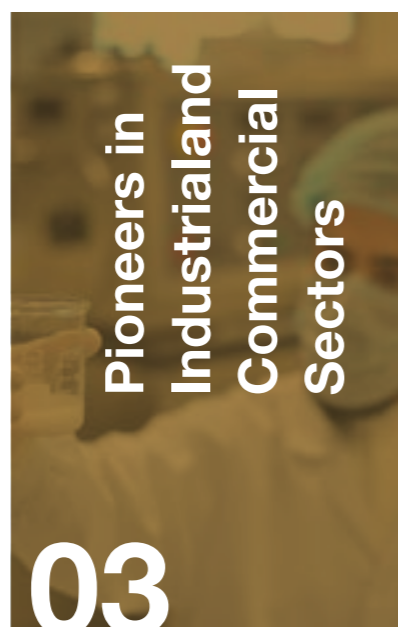
01

- 01 Bod Chairman's Speech
- 02 GCEO and Managing Director of SCCH's Speech
- 03 An overview on Saudi Chemical Company Holding (Vision, Mission and Values)
- 04 Strategies
- 05 The adoption of sustainability by Saudi Chemical Company Holding
- 06 Saudi Chemical Company Holding and Saudi Vision 2030
- 07 Bright Milestones in SCCH's Journey
- 08 A Vision for a Sustainable Future



02

- 09 Executive Summary



03

- 10 **Civil and Military Explosives Unit**  
Saudi Chemical Company Ltd. (SCCL)  
Suez International Nitrate Company (SINCO)
- Medical care and pharmaceutical unit**  
AJA Pharmaceutical Industries Company Ltd. (AJA Pharma)  
Saudi International Trading Company Ltd. (SITCO Pharma)  
Chemical Company for Commercial Investment Ltd. (CCCI)  
Care Supply Chain for Logistic Services Co. Ltd. (CSC)



04

- 11 Subsidiaries' Achievements
- 12 SCCH's ownership's ratio in its Subsidiaries



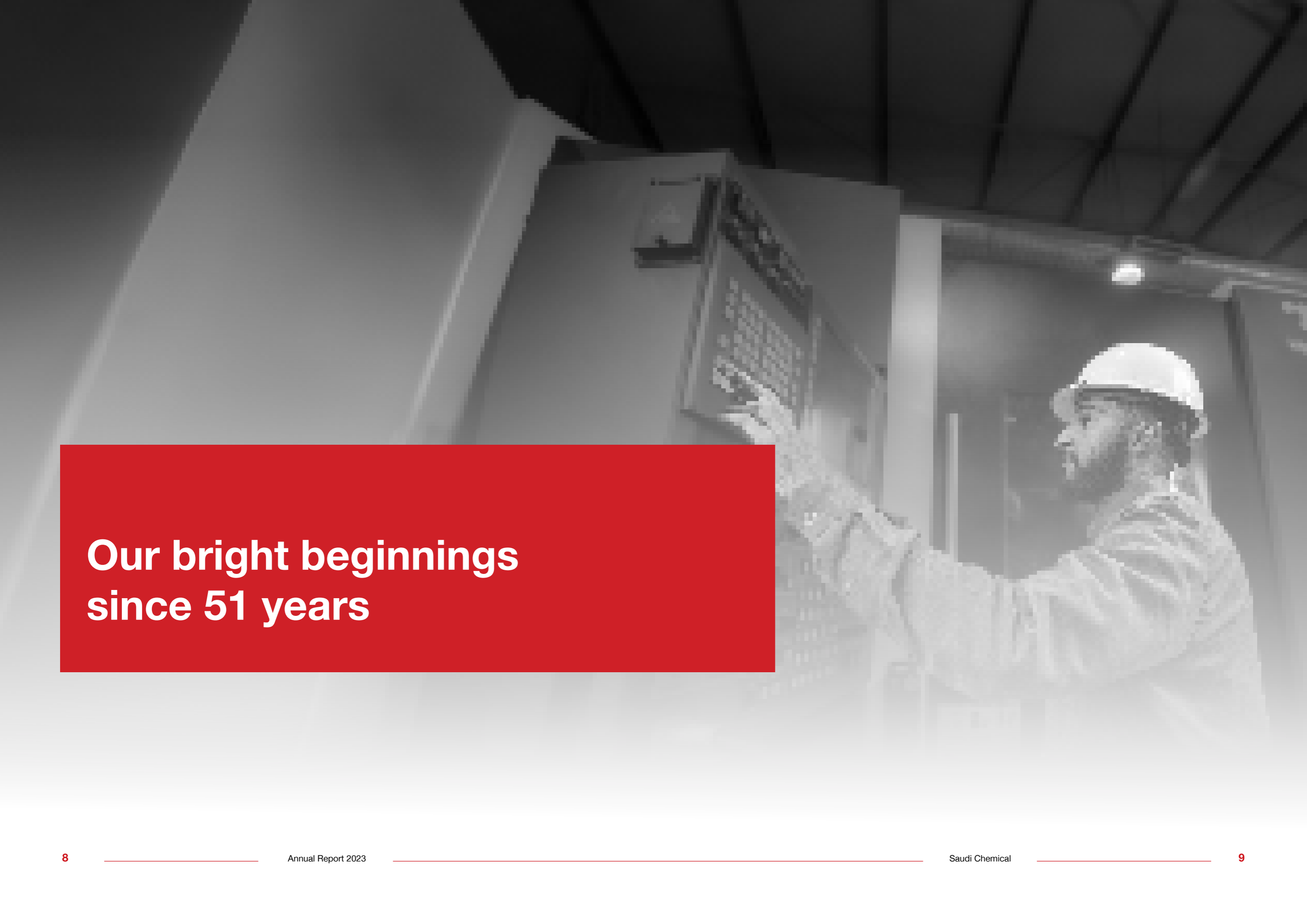
06

- 42 Ambitions and Aspirations  
Contact Information



05

- 13 Board members, Board committees, and senior Executives
- 14 Committees emanating from the Board of Directors
- 15 Board of Directors memberships in other companies until 12/31/2023
- 16 Board of Directors meetings during 2023
- 17 Meetings of the Board of Directors' committees in 2023
- 18 Description of any interest of the BOD members, their spouses and minor children in the company's shares or debt instruments, or in any of its subsidiaries
- 19 Compensation and Remuneration for Board Members and Senior Executives
- 20 The Impact of Each Activity to the SCCH's Business Volume and the Consolidated Sales
- 21 Geographical Distribution of the Consolidated Sales
- 22 Explanation of any Significant Differences in Operating Results as Compared to Previous Year's Results
- 23 Summary of the Consolidated Financial Results
- 24 Earnings per Share
- 25 SCCH's Policy in Distributing Profits
- 26 SCCH's Financing Compatible with Islamic Sharia
- 27 Saudi Industrial Development Fund's Financing
- 28 Transactions with Related Parties
- 29 Statement of Statutory Payments
- 30 Penalties and Sanctions and Reserve Restriction
- 31 Auditor
- 32 Results of the Annual Review of the effectiveness of the Internal Control
- 33 Expected Risks
- 34 Shareholders' Rights and General Assembly
- 35 Shareholder Registers
- 36 Corporate Governance and Related Processes
- 37 Communication with Shareholders and Investors
- 38 Social Responsibility Programs
- 39 Safety Record and Industrial Security
- 40 Dividend Distribution
- 41 Internal and Other Controls' Representations



**Our bright beginnings  
since 51 years**

## Bod Chairman's speech

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**Eng/ Fahad bin Saleh Al-Jarbou**

Bod Chairman

Dear shareholders,  
Peace and blessings to you all.

As we embark upon a new year toward bigger successes, we present you Saudi Chemical Company Holding's annual report for 2023, which elaborates on our strategic direction towards a sustainable vision for the next year and years ahead to come. With trusted footsteps, we'll build a new chapter of business and expand sustainability across all our holding group businesses.

Additionally, we will continue to work on our development strategy, which includes attracting local and international investments, creating new jobs for Saudi citizens, developing domestic talent, in line with Saudi Vision 2030 pillars which will consolidate our and consolidating our pioneering position as a strategic partner for the industrial and commercial sectors, as well as contributing to the ESG concept by the relevant guidelines for listed companies.

Throughout this annual report, we will highlight SCCH's financial strength and its journey to achieving further success in its various business sectors and fields through a brief review of its strategic KPIs. As a result of SCCH's exceptional financial and operational performance this year, it contributed significantly to the Saudi Vision 2030 objectives, particularly those related to non-oil industries.

In addition, SCCH's holding group established a new level of competency and performance locally, regionally, and internationally.

I also want to thank our board's members, executive management members and all SCCH's employees who did their best to enhance our distinguished performance in 2023, with all its milestones, and acted in such a way as to promote the positive image of SCCH that validates its pioneering position locally, regionally, and internationally in 2023. With their continuous efforts, we will continue to make progress and achieve our goals year after year.

As a final note, I would like to extend my gratitude to all SCCH's shareholders, partners, and investors who have put their trust in us and supported us throughout our 51-year journey.



## GCEO and Managing Director of SCCH's Speech



**Eng/ Thamer bin Mohammed Al-Muhid**

GCEO and Managing Director of SCCH's

Dear shareholders,  
Peace and blessings to you all.

It has been a very special year for us, as we announced a new phase that is intertwined with our strategic aspirations for Saudi Chemical Holding Company, which ensures the sustainability of all our holding group companies. As one of the pioneering entities in industrial and commercial sectors, it will also double its continued growth - by God's will - resulting in improved services, products, and financial results.

The second phase of strategic transformation projects began in 2023 with the restructuring of subsidiary companies, which will lead to more crucial milestones in performance, profitability, and business sustainability. As a result of the launch of the first phase in mid 2020, SCCH has achieved major results in all areas, including the financial sector, where revenue and profit more than five times doubled between 2019 and 2023, demonstrating its effectiveness. According to those results, the transformation strategy was effective in enhancing innovation, operational proficiency, developing strategies, products, and services, and increasing profits. Our holding company remains committed to improving performance, attracting investors, and consolidating its local, regional, and international position.

SCCH also achieved several extraordinary accomplishments, including achieving operational excellence and competence through several strategic developments, establishing experienced and reliable work teams to enhance work procedures, implementing new digital solutions, and using Oracle's system to manage SCCH's resources and business operations. As the needs and changes increase, all of those achievements will be met. Additionally, new memorandums were signed to share medicines' synthesis know-how and launch more medicines and products for a variety of medical fields and diseases, including chronic ones, to improve the safety of medicines, increase non-oil industrial and commercial gross domestic product, and boost the competence of medical supply chains, which will benefit Saudi Arabia's pharmaceutical and health care sectors.

With the rapid growth of the civil and military explosives industry, SCCH's goal is to maintain its commitment to localizing the military sector in accordance with Saudi Vision 2030, contributing to mega-projects requiring our services for infrastructure and mining.

Thus, we believe in our capabilities in achieving Saudi Vision 2030 objectives through several strategic steps to enhance its contribution to economic development in those vital sectors. SCCH had a gas specialization speech from the energy Ministry that enabled it to set up a new project capable of producing 440,000 tons of nitric acid per year and 300,000 tonnes of ammonium nitrate per year. As a result, SCCH aims to enhance and develop innovation in the Saudi Arabian industrial scene by providing materials for a number of synthesis industries, including civil and military explosives, the medical sector and some other needs that will be provided for.

Moreover, SCCH adopts sustainability values through its decision making processes, which will integrate its operational procedures and provisional procedures in the area of environmental protection and waste pollution, noise pollution reduction. Furthermore, it will promote sustainability at all levels so that the company can increase and enhance its financial strength. This will be maximized -by God's will- with its profits to benefit its shareholders, partners, and stakeholders as well as its employees, clients, and suppliers.

With its exceptional performance and commitment to achieving its strategic objectives, SCCH contributed significantly to Saudi Arabia's GDP. as well as taking all preventive steps and procedures to enhance the industrial safety culture in our holding group subsidiary companies while complying with the health general safety criteria for our employees and partners. Implementing strategies and preventive safety and protection procedures in accordance with legislative provisional entities and best practices in that area with all readiness and competence.

By maximizing our local talent skills and by signing various partnerships that contribute to and support local initiatives that will strengthen and develop our sectors' human capital, we will comply

with Saudi Arabia's leadership's -May God Protect them- directives to increase job creation and localization percentages. Among those initiatives, our participation in the establishment of the National Academy of military industries and its programs as a pioneer founder and strategic local partner were among the most important.

We will also continue our development strategy by providing programs and workshops and international study programs and making researchers and studies for local and regional markets in addition to attracting the best local talent from all various business sectors to make SCCH a bright and sustainable place for the future.

Saudi Vision 2030 is deeply rooted in our holding group's aspirations. We are committed to its vision of enhancing Saudi Arabia's economy until 2040, which is intertwined with our business sectors. The comprehensive strategy of SCCH places Saudi vision 2030 programs and mega projects at the top of its priorities list. In addition, it will contribute to the non-oil industrial GDP and the vital medical sectors as well as the military civil and logistical sectors directly and indirectly, as well as support Saudi Vision 2030 mega-projects.

By God's will, we will continue toward the future with reliable footsteps according to what we have accomplished in the past and what we hope to achieve in the future of bigger accomplishments. Additionally, we will try to increase our shareholder base and investor base as our partners to ensure their trust through our exceptional performance, as well as enhance the sustainability of our holding group and exceptional performance.

To conclude, I would like to thank our leadership for its supportive instructions, and I would like to reiterate our commitment to Saudi Vision 2030 and helping it succeed. Furthermore, we will do everything possible to support the growth of our country, and I also want to express my gratitude to Excellencies, including the Chairman and Members of the Board of Directors, the Shareholders, and all of our clients and suppliers, who have given us their full trust, ensuring a prosperous future for us. In addition, I would like to extend my sincere thanks to all of our employees at the Saudi Chemical Company holding group. I appreciate their collaboration and efforts to achieve our outstanding accomplishments that will add to our existing accomplishments.





## An overview on SCCH

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**Vision:** To create value and prosperity by nurturing and protecting nations.

**Mission:** To unleash human creativity to serve our customers the best, max share value for investors and shareholders, and develop talents and communities.

**Values:** Integrity      Engagement  
Diversity      Agility

الكيميائية السعودية  
Saudi Chemical

## Strategies

### Localization of Expertise and Competencies

Aiming to achieve Saudi Vision 2030's objective of raising nationalization rates in the private sector, Saudi Chemical Company Holding employs a policy of transferring knowledge and expertise, attracting the best Saudi competencies, and refining them on continuously through training and qualification courses and programs. By doing so, it allows and prepares the Saudi youths to develop their professional paths for the future.

Developing the company's business directly increases job opportunities in healthcare, pharmaceuticals, and explosives sectors, as well as increasing foreign investment, which opens up a wider range of opportunities. As concluding partnerships and agreements is very important for meeting citizens' job needs and qualifying them, it is also crucial that citizens develop the skills necessary for the labor market.

Additionally, SCCH operates external scholarship programs in conjunction with the General Authority for Military Industries (GAMI), which will grant a master's degree in military industries to Saudi Chemical Company Holding's employees.



### Innovation, R&D

Saudi Chemical Holding Company continues to contribute to enhancing non-oil domestic production through its approved method of preparing and conducting specialized research and studies for the local and regional markets. It also analyzes the overall trends of the market, identifies the target groups and their increasing demands, and analyzes the performance of its competitors locally and globally in a way that serves sustainable development policies in its administrative and operational practices throughout the holding group to meet the demands of all its customers and partners with innovative administrative, manufacturing, financial, and operational solutions and

options that are in accordance with the latest international standards.

### Leading the Non-Oil Industrial Sector

As one of the leading non-oil companies, Saudi Chemical Company Holding continually develops its business strategies across all its subsidiaries, making it one of the leading non-oil companies according to Saudi Vision2030 that emphasizes the need to develop non-oil industrial and productive work environments in the Kingdom as a means of strengthening and diversifying the national economy.

SCCH is distinguished by its vision to achieve sustainable growth in all of its group's businesses, through increased production capacities and capabilities in manufacturing, distribution and transportation facilities, and logistical support, as well as enhancing the capability of innovation, and development services in accordance with the highest standards of quality and efficiency, thus ensuring the continuity of business development regarding production, chain supplies, and distribution channels for explosives in Saudi and pharmaceuticals in Saudi Arabia, GCC region, and Africa.

### Cultivating Domestic Content

Saudi Chemical Company Holding affirms its commitment to enriching local content, localizing industry, and enhancing national products through its strategic plans for promoting innovation, transferring technology and knowledge, creating job opportunities for citizens, and localizing industries and raw materials for manufacturing industries to increase the Kingdom's self-sufficiency while reducing dependence on imports and promoting exports. Several of its industrial subsidiaries, including AJA Pharmaceutical Industries Ltd. and Saudi Chemical Company Ltd, are members of the Saudi Export Development Authority's "Made in Saudi Arabia" program, which promotes local content in a variety of industries through several initiatives and enablers which are being used to .boost economic growth

As part of its ongoing effort to develop the work methodologies of its subsidiaries, SCCH has enhanced local capabilities. As part of Saudi Vision2030, it aims to build a strong and sustainable local economy, provide products that meet the highest standards and technical specifications for local and regional markets, and enhance local .content in order to compete in global markets





## Maintaining Positive Brand Image, and Enhancing Corporate Communication

As a foundation for its vision and strategies, Saudi Chemical Company Holding relies heavily on effective communication. It firmly believes that by engaging stakeholders through media and its various platforms, it can enhance its relationship with them. As a result of its years of experience, it has established a positive reputation and achieves its desired goals to enhance its positive mental presence and positioning among its employees internally and stakeholders externally, SCCH and its employees use several methods to implement institutional communication, including:

### Participation and prominence at conferences and events

Business events and conferences serve as platforms for exchanging experiences, introducing new products and technologies, and concluding deals. As a result, Saudi Chemical Company Holding aimed to be a pioneer in its fields, therefore playing a leading role in all its activities in maintaining and consolidating its positive mental image, and to enhance its reputation by strengthening its presence through its group of subsidiaries. SCCH was honored by the generous presence of Their Highnesses, Excellencies, officials of various sectors, and local and regional industry leaders, confirming its essential position in the local, regional, and global markets.

- Since SCCH is the leading company in explosives and healthcare sectors, it has been invited by the Ministry of Investment, to participate in the German-Saudi Investment Forum in March 2023, as well as the Indian-Saudi Investment Forum in September 2023, both of which were organized by the Ministry of Investment.
- A Memorandum of Understanding has been signed between SCCH and the National Industrial Development Center to strengthen cooperation and develop major investments in the Kingdom and to support the development of its current various investments, including producing medicines, securing pharmaceutical supply chains, and investing in both the military and civilian explosives sectors.
- Emphasizing its crucial role in manufacturing and distributing medicines locally and regionally, AJA Pharmaceutical Industries Ltd. "Aja Pharma" participated in the Riyadh International Summit for Medical Biotechnology in January 2023, under the sponsorship of His Royal Highness Prince Mohammed bin Salman, Crown Prince and Prime Minister, as well as the Arab Health Exhibition held in Dubai between January and February 2023. Under the Saudi Export Development Authority's umbrella in 2023, and as part of its contribution to localizing pharmaceutical industries and achieving pharmaceutical security in the kingdom and region, it also announced the signing of several agreements and memorandums of understanding on the sidelines of the Arab Health Exhibition.
- With a strategy that aligns with Saudi Vision2030's goals of providing medicines and improving drug security for chronic diseases like heart and arterial diseases, Aja Pharmaceutical Industries Ltd. "Aja Pharma" attended the Saudi Heart Association's 34th annual conference in Riyadh.
- The participation of Aja Pharmaceutical Industries Ltd. "Aja Pharma" in the "Made in Saudi Arabia" exhibition in Riyadh during the month of October 2023, as a member of the program and a contributing partner in

supporting initiatives to encourage local national industries and upgrade manufacturing capabilities in the healthcare industry to global standards.

- As a significant sector contributing to Saudi Vision2030, the mining sector is emphasized by Saudi Chemical Company Ltd. after taking part in the Second International Mining Conference in January 2023, organized by the Ministry of Industry and Mineral Resources under the generous sponsorship of the Custodian of the Two Holy Mosques, where a memorandum of understanding was signed, moreover SCCL plans to expand its mining business.
- Saudi Chemical Company Ltd, one of the most important partners of the military industry in the Kingdom, participated in the International Defense Exhibition (EDEX), which was held in Abu Dhabi in February 2023, and is regarded as one of the world's largest defense exhibitions. Under the umbrella and leadership of the General Authority for Military Industries, it signed a sponsorship agreement to sponsor the second edition of the World Defense Exhibition as a golden sponsor, which will be held in Riyadh, in 2024.
- Participation of the Saudi Chemical Company Ltd. in the inauguration ceremony of (Military Industries Enablers) launched by the General Authority for Military Industries in March 2023. The purpose is to create a stimulating and attractive investment environment for local and international investors, and to provide them with access to the sector's investment opportunities due to being a major company in the Kingdom's military industries sector.
- Taking part in the International Defense Industries Exhibition in Istanbul (IDEF) in July 2023, and the International Defense and Security Equipment Exhibition in London (DSEI) in September 2023, as a strategic partner in the military industries sector, the Saudi Chemical Company Ltd. participated within the Saudi pavilion. Along with the Egyptian Defense Exhibition that was held in December 2023 in the Arab Republic of Egypt.
- Due to its strategic and cooperative role in the military explosives sector, Saudi Chemical Company Ltd. participated in numerous seminars and workshops held in collaboration with government agencies, including the Ministry of Defense and the General Authority for Military Industries (GAMI).
- A delegation of SCCL's employees who obtained a master's degree from the scholarship program was honored by His Excellency, the Governor of the General Authority for Military Industries, Engineer Ahmed Al-Ohali, as this honor is considered a milestone for the company, the delegation visited facilities in the military industries sector during the (DSEI) exhibition in London, and SCCL is proud to have graduated its first batch of scholarship winners.



## Establishing positive and sustainable relationships with stakeholders

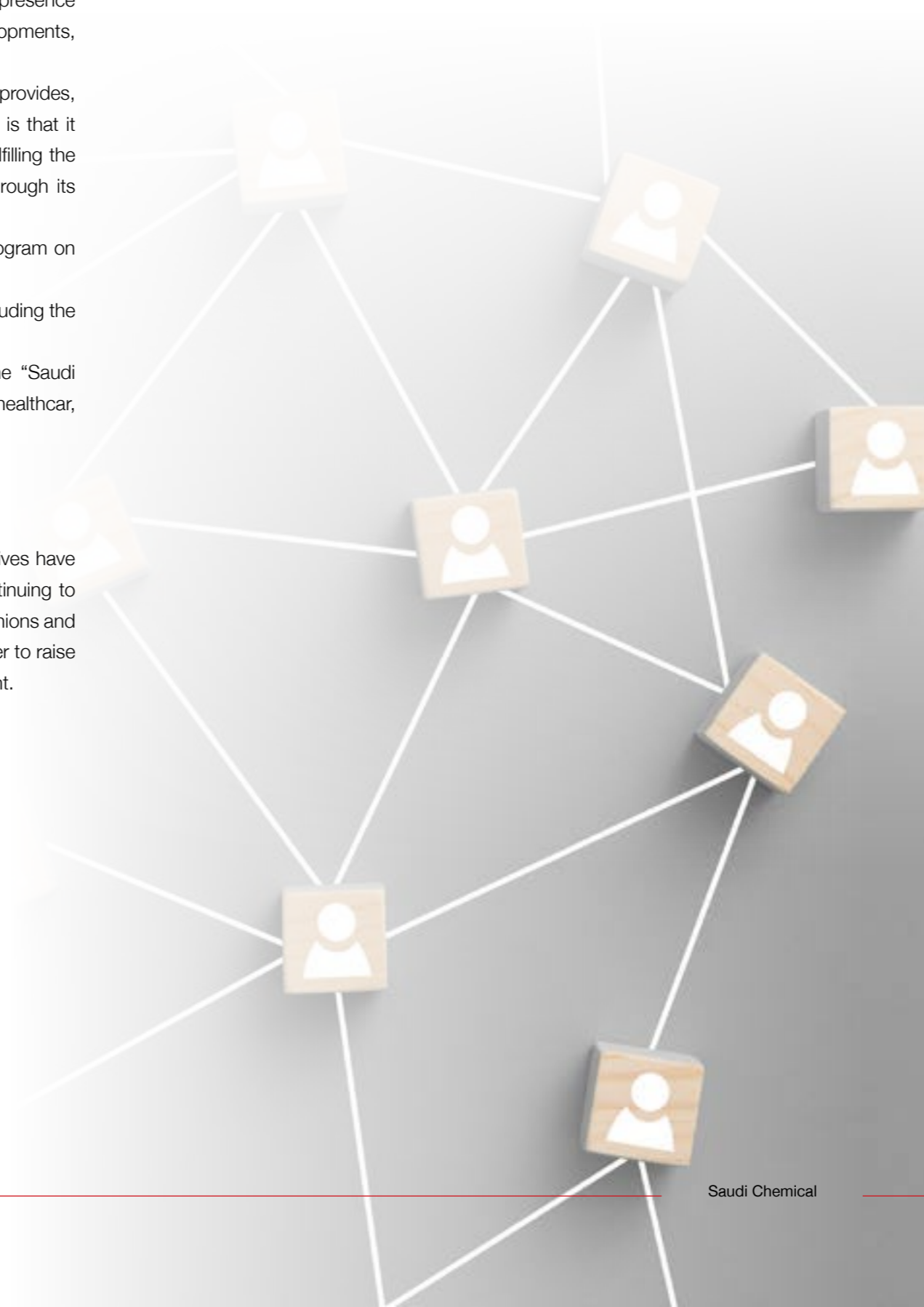
In order to establish trustworthy relationships with all stakeholders, including shareholders, employees, and clients, SCCH believes effective communication is crucial, and the company is committed to enhancing its presence through a communication strategy to maintain transparency and keep stakeholders updated on its developments, to enhance confidence and attract investments by highlighting opportunities for growth.

As a result of its leading position locally and regionally in light of the high-quality services and products it provides, SCCH and its subsidiaries have received media attention through its various platforms. A key benefit is that it contributes to enhancing the Kingdom's non-oil industry output, supporting national programs, and fulfilling the ambitious Saudi Vision2030. Moreover, SCCH has participated in a number of media campaigns through its subsidiaries in the pharmaceutical and explosive sectors, including:

- Production of a documentary on the Saudi Chemical Company Ltd. Activities for the "Project" program on Saudi Channel One.
- The name of SCCH appears on a number of renowned lists locally, regionally and internationally, including the Forbes Middle East list for the medical care sector.
- Several of SCCH's business areas have been featured on social media platforms, including the "Saudi Industry" account on the (X) platform. It is considered one of the pioneer companies in the military, healthcare, and medicine fields with Saudi employees.

## Establishing internal communication channels

As of SCCH's commitment to developing its human capital and increasing performance, several initiatives have been taken to enhance effective communication campaigns among its employees. In addition to continuing to activate the "We Listen" campaign, and "We Care" campaign that deals with employees' and clients' opinions and suggestions, as these campaigns provide direct communication channels to upper management in order to raise shared trust with all SCCH's stakeholders, as well as create a creative and productive work environment.





## The adoption of sustainability by Saudi Chemical Company Holding

With all its subsidiaries and all its strategic and executive levels, Saudi Chemical Company Holding embraces sustainability in all its various fields. It ensures that its clients, partners and employees are fully satisfied with the highest international standards through its administrative, operational, social, and environmental practices, and .maximizes profits and returns for its shareholders, partners, and investors for the future



### Environmental Sustainability area

#### Reducing air pollution emissions

Among the many risks facing the environment are air pollutants. By improving its operations, conducting continuous monitoring, and ensuring that it maintains best industrial practices to work within the operating scope stipulated in its environmental permits, SCCH realizes that it has a great responsibility to reduce air pollutant emissions in all of its sectors. As well as adopting the latest technologies in its factories, it limits and reduces these emissions by adopting the latest technologies.

#### Reducing noise pollution

SCCH and its subsidiaries continued their regulatory approach to reduce noise pollution, a major source of pollution, and to ensure that the best standards and guidelines are followed, and to improve quality of life, protect the environment, and promote sustainability.

#### Reducing material waste and disposing of it safely

SCCH has implemented several measures to reduce material waste and safe disposal of waste by reducing the waste of materials in its manufacturing processes, and it follows safe procedures in disposing of hazardous and non-hazardous waste through approved specialized companies, protecting the surrounding environment.

#### Keeping spills to a minimum

To prevent any spills of hazardous oils and chemicals, SCCH takes all precautionary measures in order to preserve the environment and the health of its employees.

#### Managing water effectively

For a "Vibrant Society," Saudi Vision 2030 emphasizes the importance of preserving water and rationalizing its use. Accordingly so, across all SCCH's sectors, it works to make its employees more aware of effective water management, which reduces waste and treats used water before reusing or disposing of it.



### Business Sustainability area

#### Investing in human capital

As part of Saudi Vision 2030, SCCH is taking effective steps in order to increase the number of employees and improve their efficiency, it also prepares and implements practical and administrative training programs, as well as scholarships for postgraduate studies in order to develop and enhance their skills and abilities. Aside from its role as a founder and strategic partner of the National Academy for Military Industries, SCCH hopes to develop and attract key national skills aiming to increase nationalization rates in vital sectors such as the military, transfer knowledge and expertise, and create new job opportunities.

#### Promoting workplace safety and health

By complying with occupational health and safety standards, and applying procedures approved by the applicable authorities, SCCH strives to enhance the occupational safety of all its employees in all its business sectors.

#### Managing risks effectively

SCCH, across all levels, has developed a clear approach to identify internal and external risks, and ensure effective performance in reducing them. The SCCH's Risk and Governance Committee's tasks were completed to identify all risks that may face the company, carefully evaluating them, and developing plans to deal with them, as well as ensuring that the company adheres to the highest standards of transparency, the best administrative practices and apply policies and regulations.

#### Utilization of digital technologies to the fullest extent possible

As a pioneer in the field of technology and automation, SCCH uses cloud programs across all of its subsidiaries' operations, as well as "Industry 4.0" technologies to enhance efficiency and effectiveness in industrial processes, reduce costs, and improve product quality. It is committed to supporting the transition to a more sustainable economy and industry.

#### Responding to emergencies and preparing for them

SCCH ensures complete readiness by preparing the necessary plans and procedures to ensure business continuity, and provides the most important resources that are needed by its employees.

## The Saudi Chemical Company Holding and Saudi Vision 2030

SCCH, as well as its subsidiaries in healthcare and civil and military explosives, have maintained consistent steps toward achieving Saudi Vision 2030 objectives, as SCCH has a strong position in the Kingdom, the civil and military explosives sector, as well as the healthcare and pharmaceutical sectors, which are considered among the most important sectors in the Kingdom. The production, manufacturing, and distribution of medicines and pharmaceutical materials that contribute to the development of national vital industries, as well as logistics services are aligned with Saudi Vision 2030 programs and increase Saudi non-oil exports which intertwines with Saudi Vision 2030 programs such as the National Industrial Development and Logistics Program and the Health Sector Transformation Program.

With its work in explosives for both civil and military purposes, it contributes directly to the localization of key sectors envisioned in its ambitious vision, the military sector in particular, the development of national military manufacturing capabilities and the development of the mining sector, which is considered one of the most important investment rewarding sectors of Saudi Arabia. Through its subsidiaries, SCCH is involved in a variety of activities. It participates in diversifying the local economy through its products and services, including NEOM, one of the largest Saudi Vision 2030 projects, and some tourism projects. In addition, several strategic infrastructure projects, such as mining, road construction, and water and oil extraction, rely heavily on civilian explosives that are provided by SCCH.

In addition to its relentless pursuit of meeting the needs of the labor market, creating new job opportunities for citizens through partnerships, and contributing to the development of their skills and expertise, SCCH works to develop national human capital through many training programs and scholarship programs at home and abroad which contributes to human capability development program one of Saudi Vision 2030 programs.

As well as attracting foreign investment and opening new horizons for them, the business development departments of SCCH work on signing contracts and strategic agreements with international companies, participating in exhibitions and conferences globally, as well as attending international forums with official delegations thereby, the Kingdom will be able to transfer and enhance its image and presence among the world's most innovative and leading countries in the most important industrial and commercial sectors.

A developmental approach is being used by SCCH during the second phase of its transformation project, which revolves around restructuring subsidiaries, aimed at enhancing value and achieving its strategic goals, in accordance with Saudi Vision 2030. In order to enhance productivity and transparency, SCCH is restructuring its operations, increasing production, enhancing localization at all levels, and advancing important sectors which will create a sustainable economy.

Moreover, SCCH and its subsidiaries are studying the needs of local and regional markets, as well as preparing studies and research related to target groups, which will be the basis for developing their strategic plans. By doing so, the private sector will gain competitive advantage, local content will be enhanced, and an attractive investment environment will be created, contributing to Saudi Vision 2030's goal of creating a "thriving economy."

# SCCH's bright milestones

<p><b>1972</b></p> <p>Establishing Saudi Chemical Company</p> 	<p><b>2000</b></p> <p>Acquisition Saudi International Trading Company Ltd. (SITCO Pharma)</p> 
<p><b>2001</b></p> <p>The Company entered Tadawul</p> 	<p><b>2006</b></p> <p>Establishing Suez International Nitrate Company in Egypt (SINCO)</p> 
<p><b>2008</b></p> <p>Establishing Chemical Company for Commercial Investment (CCCI)</p> 	<p><b>2011</b></p> <p>Establishing Saudi Chemical Company Ltd. (SCCL)</p> 
<p><b>2012</b></p> <p>Establishing AJA Pharmaceutical Industries Company (AJA Pharma)</p> 	<p><b>2020</b></p> <p>Launching 1st phase of the Strategic transformation program and becoming a holding company</p> 
<p><b>2022</b></p> <p>Establishing Care Supply Chain for Logistic Services Co. Ltd. (CSC)</p> 	<p><b>2023</b></p> <p>Launching 2nd phase of the Strategic transformation program, to implement SCCH' vision toward a sustainable future, and establishing 2 separate holding companies for civil and military explosives sector and healthcare sector each</p>



## A vision that adopts a sustainable future

SCCH has demonstrated fifty-one years of dedication, growth, and business sustainability in accordance with its comprehensive strategic vision, and its short- and long-term executive plans that are consistent with the best professional practices in its business sectors, and it has been able to achieve a distinguished position in the market locally, regionally, and internationally through its excellent operational and financial solvency.

In addition to that, SCCH has also undertaken various initiatives and projects in alignment with Saudi Vision2030 and national programs that will contribute to the achievement of the strategic transformation project, which was launched in mid-2020 in its first phase. As a result of its major role in ensuring business continuity, sustainability and improving the efficiency and effectiveness of the company's business and products, the second phase began in 2023, when two holding companies were established for the explosives and healthcare industries.

The purpose of this strategic shift is to achieve greater competitiveness and distinction, and to confirm its regional and global leadership, and to enhance the attractiveness of Saudi markets in general, so that they will be attractive to investments and supportive of public and private sectors.

As a reflection of its commitment to a sustainable future, SCCH demonstrates its achievements, leadership and excellence in the production, distribution, marketing and storage of medicines, and explosives for civil and military uses.







# Executive Summary

## Executive Summary

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For the year 2023, the Saudi Chemical Company Holding presents its annual report, which outlines its achievements and outlines its vision for a sustainable future, keeping pace with changes, while ensuring the best financial results for its stakeholders in both the explosives industry which is represented by Saudi Chemical Company Ltd. "SCCL" and Suez International Nitrate Company "Sinco", and the healthcare sector represented on the pharmaceutical manufacturing side by: Aja Pharmaceutical Industries Ltd. "AJA Pharma", and on the distribution, marketing, and logistics services side by: Saudi International Trading Company Ltd. (Sitco Pharma), Chemical Company for Commercial Investment Ltd. (CCCI), and Care Supply Chain for Logistic Services Co. Ltd. (CSC)

This annual report also addresses details of effective governance in SCCH, a summary of financial performance, rewards and compensation for the Board of Directors, as well as a geographical analysis of consolidated sales, the company's consolidated financial results for 2023, its distribution of profits, and applications for governance and risk management are also included in this annual report.

# Pioneers in Industrial and Commercial Sectors



## Pioneers in Industrial and Commercial Sectors

(Company and its subsidiaries activities)

### Civil and Military Explosives Unit subsidiary companies

#### Saudi Chemical Company Ltd. (SCCL)

Saudi Chemical Company Ltd. is proud to meet market demand for military explosives, civil explosives, mining services, infrastructure projects, and other mega-projects as part of Saudi Vision 2030. In 2011, the Saudi Chemical Company Ltd. was established, with a capital of 50 million Saudi Riyals. It manufactures and distributes explosives for civil and military uses, and offers related services and technical solutions. There are three civilian explosive factories and major warehouses owned by the company in the central, northern, and western regions, as well as central distribution warehouses across the southern, eastern, and western regions. Furthermore, the company manufactures explosives and military solutions through the establishment of a military industries complex in Riyadh worth more than a billion Riyals. It will include a center of excellence for Research and Development, the first of its kind in the region, as well as production lines and other facilities.

#### Suez International Nitrate Company (SINCO)

In the Middle East and North Africa, Suez International Nitrate Company (SINCO) has a distinguished history of serving civil mining and explosives companies.

Sinco Company was established in 2006 as an Egyptian joint-stock company owned by Saudi Chemical Company Holding, and is based in Suez Governorate in Egypt. It started its commercial production in 2010 in addition to producing low- and high-density industrial ammonium nitrate, the company also manufactures explosives for infrastructure, mining, and construction. This material plays a crucial role in manufacturing civil explosives.

It is also considered a main supplier in the security of supplies to the Saudi Chemical Company Ltd. (SCCL), with a capital of 50 million US dollars, and a paid-up capital of 5 million US dollars.

الكيميائية السعودية  
Saudi Chemical  
الشركة الكيميائية السعودية المحدودة  
Saudi Chemical Company Limited

شركة السويس العالمية للنترات  
Suez International Nitrate Co.  
SINCO





## Healthcare and pharmaceutical unit subsidiary companies

### Pharmaceutical products and medicines manufacturing sector

#### AJA Pharmaceutical Industries Company Ltd. (AJA Pharma)

Aja Pharmaceutical Industries Ltd. (AJA Pharma) began commercial production in 2018, after being established as a limited liability company in the Kingdom of Saudi Arabia in 2012, with a capital of 100 million Saudi riyals. It is known for its leadership and excellence in establishing and managing pharmaceutical, medical preparation, vaccine and serum factories.

Through close collaboration with major international pharmaceutical companies and the latest international standards, the company manufactures medicines and pharmaceutical preparations used for many therapeutic purposes, according to the latest international standards.

### Logistics and Pharmaceutical distribution sector

#### Saudi International Trading Company Ltd. (SITCO Pharma)

With a capital of five million Saudi Riyals, Saudi International Trading Company Limited (SITCO Pharma) has become a leader in the field of medicine distribution, marketing, and logistics services in the Kingdom since 1982. As an agent for more than 28 pharmaceutical companies on the global, regional, and local levels, Sitco Pharma meets the needs of the public and private health sectors in the Kingdom of Saudi Arabia through its advanced distribution network.

It is considered one of the largest national companies in its field, according to the IQVIA report. Besides distributing vaccines and refrigerated medicines, it also has the distinction of possessing one of the largest supply chains for refrigerated medicines, which require special transportation and storage conditions. Having this uniqueness reflects its commitment to providing the highest levels of quality and safety in all of its services, making it a leading pharmaceutical distribution company.



#### Chemical Company for Commercial Investment Ltd. (CCCI)

As a result of increasing consumer demand for pharmaceuticals, medical materials, machinery, and equipment, Chemical Company for Commercial Investment Ltd. (CCCI) was founded in 2008, and began commercial operations in 2013, with a capital of 5 million Saudi Riyals. The company's work is primarily representative of wholesale and retail trade of medicines, medical materials and equipment, and cosmetics.

Additionally, CCCI distributes healthy food products, and is the only distributor for "Kabrita" company. It offers products that are focused on the nutrition and comfort of children, including goat milk-based products.

Moreover, it provides families with a new option for artificial breastfeeding in Saudi Arabia, combining natural nutrition with scientific accuracy based on health and safety.

#### Care Supply Chain for Logistic Services Co. Ltd. (CSC)

Founded in 2022 as a joint venture between Chemical Company for Commercial Investment Ltd. (CCCI) and Hillman International Logistics Services Company, Care Supply Chain for Logistic Services Co. Ltd. (CSC) provides specialized logistical services in the field of healthcare, including transportation, storage, loading, unloading and distribution, to the highest standards of safety and security. The company is still studying the best ways to conduct business and evaluating its operations to improve the efficiency of supply chains for Saudi Arabia and improving their current performance.

The start of the second phase of the Saudi Chemical Company



**Saudi Chemical Company  
Holding, an Excellent  
Present and a Bright Future**



## Saudi Chemical Company Holding, an Excellent Present and a Bright Future

Holding transformation project, which involves the establishment of two holding companies for explosives and healthcare, is one of the most notable achievements for SCCH for the year 2023 across all business sectors in order to achieve business sustainability, development, and maximum profitability for investors, shareholders, employees, and stakeholders.

Moreover, several agreements and memorandums of understanding were signed in 2023 to support the growth of its business and investments. One of the most significant items was obtaining a letter from the Ministry of Energy allocating the necessary gas to its subsidiary, the Saudi Chemical Company Ltd. The project is intended to create a qualitative shift in the Kingdom's manufacturing industries by producing nitric acid and ammonium nitrate to achieve economic diversification and self-sufficiency in these raw materials used in vital sectors like civil and military explosives, other supplies, and pharmaceuticals according to Saudi Vision 2030, and it is the first of its kind in the region.

With the National Industrial Development Center, SCCH has also signed a memorandum of understanding as part of supporting the company's multiple investments, including producing medicines, securing pharmaceutical supply chains, and investing in military and civilian sectors, such as making military and civilian explosives, in order to achieve the objectives of the national industrial strategy that will serve mining and infrastructure projects, as well as related services, enhance Saudi competitiveness, maximize domestic production, increase Saudi exports, reduce import dependence, and create and localize jobs.

## Subsidiaries' Achievements

### Explosives Unit

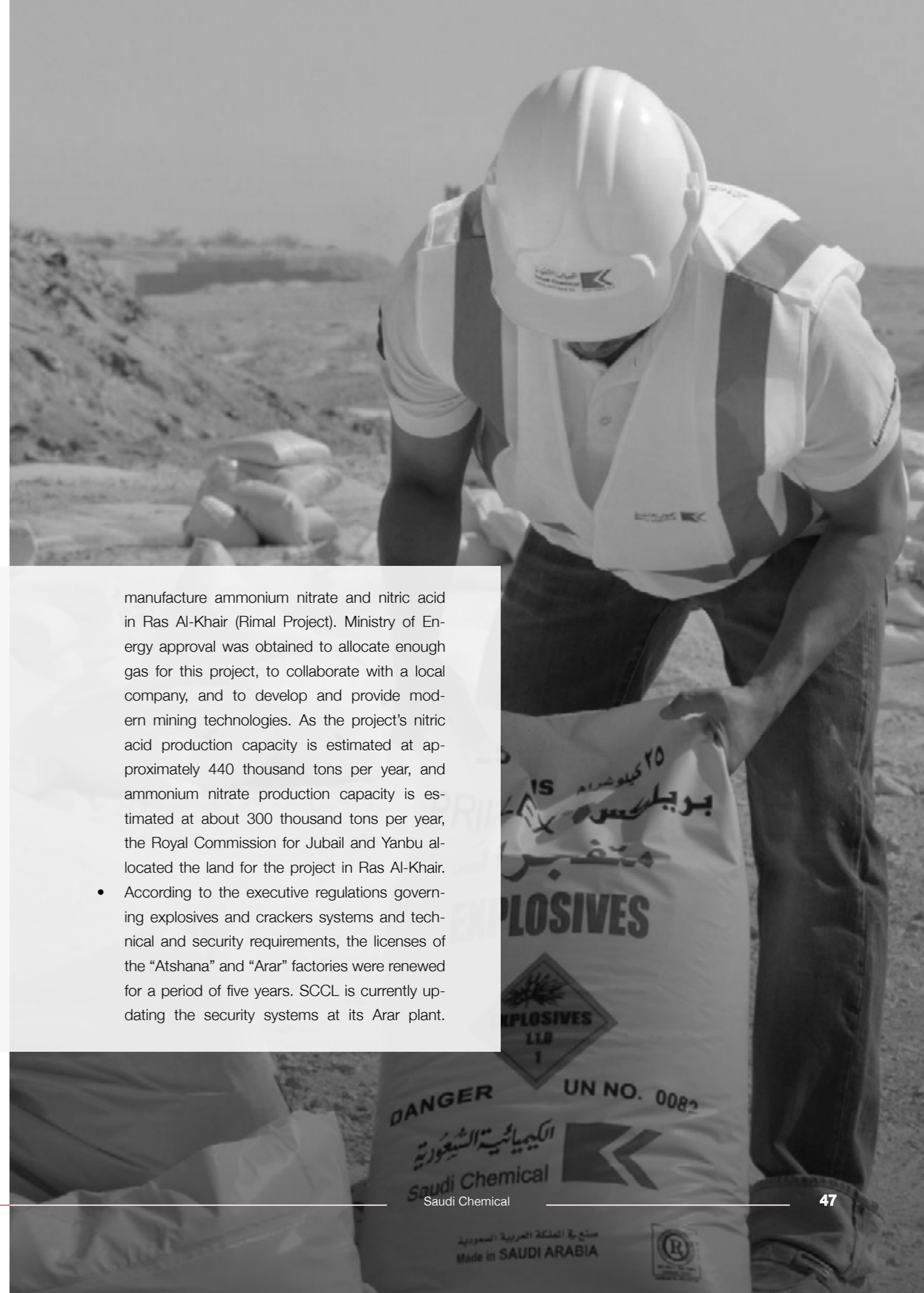


**Saudi Chemical Company Ltd. (SCCL)**

الشركة الكيميائية السعودية المحدودة  
Saudi Chemical Company Limited

#### SCCL's achievements in the civil explosives sector

- As a result of the noticeable increase in civilian explosives sales for the year 2023, which are considered the highest since the company's founding, the production capacity of the company's factories and its logistical capabilities were also increased.
- In order to improve the company's production capacity, studies and designs related to modernizing the "Cumulex" material line have been completed at "Atshana".
- As part of its efforts to increase production efficiency, SCCL continued to reduce raw material costs and overhead costs.
- A number of mega-projects in the Kingdom, including the "NEOM" project, continued to benefit from SCCL's products by supplying them to implementing companies and providing technical support.
- Based on its contribution to refining the necessary skills for employees of the government's security sector and the private sector in Saudi Arabia and the Gulf countries that benefit from the company's services, such as Kuwait, the company has held several technical courses focusing on the multiple uses of civil explosives. All of the company's facilities also offer courses on safety, environmental health, and first aid to their employees.
- The company has established additional warehouses with adequate capacity for raw materials, while expanding existing warehouses, increasing storage capacity of ammonium nitrate in its factories, after obtaining approval from the appropriate authorities.
- In an effort to provide raw materials necessary for a number of manufacturing industries in local markets, SCCL has begun the procedure to manufacture ammonium nitrate and nitric acid in Ras Al-Khair (Rimal Project). Ministry of Energy approval was obtained to allocate enough gas for this project, to collaborate with a local company, and to develop and provide modern mining technologies. As the project's nitric acid production capacity is estimated at approximately 440 thousand tons per year, and ammonium nitrate production capacity is estimated at about 300 thousand tons per year, the Royal Commission for Jubail and Yanbu allocated the land for the project in Ras Al-Khair.
- According to the executive regulations governing explosives and crackers systems and technical and security requirements, the licenses of the "Atshana" and "Arar" factories were renewed for a period of five years. SCCL is currently updating the security systems at its Arar plant.





## SCCL's achievements in the military explosives sector

- In addition to the successful completion of the field tests for mechanical fuses, all fuses production lines have been completed.
- The construction and installation of the "TNT" and "RDX" lines have been completed in 2023. Commercial production is expected to begin in 2024.
- The quality laboratory has been fully equipped with its advanced equipment following the completion of quality tests on raw and finished materials.
- Meetings continued to be held with the defense ministry's Arms and Savings Department regarding the supervision of the inventory management of SCCL for Military Industries.

## SCCL's achievements in both civil and military explosives sector

- SCCL has completed the preparation, documentation, and distribution of standard operating procedures for all departments and divisions within its business segments within the scope of standard operating procedures (SOPs). Through this, tasks are carried out more efficiently and effectively, daily work can be automated more easily, and services can be improved for the company's clients.
- As part of its participation in the "Made in Saudi" program, SCCL has completed placing the approved logo on all its products, "Saudi Made," under the supervision of the Saudi Export Development Authority. In 2023, the company received a certificate of commitment for the National Industrial Development and Logistics Program, which encourages consumers to purchase local products and develops the Kingdom's exports to global markets by stimulating national industries.
- In an effort to apply the best global practices for manufacturing to raise operational excellence, SCCL joined the "Factories of the Future" program of the Ministry of Industry and Mineral Resources through one of the specialized companies accredited by the Ministry, SCCL has evaluated its operational excellence levels by one of the specialized companies of the Ministry of Industry and Mineral Resources.
- In confirmation of the SCCL's commitment to applying the best international practices in various aspects of its work, SCCL acquired, during the third quarter of 2023, the ISO 9001 certificates for quality and operations management, the ISO 14001 environmental management certificate, and the ISO 45001 occupational safety and health certificates for a period of three years. These certificates were obtained by the company in 2015 and 2018.
- In an effort to improve environmental sustainability, SCCL obtained an environmental permit from the National Center for Environmental Compliance, which is considered important for the company's manufacturers of civil and military explosives.



## Suez International Nitrate Company (SINCO)

- SINCO reported a significant increase in annual sales as a result of increased demand for high-quality ammonium nitrate products used in mining, infrastructure, and exploration projects.
- SINCO was able to reduce costs during the year 2023 due to the adoption of the latest technologies in production and distribution.
- SINCO increased warehouse efficiency and improved storage procedures over the year to improve the efficiency of its supply chain.
- SINCO improved its distribution infrastructure to increase the speed and quality of product deliveries to clients.
- In collaboration with the Egyptian Armed Forces, SINCO contributed to the completion several important projects in the Arab Republic of Egypt.
- The implementation of an Enterprise Resource Planning (ERP) system was initiated as part of the company's efforts to integrate its various departments, improve operations, and keep pace with technological advances.
- SINCO's continuous commitment to providing high-quality products and services in accordance with latest international standards led to its successful review for the three ISO certificates, ISO9001, ISO14001, and ISO45001.
- SINCO continues to participate in charitable initiatives and activities aimed at improving the lives of individuals and communities as part of its commitment to supporting social contribution programs.

## Healthcare and pharmaceutical Unit

### Pharmaceutical manufacturing sector



**AJA Pharmaceutical Industries  
Company Ltd. (AJA Pharma)**



- In order to enhance pharmaceutical security in the Kingdom and the region, Aja Pharma is working with the Saudi Food and Drug Authority and all the relevant authorities to rehabilitate the sterile production line for injectable medications at its factory, and to implement the value of sustainability in safety and industrial security.
- In addition to eight medicines and products related to multiple chronic diseases, Aja Pharma launched the locally packaged medicine “Panadol Extra” in the Saudi market in the fourth quarter of 2023. As well as moving from secondary packaging to complete manufacturing and primary packaging, about 60% more units were produced than in 2022.
- 9 therapeutic products with multiple dosage concentrations were completed at Aja Pharma, along with the finalization of the procedures for transferring ownership of marketing rights from the international company “Eli Lilly” for the “Cia-

lis” preparation in two concentrations and three sizes.

- Aja Pharma’s production capacity has increased to more than 23 million packages, and one of its manufacturing lines has more than tripled its capacity in order to prepare for the launch of 10 new products.
- To enhance its position in the Saudi and international market in the field of manufacturing value-added medicines, such as oncology and diabetes medicines, Aja Pharma signed an exclusive agreement with “Bioventure” to obtain exclusive rights to market the drug “Ruxolitinib”, which is used to treat some types of tumors in Saudi Arabia and other countries, such as GCC and Arab countries. A memorandum of understanding with the same company was also signed to grant licenses and supply new pharmaceutical products in the Middle East region, and to develop a variety of pharmaceutical forms

aimed at contemporary diseases like diabetes, tumors and biosimilars, which are expected to be among the largest and fastest growing therapeutic categories in the global pharmaceutical industry.

- Aja Pharma and “Lagap” have signed a memorandum of understanding to develop pharmaceutical products and launch them in European and Middle Eastern markets. This agreement aims to localize specialized medicines, increase local output, and secure pharmaceutical supply chains.
- In a new achievement for Aja Pharma, to promote the localization of the biopharmaceutical industry and ensuring a sustainable supply of essential medicines, it has obtained a patent non-infringement certificate for the “Ticagrelor” preparation for the first time in its history, allowing the introduction of the preparation that will allow the medicine to be registered by the Saudi Food and Drug Authority.
- In line with the objectives of Saudi Vision 2030, and in support of Aja Pharma’s commitment to high quality, it signed a final agreement with “Dr. Reddy’s” to acquire registration and marketing rights for three of “Dr. Reddy’s” advanced

injectable products in Saudi Arabia and the GCC countries in order to achieve sustainable growth and innovation in the healthcare sector.

- By expanding its business regionally and globally, as well as exporting some of its products to Gulf Cooperation Council countries, Aja Pharma maintained its membership in the Saudi Export Development Authority’s “Made in Saudi” program as a result of the quality of its products and services. Thus, the company can sell its products and services under the slogan “Saudi Made” in the regional and global markets, thereby supporting the national development strategy and boosting non-oil exports from Saudi Arabia.

## Logistics and Distribution sector



### Saudi International Trading Company Ltd. (SITCO Pharma)

According to market requirements, SITCO Pharma increased the size of its storage facilities in order to improve the service it provides to its clients, as well as introducing new products to the distribution network, reviewing and renewing existing supplier contracts, after signing long-term contracts with multinational companies during 2023.

Additionally, SITCO Pharma obtained the ISO 13485:2016 certificate for medical devices in 2023, and all licenses issued by the Saudi Food and Drug Authority were updated, along with the "SITCO" facility license certificate for medical devices.



### Chemical Company for Commercial Investment Ltd. (CCCI)

To enhance the efficiency and profitability of CCCI, its business model was reviewed, and relevant objectives were set to achieve a business model that complements previous successes; the company also worked to establish several important distribution partnerships.



### Care Supply Chain for Logistic Services Co. Ltd. (CSC)

To enhance the quality of business in the field of third-party logistics (3PL) services in the healthcare sector, CSC's management team continues to work on evaluating the company's business and studying ways to enhance warehouse management and logistics capabilities in the Saudi healthcare sector in order to create valuable opportunities in the field of supply chains in the healthcare sector.





## SCCH's ownership's ratio in its Subsidiaries

According to the provided table, SCCH's ownership ratio directly and indirectly in its subsidiary companies until 31/12/2023 as follows:

Company's Name	Paid Capital	Ownership	Main Activity	Main Headquarters	Country
<b>Saudi International Trading Company Ltd. (SITCO Pharma)</b>	5 million Saudi Riyals	99%	Sales agents in the distribution of medicines and cosmetics	Saudi Arabia	Saudi Arabia
<b>Suez International Nitrate Company (SINCO)</b>	5 million US Dollars	100%	Production of ammonium nitrate	Arab Republic of Egypt	Arab Republic of Egypt
<b>Chemical Company for Commercial Investment Ltd. (CCCI)</b>	5 million Saudi Riyals	100%	Wholesale and retail trade in medicines, pharmaceuticals, equipment, and cosmetics	Saudi Arabia	Saudi Arabia
<b>AJA Pharmaceutical Industries Company Ltd. (AJA Pharma)</b>	100 million Saudi Riyals	100%	Manufacture of pharmaceutical preparations for human use, and sales agents in medicines and cosmetics	Saudi Arabia	Saudi Arabia
<b>Saudi Chemical Company Ltd. (SCCL)</b>	50 million Saudi Riyals	100%	Production of nitric acid, manufacture and supply of explosives, ammunition and individual civilian and military weapons	Saudi Arabia	Saudi Arabia
<b>Care Supply Chain for Logistic Services Co. Ltd. (CSC)</b>	500,000 Saudi Riyals	50%	Logistics, facility operation, loading and unloading, transportation and distribution services	Saudi Arabia	Saudi Arabia





# Our Effective Governance

## Our Effective Governance

### Board members, Board committees, and senior Executives

In the following table, you will find a description of the positions, qualifications, and experience of the board members.

#	Name	Qualifications	Current and Previous Jobs and Experiences
1	<b>Eng/ Fahad bin Saleh Al-Jarbou</b>	Bachelor's degree in Electrical Engineering - King Fahad University of Petroleum and Minerals, graduated in 1974.	<ul style="list-style-type: none"> <li>From 2010 to present: Member, Chairman of the Board of Directors, and Chairman of the Executive Committee of the SCCH.</li> <li>From 2002 to 2010: General Manager, and member of the Board of Directors of the Saudi International Trading Company Ltd (Sitco Pharma).</li> <li>From 1995 to 2010: General Manager, Managing Member, and Member of the Executive Committee of the SCCH</li> <li>From 1992 to 1995: CEO of NAFTA Services Company Limited.</li> <li>From 1989 to 1992: General Manager of Qassim Cement.</li> <li>From 1983 to 1989: Director, member of the Board of Directors, and owner of METSCCO Heavy Steel Industries Co. Ltd.</li> <li>From 1976 to 1981: The Saudi Industrial Development Fund's (SIDF)- Electrical Loan Section.</li> <li>From 1974 to 1976: Faculty Assistant - Teaching Assistant.</li> </ul>
2	<b>Mr. Obaid bin Abdullah Al-Rasheed</b>	Bachelor of Business Administration - San Jose (California), USA, graduated in 1983.	<ul style="list-style-type: none"> <li>SCCH's board of directors vice chairman.</li> <li>From 2021 to present: Managing Member of the Board of Directors - CEO of Arab National Bank.</li> <li>From 2011 to 2021: Executive Vice President - Arab National Bank.</li> <li>38 years in the banking field.</li> </ul>

#	Name	Qualifications	Current and Previous Jobs and Experiences
3	<b>Eng/ Thamer bin Mohammed Al-Muhaid</b>	<ul style="list-style-type: none"> <li>Bachelor's degree - Civil Engineering - King Saud University, graduated in 1993.</li> <li>Master of Business Administration, specializing in corporate acquisition and merger - Vienna University of Science and Technology, Austria, graduated in 2009.</li> <li>Master of Business Administration, specializing in global management - Thunderbird University in America, graduated in 2016.</li> </ul>	<ul style="list-style-type: none"> <li>From 2020 to present: Managing Director and Group CEO - SCCH.</li> <li>From 2018 to 2020: Deputy General Manager of the Saudi Chemical Company Limited and Managing Director of "SINCO".</li> <li>From 2016 to 2018: General Manager of the Nutrition Unit at Almarai Company.</li> <li>From 2015 to 2015: Ministry of Trade and Industry, General Manager of Policy, Research and Planning.</li> <li>2009: Global manager of planning and monitoring for GI Sabic USA.</li> <li>From 1995 to 2015: SABIC Jubail and Riyadh - 2009: Global Director of Planning and Control, GI SABIC America.</li> <li>From 1993 to 1995: Royal Commission for Jubail and Yanbu.</li> </ul>
4	<b>Dr. Mohammed bin Saud Al-Badr</b>	Ph.D. in Computer Education - Southern Illinois Carbondale University, USA, graduated in 1993.	<ul style="list-style-type: none"> <li>A member of SCCH's board of directors.</li> <li>From 2010 to 2020: General Manager of the Saudi Chemical Company.</li> <li>From 2008 to 2009: CEO of Integrated Telecom Company (ITC).</li> <li>From 1997 to 2007: General Manager of the International Company for Education and Training.</li> <li>From 1993 to 1997: Director General of Computers at Shura council.</li> </ul>
5	<b>Mr. Abdul Rahman bin Abdul Aziz Al-Yamani</b>	Bachelor of Arts - King Saud University, graduated in 1403.	<ul style="list-style-type: none"> <li>A member of SCCH's board of directors.</li> <li>From 2005 to present: Member of the Board of Directors in a number of listed joint stock companies.</li> <li>From 1993 to 2005: Saudi Pharmaceutical Industries and Medical Appliances Corporation (SPIMACO).</li> <li>From 1984 to 1993: Ministry of Education</li> </ul>



#	Name	Qualifications	Current and Previous Jobs and Experiences
6	<b>Mr. Fawaz bin Muhammad Al-Fawaz</b>	Bachelor of Finance and Accounting - King Saud University, graduated in 1983.	<ul style="list-style-type: none"> <li>A member of SCCH's board of directors and chairman of SCCH's audit committee.</li> <li>Chairman of the Saudi Logistics Services Company SAL, since 2021 until now.</li> <li>Chairman of the Saudi Acrylic Acid Company, since 2022 until now.</li> <li>Chairman of the Audit Committee and board of directors' member of Tasnee and Sahara Olefins Company, since 2015 until now.</li> <li>Chairman of the Audit Committee and board of directors' member of Manufacturing and Energy Services Company (TAQA), since 2015 until now.</li> <li>Vice CEO and Support Services at the National Industrialization Company (Tasnee), since 2015 until now.</li> <li>Served as board member and Chairman of the audit committee for Roaa Al Madina Holding Company from 2018 to 2022.</li> <li>From 2016 to 2019, served as a board member and Chairman of the audit committee at Malath Cooperative Insurance Company.</li> <li>Chairman of the Board of Directors of Saudi Airlines Cargo Company from 2016 to July 2021.</li> <li>In 2010 to 2015, served as a Vice CFO at the Saudi Basic Industries Corporation (SABIC).</li> <li>Vice Chairman of the board of directors and a Chairman of the Audit Committee at Yansab Company from 2013 to 2015.</li> <li>Served as a CFO at Saudi Basic Industries Corporation (SABIC) from 2004 to 2009.</li> <li>Served as a General Manager of Accounting at Saudi Basic Industries Corporation (SABIC) from 2000 to 2004.</li> <li>Deputy of CFO in SABIC for marketing company Ltd. From 1996 to 1999</li> <li>Several accountant and financial positions in SABIC for marketing company Ltd. (one of SABIC companies) from 1983 to 1995.</li> </ul>

#	Name	Qualifications	Current and Previous Jobs and Experiences
7	<b>Mr. Muhammad bin Omair Al-Otaibi</b>	Master of Business Administration - Western Michigan University - USA, graduated in 1993.	<ul style="list-style-type: none"> <li>A member of SCCH's board of directors.</li> <li>From 2017 to present: Zameen Electronic Marketing Company, and Chairman of the Board of Directors.</li> <li>Membership in several companies' board of directors.</li> <li>From 2005 to 2015: Saudi national company for sea transportation.</li> <li>From 1994 to 2005: Saudi Hollandi Bank and Saudi American Bank.</li> <li>From 1983 to 1991: Riyadh Bank and Saudi Airlines.</li> </ul>
8	<b>Mr. Muhammad bin Saad bin Daoud</b>	Bachelor's degree in Accounting from King Saud University, graduated in 1996.	<ul style="list-style-type: none"> <li>A member of SCCH's board of directors.</li> <li>From 2018 to present: Mohammed bin Saad bin Daoud Office for Financial and Administrative Consultations.</li> <li>From March 2018 to July 2018: Managing Member of Manafea Investment Company.</li> <li>From 2014 to 2018: CEO and member of the Board of Directors of Mohammed Abdul Aziz Al Rajhi and Sons Investment Company.</li> <li>From 2013 to 2014: General Manager of Corporate Banking at the Saudi British Bank.</li> <li>From 2004 to 2013: Deputy General Manager of Corporate Banking at the Arab National Bank.</li> </ul>
9	<b>Mr. Sultan bin Abdulaziz Al-Humaidi</b>	<ul style="list-style-type: none"> <li>Bachelor's degree in systems engineering, King Fahd University of Petroleum and Minerals, graduated in 1997.</li> <li>Master of Business Administration from King Saud University, graduated in 2004.</li> </ul>	<ul style="list-style-type: none"> <li>A member of SCCH's board of directors.</li> <li>From 2024 to present: CEO of the Social Development Bank.</li> <li>From 2019 to 2024: Executive Vice President of the Business Sector.</li> <li>From 2013 to 2015: Vice President for Individual Finance at Bank Al Jazira.</li> <li>From 2011 to 2013: Assistant General Manager and Head of Alternative Channels at Al Rajhi Bank.</li> <li>From 2009 - 2011: Assistant General Manager and Head of the Card Center at Al Rajhi Bank.</li> <li>From 2007 to 2009: Card Products Manager at Al Rajhi Bank.</li> <li>From 2006 to 2007: Director of the Integration Management Project at the Saudi Telecom Company.</li> <li>From 1999 to 2006: Head of the control system at the Saudi Electricity Company.</li> </ul>

## Executive members and committees

Senior executives, their qualifications and experience

Additionally, senior executive members' positions, qualifications, and experience are listed below.

#	Name	Current Job	previous job	Qualifications	Years of Experience
1	<b>Thamer bin Mohammed Al-Muhaid</b>	Managing Director and Group CEO of SCCH.	<ul style="list-style-type: none"> <li>Managing Director and Group CEO of SCCH from February 2020 to present.</li> <li>Deputy General Manager of the Saudi Chemical Company Limited and Managing Director of "SINCO" from 2018 to February 2020.</li> <li>General Manager of the Nutrition Unit at Al-marai Company from 2016 to 2018.</li> <li>General Manager of Policy, Research and Planning in Ministry of Trade and Ministry of Industry and Mineral Resources in 2015.</li> <li>SABIC Jubail and Riyadh - 2009, and Global Director of Planning and Control, GI SABIC America.</li> <li>Royal Commission for Jubail and Yanbu from 1993 to 1995.</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor's degree - Civil Engineering - King Saud University, graduated in 1993.</li> <li>Master of Business Administration, specializing in corporate acquisition and merger - Vienna University of Science and Technology, Austria, graduated in 2009.</li> <li>Master of Business Administration, specializing in global management - Thunderbird University in America, graduated in 2016.</li> </ul>	30 years
2	<b>Sameh Fathi Hassan</b>	Group Chief Financial Officer	<ul style="list-style-type: none"> <li>Financial Director and Planning Director of Al Faisaliah Group.</li> <li>Head of the Financial Sector of Aujan Holding Group.</li> <li>Regional Financial Director of Colgate-Palmolive Arabia Limited in the Kingdom of Saudi Arabia.</li> <li>Regional Financial Director of "Novartis" International in North Africa.</li> <li>Regional CFO for "Johnson &amp; Johnson Medical" in North Africa.</li> </ul>	Master's degree in Business Administration from Maastricht Business School, Netherlands.	29 years

#	Name	Current Job	previous job	Qualifications	Years of Experience
3	<b>Dimitri Levadas*</b>	CEO of the pharmaceutical sector	<ul style="list-style-type: none"> <li>1. President and General Manager of the Saudi Arabian "Lily" Company from July 2008 to September 2, 2023.</li> <li>2. Panasonic Company - England, Germany and Japan branches from November 2002 to June 2008.</li> <li>3. Business consultant in Belgium from March 2000 to October 2002.</li> <li>4. Business consultant - "Pan" Company in Belgium from July 1997 to February 2000.</li> <li>5. Branch manager in the regional sales office of the American company "Vapory Metric Fasteners" from August 1995 to July 1997.</li> </ul>	<ul style="list-style-type: none"> <li>Diploma in Marketing - Netherlands.</li> <li>Bachelor of Business Administration - United States of America.</li> <li>He won the Panasonic International Award for Information Technology Managers in 2007 in Japan.</li> <li>He won the President's Award for the American company "Lily" in Japan for the years 2008, 2009, and 2010.</li> <li>He won the American "Lilly" Award for Global Market Research in 2012.</li> <li>He received the President's Award for achieving sales and profitability in 2019 from the American company "Lilly" Saudi Arabia.</li> <li>He received the President's Award for Profitability in 2020 from the American company "Lilly" - Saudi Arabia.</li> </ul>	28 years
4	<b>Khaled bin Mohammed Al Bawardi</b>	Chief Executive Officer of the Holding Company Affairs - Secretary of the Board of Directors	<ul style="list-style-type: none"> <li>March 1997 to May 2006.</li> <li>Arab national Bank</li> <li>August 2007 to March 2010.</li> <li>Amlak Holding</li> <li>March 2010 to May 2016.</li> <li>Head of the Follow-up Operations Unit - Capital Market Authority</li> <li>2016-present SCCH.</li> </ul>	Bachelor of Business Administration from King Abdulaziz University.	28 years
5	<b>Abdullah bin Abdulaziz Al-Zunaidi</b>	CEO of Explosives Sector	<ul style="list-style-type: none"> <li>- CEO and member of the Board of Directors of SABIC Africa from 2017 to the end of 2020.</li> <li>- General Manager of the Specialty Chemicals Sector in 2016 at SABIC.</li> <li>- General Manager of the MTBE Sector in 2015 at SABIC.</li> <li>- Global Director of the "catalysts" Sector from 2011 to 2014 at SABIC.</li> <li>- Director of "catalysts" factories from 2003 to 2010 at SABIC.</li> <li>- Technology licensing specialist from 2000 AD to 2002 AD at SABIC.</li> <li>- Project manager from 1996 to 1999 at SABIC.</li> <li>- Production engineer for the "Spimaco" pharmaceutical company from 1993 to 1996.</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor's degree in Chemical Engineering from King Fahd University of Petroleum and Minerals.</li> <li>Executive Master of Business Administration from Thunderbird University in the United States of America.</li> </ul>	31 years

(\* ) Starting from September 2023

## Committees emanating from the Board of Directors

SCCH approved the governance system and internal governance regulations by the Board of Directors and the General Assembly. These included the establishment of policies, rules, and procedures to establish the main committees of the Board of Directors and define their responsibilities, duties and mandates as follows:

### First: The Executive Committee

#### Executive Committee Responsibilities

- Make decisions regarding matters requiring urgent decisions in emergency situations.
- Make decisions related to the company's routine operations.
- Ensure that strategic plans turn into actual actions aimed at achieving the company's goals.
- Prepare recommendations for the Board of Directors on the company's strategic and operational matters.
- Executive Committees exercise all powers approved by regulators and supervisors or by the Board of Directors. In accordance with the powers assigned to it, it assists the CEO.

#### Work Duration of the Executive Committee

The Executive Committee's work began on January 1, 2022, and will end on December 31, 2024.

#### Members of the Executive Committee

Members of the Executive Committee consist of the following members of the Board of Directors:

#	Name	Position	Qualifications and experiences
1	Eng/ Fahad bin Saleh Al-Jarbou	Chairman of the Committee	Described in Board Membership
2	Mr. Obaid bin Abdullah Al-Rasheed	A member	
3	Eng/ Thamer bin Mohammed Al-Muhaid	A member	
4	Mr. Fawaz bin Muhammad Al-Fawaz	A member	
5	Mr. Muhammad bin Saad bin Daoud	A member	





## Second: The Audit Committee

### Audit Committee Responsibilities

The primary function of the Audit Committee is to assist the Board of Directors carrying out its supervisory tasks efficiently and effectively. In particular, the Committee is responsible for the integrity and completeness of the annual and quarterly financial statements. Additionally, recommend appointing external reviewers, as well as submit periodic reports to the Board of Directors regarding the efficiency of internal control policies and procedures.

The committee also prepares an annual report on the activities of the committee and its members, including the degree of compliance with its regulations, and expresses its opinions and recommendations regarding it.

### Work Duration of the Audit Committee

The Audit Committee's work began on January 1, 2022, and will conclude on December 31, 2024.

### Members of the Audit Committee

Members of the Audit Committee consist of the members listed in the following table:

#	Name	Position	Qualifications	Experiences
1	<b>Mr. Fawaz bin Muhammad Al-Fawaz</b>	Chairman of the Committee	Described in Board Membership	Described in Board Membership
2	<b>Mr. Abdul Wahab bin Ahmed Abed</b>	A member	Master of Business Administration (Specialization in Finance) Bentley University 2006	18 years in investment and wealth management in public stocks, real estate and private equity funds.
3	<b>Mr. Khalid bin Abdulaziz Al-Hoshan</b>	A member	<ul style="list-style-type: none"> <li>Master's degree in Business Administration</li> <li>Master's degree in Financial Applied</li> </ul>	<ul style="list-style-type: none"> <li>From 2002 to 2016: Review and compliance at the General Organization for Social Insurance.</li> <li>From 2011 to present: Membership of the American Society of Internal Auditors.</li> <li>From 2016 to present: Various experiences in internal auditing.</li> <li>From 2017 to present: Experience in Audit committees in several companies.</li> <li>From 2018 to 2023: Membership of the Auditing Standards Committee of the Saudi Organization for Accountants SOCPA.</li> </ul>
4	<b>Mr. Abdullah bin Hamad Al Mahdhal</b>	A member	<ul style="list-style-type: none"> <li>Master's degree in accounting and information systems from the University of Kansas in 2004, and a bachelor's degree from the same university in accounting and business administration (finance) in 2003.</li> <li>Fellowship of the Saudi Organization for Certified Public Accountants (SOCPA) in 2016.</li> <li>Fellowship of Accountants from the United States of America (CPA) in 2008.</li> <li>"CFA" for the year 2012 AD.</li> <li>A number of leadership courses from INSEAD University.</li> <li>CFA" for the year 2012 AD.</li> <li>A number of leadership courses from INSEAD University.</li> </ul>	<ul style="list-style-type: none"> <li>Assistant Undersecretary for Governance and Policies in charge of the Financial Affairs and Accounts Agency at the Ministry of Finance.</li> <li>Head of the Accounting Accrual Center at the Ministry of Finance.</li> <li>A number of positions in the manufacturing and energy services company, the most recent of which is the Chief Financial Officer.</li> <li>Financial Director and Director of Financial Planning at Abdul Latif Al-Issa Group.</li> <li>Director of Accounts Management at the General Organization for Social Insurance.</li> </ul>

## Third: The Nominations and Remuneration Committee

### Nominations and Remuneration Committee Responsibilities

The Nominations and Remuneration Committee is one of the committees that establishes the company's future. It concerns building and maintaining the human element. It prepares the strategic plans necessary to raise performance, enabling it to succeed.

In this committee, administrative development is discussed as well as financial returns for employees. As well as implementing succession plans for human resources, which receive special attention. As well as studying and analyzing the market, this committee analyzes the company's performance level in comparison to its competitors.

The Nominations and Remuneration Committee helps attract people with exceptional abilities and talents. Moreover, this committee can seek assistance from specialized experts and consulting offices. These offices specialize in appropriate strategic questionnaires and studies in implementing important development programs for the company's current performance and laying solid foundations to build a successful future.

### Work Duration of the Nominations and Remuneration Committee

Nominations and Remuneration Committee began its work on January 1, 2022, and will end on December 31, 2024.

### Members of the Nominations and Remuneration Committee

The Nominations and Remuneration Committee consists of members of the Board of Directors listed in the following table:

#	Name	Position	Qualifications and experiences
1	Mr. Sultan bin Abdulaziz Al-Humaidi	Chairman of the Committee	Described in Board Membership
2	Mr. Abdul Rahman bin Abdul Aziz Al-Yamani	A member	
3	Dr. Mohammed bin Saud Al-Badr	A member	
4	Mr. Fawaz bin Muhammad Al-Fawaz	A member	
5	Mr. Muhammad bin Omair Al-Otaibi	A member	

## Fourth - The Risk and Governance Committee

### Risk and Governance Committee Responsibilities

The Risk and Governance Committee develops comprehensive strategies and policies for risk management and corporate governance. Considering both internal and external variables, it reviews, verifies, and updates the implementation of its activities as required. Further, it provides independent assurances and guarantees that internal control processes for risk management serve the company's interests.

As well as reviewing reports, it provides recommendations to the Board of Directors on issues related to risk management, supervises the company's risk management system and governance, and evaluates its efficiency.

### Work Duration of the Risk and Governance Committee

Risk and Governance Committee's work began on January 1, 2022, and will end on December 31, 2024.

### Members of the Risk and Governance Committee

The Risk and Governance Committee consists of the members of the Board of Directors listed in the following table:

#	Name	Position	Qualifications and experiences
1	Mr. Obaid bin Abdullah Al-Rasheed	Chairman of the Committee	Described in Board Membership
2	Eng/ Thamer bin Mohammed Al-Muhaid	A member	
3	Eng/ Thamer bin Mohammed Al-Muhaid	A member	
4	Mr. Fawaz bin Muhammad Al-Fawaz	A member	
5	Mr. Muhammad bin Saad bin Daoud	A member	

## Board Members and their Classification



**Eng/ Fahad bin Saleh Al-Jarbou**

Chairman of Board of Directors \_ Non-executive



**Mr. Obaid bin Abdullah Al-Rasheed**

Deputy Chairman of the Board \_ Non-executive



**Eng/ Thamer bin Mohammed Al-Muhaid**

Managing Director and Group CEO \_ Executive



**Dr. Mohammed bin Saud Al-Badr**

Member of the Board of Directors \_ Non-executive



**Mr. Muhammad bin Saad bin Daoud**

Member of the Board of Directors \_ Independent



**Mr. Abdul Rahman bin Abdul Aziz Al-Yamani**

Member of the Board of Directors \_ Non-executive



**Mr. Fawaz bin Muhammad Al-Fawaz**

Member of the Board of Directors \_ Independent



**Mr. Sultan bin Abdulaziz Al-Humaidi**

Member of the Board of Directors \_ Independent



**Mr. Muhammad bin Omair Al-Otaibi**

Member of the Board of Directors \_ Independent



## Board of Directors memberships in other companies until 12/31/2023

#	Name	Listed Companies	Unlisted Companies
1	Eng/ Fahad bin Saleh Al-Jarbou	None	None
2	Mr. Obaid bin Abdullah Al-Rasheed	<ul style="list-style-type: none"> <li>Arab National Bank.</li> <li>Dr. Sulaiman Al-Habib Medical Services Group Company.</li> <li>Saudi Home Finance Company.</li> </ul>	Arab Financial Company (Capital).
3	Mr. Abdul Rahman bin Abdul Aziz Al-Yamani	Al-Jouf Agricultural Company.	None
4	Eng/ Thamer bin Mohammed Al-Muhaid	Southern Province Cement Company.	<ul style="list-style-type: none"> <li>Suez International Nitrate Company</li> <li>Dar Al Balad Trading Company</li> </ul>
5	Mr. Fawaz bin Muhammad Al-Fawaz	<ul style="list-style-type: none"> <li>Saudi SAL Logistics Company.</li> <li>Malath Cooperative Insurance Company.</li> <li>Yansab Company</li> <li>Aluminum Bahrain (alba) Company board of director's membership and audit committee.</li> </ul>	<ul style="list-style-type: none"> <li>Saudi Acrylic Acid Company.</li> <li>Tasnee and Sahara Olefins Company.</li> <li>Manufacturing and Energy Services Company (Taqa).</li> <li>Saudi Cargo Airlines Company.</li> <li>Rua Al Madinah Holding Company.</li> </ul>
6	Mr. Sultan bin Abdulaziz Al-Humaidi	None	None
7	Mr. Muhammad bin Omair Al-Otaibi	Abo Moati company for stationery Company	<ul style="list-style-type: none"> <li>Member of the Board of Directors of Omran Najd Industry Company.</li> <li>Chairman of the Audit Committee at Al-Mojel Trading and Contracting Company.</li> </ul>
8	Mr. Muhammad bin Saad bin Daoud	Bank AlJazira	<ul style="list-style-type: none"> <li>Risk and Compliance Committee at the Zakat, Tax and Customs Authority.</li> <li>Dar Al Tamleek Company.</li> <li>Mohammed Abdulaziz Al Rajhi and Sons Invest Company</li> <li>Saudi Tourism Development Company.</li> <li>Abdul Latif Al-Issa Holding Group Company.</li> <li>Aqalat Real Estate Company.</li> <li>ektfa Charity Association.</li> </ul>
9	Dr. Mohammed bin Saud Al-Badr	Saudi Arabian Amiantit Company.	None

## Membership in audit committees of other companies until 12/31/2023

#	Name	Listed Companies	Unlisted Companies
1	Mr. Fawaz bin Muhammad Al-Fawaz	The corporate membership is shown in the table above	
2	Mr. Abdul Wahab bin Ahmed Abed	None	None
3	Mr. Khalid bin Abdulaziz Al-Hoshan	<ul style="list-style-type: none"> <li>Independent member of the Audit Committee for:</li> <li>Arab Sea Information Systems Company.</li> <li>Naseej International Trading Company.</li> <li>Saudi Paper Manufacturing Company.</li> <li>Methanol Chemicals Company.</li> </ul>	None
4	Mr. Abdullah bin Hamad Al Mahdhal	None	None

## Board of Directors meetings during 2023

In 2023, the Board of Directors met 5 times, and the table below shows the number of times each member attended.

#	Name	(1) March 26,2023	(2) May 23,2023	(3) August 22, 2023	(4) October 17, 2023	(5) December 25, 2023	Total	Attendance rate
1	Eng/ Fahad bin Saleh Al-Jarbou	✓	✓	✓	✓	✓	5	100%
2	Mr. Obaid bin Abdullah Al-Rasheed	✓	✓	✓	✓	✓	5	100%
3	Mr. Abdul Rahman bin Abdul Aziz Al-Yamani	✓	✓	✓	✓	✓	5	100%
4	Eng/ Thamer bin Mohammed Al-Muhaid	✓	✓	✓	✓	✓	5	100%
5	Mr. Fawaz bin Muhammad Al-Fawaz	✓	✓	✓	✓	✓	5	100%
6	Mr. Sultan bin Abdulaziz Al-Humaidi	✓	✓	✓	✓	✓	5	100%
7	Mr. Muhammad bin Omair Al-Otaibi	✓	✓	✓	✓	✓	5	100%
8	Mr. Muhammad bin Saad bin Daoud	✓	✓	✓	✓	✓	5	100%
9	Dr. Mohammed bin Saud Al-Badr	✓	✓	✓	✓	✓	5	100%

## Meetings of the Board of Directors' committees in 2023

### The Executive Committee

The Executive Committee held 4 meetings during the year 2023, the details of which are as follows:

	Name	Position	(1) March 22, 2023	(2) May 17, 2023	(3) August 15, 2023	(4) December 25, 2023	Total
1	Eng/ Fahad bin Saleh Al-Jarbou	Chairman of the Committee	✓	✓	✓	✓	4
2	Mr. Obaid bin Abdullah Al-Rasheed	A member	✓	✓	✓	✓	4
3	Eng/ Thamer bin Mohammed Al-Muhaid	A member	✓	✓	✓	✓	4
4	Mr. Fawaz bin Muhammad Al-Fawaz	A member	✓	✓	✓	✓	4
5	Mr. Muhammad bin Saad bin Daoud	A member	✓	✓	✓	✓	4

### The Audit Committee

The Audit Committee held 5 meetings during the year 2023, the details of which are as follows:

	Name	Position	(1) March 16, 2023	(2) May 11, 2023	(3) August 3, 2023	(4) November 2, 2023	(5) December 13, 2023	Total
1	Mr. Fawaz bin Muhammad Al-Fawaz	Chairman of the Committee	✓	✓	✓	✓	✓	5
2	Mr. Khalid bin Abdulaziz Al-Hoshan	A member	✓	✓	✓	✓	✓	5
3	Mr. Abdullah bin Hamad Al Mahdhal	A member	✓	✓	✓	✓	✓	5
4	Mr. Abdul Wahab bin Ahmed Abed	A member	✓	✓	✓	✓	✓	5

## The Nominations and Remuneration Committee

The Nominations and Remuneration Committee held 4 meetings during the year 2023, the details of which are as follows:

	Name	Position	(1) January 17, 2023	(2) June 08, 2023	(3) June 18, 2023	(4) July 05, 2023	Total
1	Mr. Sultan bin Abdulaziz Al-Humaidi	Chairman of the Committee	✓	✓	✓	✓	4
2	Mr. Abdul Rahman bin Abdul Aziz Al-Yamani	A member	✓	✓	✓	✓	4
3	Dr. Mohammed bin Saud Al-Badr	A member	✓	✓	✓	✓	4
4	Mr. Muhammad bin Omair Al-Otaibi	A member	✓	✓	✓	✓	4

## The Risk and Governance Committee

The Risk and Governance Committee held two meetings during the year 2023, with the following details:

	Name	Position	(1) November 26, 2023	(2) December 31, 2023	Total
1	Mr. Obaid bin Abdullah Al-Rasheed	Chairman of the Committee	✓	✓	2
2	Eng/ Thamer bin Mohammed Al-Muhaid	A member	✓	✓	2
3	Mr. Fawaz bin Muhammad Al-Fawaz	A member	✓	✓	2
4	Mr. Muhammad bin Saad bin Daoud	A member	✓	✓	2

## 18

### Description of any interest of the BOD members, their spouses and minor children in the company's shares or debt instruments, or in any of its subsidiariess

This table shows a description of any interest belonging to members of the Board of Directors, their partners and minor children in the shares or Debt Instruments of SCCH or any of its affiliated companies.

	The Name of the Person who has Interest	Beginning of the year 2023		End of the year 2023		Net	Ratio
		No. of Shares	Debt Instruments	No. of Shares	Debt Instruments	Change	Change
1	Eng/ Fahad bin Saleh Al-Jarbou	1,333	---	1,333	---	---	---
2	Mr. Obaid bin Abdullah Al-Rasheed	1,333	---	1,333	---	---	---
3	Mr. Abdul Rahman bin Abdul Aziz Al-Yamani	1,333	---	1,333	---	---	---
4	Mr. Fawaz bin Muhammad Al-Fawaz	--	---	--	---	---	---
5	Eng/ Thamer bin Mohammed Al-Muhaid	--	---	--	---	---	---
6	Mr. Muhammad bin Saad bin Daoud	--	---	--	---	---	---
7	Mr. Sultan bin Abdulaziz Al-Humaidi	--	---	--	---	---	---
8	Mr. Muhammad bin Omair Al-Otaibi	--	---	40,500	---	---	---
9	Dr. Mohammed bin Saud Al-Badr	103	---	103	---	---	---



## Compensation and Remuneration for Board Members and Senior Executives

Below are the details of expenses and remuneration paid for or due to the members of BOD and its committees as well as the salaries and remuneration paid to the company's top five senior executives for the fiscal year 2023:

### BOD Member's Remuneration (in thousands of SAR)

The BOD's remuneration depends on a certain amount. In addition to an attendance allowance when participating in sessions. This amounts to 3,000 Riyals per session. As part of the rewards, SCCH may also give in-kind benefits or provide a percentage of its net profits.

	Name	Fixed Rewards						Variable Rewards						End of Service Gratuity	Grand Total	Expense Reimbursement	
		BOD Rewards	BOD Meetings Allowance	Committee Meetings Attendance Allowance Total	In-kind Benefits	Remuneration of Technical, Administrative and Consulting Works	Remuneration of BOD Chairman and Managing Member	Total	Percentage of profits	Periodic Remuneration	Short-Term Incentive Plans	Long -Term Incentive Plans	Shares Granted				Total
Non-executive Members	Eng/ Fahad bin Saleh Al-Jarbou	600	15	12	--	--	--	627	--	-	--	-	-	-	-	627	-
	Mr. Obaid bin Abdullah Al-Rasheed	350	15	18	--	--	--	383	--	-	--	-	-	-	-	383	-
	Mr. Abdul Rahman bin Abdul Aziz Al-Yamani	350	15	12	--	--	--	377	--	-	--	-	-	-	-	377	-
	Dr. Mohammed bin Saud Al-Badr	350	15	12	--	--	--	377	--	-	--	-	-	-	-	377	-
Executives	<b>Total</b>	<b>1,650</b>	<b>60</b>	<b>54</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>1,764</b>	<b>--</b>	<b>-</b>	<b>--</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,764</b>	<b>-</b>
	Eng/ Thamer bin Mohammed Al-Muhaid	350	15	18	--	--	--	383	--	-	--	-	-	-	-	383	-
Independent Members	<b>Total</b>	<b>350</b>	<b>15</b>	<b>18</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>383</b>	<b>--</b>	<b>-</b>	<b>--</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>383</b>	<b>-</b>
	Mr. Fawaz bin Muhammad Al-Fawaz	350	15	33	--	--	--	398	--	--	--	--	--	--	--	398	-
	Mr. Muhammad bin Saad bin Daoud	350	15	18	--	--	--	383	--	-	--	-	-	-	-	383	-
	Mr. Sultan bin Abdulaziz Al-Humaidi	350	15	12	--	--	--	377	-	-	--	-	-	-	-	377	-
	Mr. Muhammad bin Omair Al-Otaibi	350	15	12	--	--	--	377	--	-	--	-	-	-	-	377	-
	<b>Total</b>	<b>1,400</b>	<b>60</b>	<b>75</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>1,535</b>	<b>-</b>	<b>-</b>	<b>--</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,535</b>	<b>-</b>
	<b>Grand Total</b>	<b>3,400</b>	<b>135</b>	<b>147</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>3,682</b>	<b>-</b>	<b>-</b>	<b>--</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,682</b>	<b>-</b>

According to the BOD's recommendations, let these rewards be achieved. As specified by the competent authority, it must be submitted to the General Assembly for approval.

The Administrative Council employs a balanced mechanism that maintains equality in the distribution of rewards. Based on this policy, members of the BOD do not receive any financial or in-kind benefits for their work or executive positions.

The BODs' mission aims to design an equal compensation system that reflects SCCH's commitment to integrity and equality.

## BOD Committee Member's Remuneration (in thousand SAR)

Name	Fixed Remuneration (excluding attendance allowance)	Meetings Attendance Allowance	Total	Expense Reimbursement
<b>Executive Committee Members:</b>				
Eng/ Fahad bin Saleh Al-Jarbou	100	12	112	--
Mr. Obaid bin Abdullah Al-Rasheed	100	12	112	--
Mr. Fawaz bin Muhammad Al-Fawaz	100	12	112	--
Mr. Muhammad bin Saad bin Daoud	100	12	112	--
Eng/ Thamer bin Mohammed Al-Muhaid	100	12	112	--
<b>Total</b>	<b>500</b>	<b>60</b>	<b>560</b>	<b>--</b>
<b>Audit Committee Members:</b>				
Mr. Fawaz bin Muhammad Al-Fawaz	100	15	115	--
Mr. Abdul Wahab bin Ahmed Abed	100	15	115	--
Mr. Abdullah bin Hamad Al Mahdhal	100	15	115	--
Mr. Khalid bin Abdulaziz Al-Hoshan	100	15	115	--
<b>Total</b>	<b>400</b>	<b>60</b>	<b>460</b>	<b>--</b>
<b>Nomination and Remuneration Committee Members:</b>				
Mr. Abdul Rahman bin Abdul Aziz Al-Yamani	100	12	112	--
Dr. Mohammed bin Saud Al-Badr	100	12	112	--
Mr. Sultan bin Abdulaziz Al-Humaidi	100	12	112	--
Mr. Muhammad bin Omair Al-Otaibi	100	12	112	--
<b>Total</b>	<b>400</b>	<b>48</b>	<b>448</b>	<b>--</b>
<b>The Risk and Governance Committee:</b>				
Mr. Obaid bin Abdullah Al-Rasheed	100	6	106	--
Mr. Fawaz bin Muhammad Al-Fawaz	100	6	106	--
Mr. Muhammad bin Saad bin Daoud	100	6	106	--
Eng/ Thamer bin Mohammed Al-Muhaid	100	6	106	--
<b>Total</b>	<b>400</b>	<b>24</b>	<b>424</b>	<b>--</b>

## Compensation and Remuneration for Senior Executives:

- The Nominations and Remuneration Committee is responsible for determining the rewards and privileges of the Managing Director/CEO, senior executives, and department managers in Saudi Chemical Company Holding. Additionally, fixed rewards include salaries under employment contracts in accordance with the Saudi Labor Law, its executive regulations, and related regulations. Salary and compensation scales for the company's employees shall include basic salary, main allowances (housing and transportation), medical insurance, end-of-service gratuity, and several in-kind benefits.
- Variable Remuneration:** It may include the granted shares, long-term incentive plans, short-term incentive plans, dividends and periodic remuneration.
- Expense Reimbursement:** Travel and accommodation expenses and expenditures -related to fulfilling responsibilities and training – shall be reimbursed to senior executives in accordance with the company's established travelling policy.

## Remunerations of five senior executives for the fiscal year ending in 31 Dec 2023, including the CEO and the CFO (in thousand SAR):

Description	Salaries and Compensation	Allowances	Periodic and Annual Remuneration	Dividends	Incentive Schemes	Any other compensations or in-kind benefits payable on a monthly or yearly basis	End of Service Gratuity (Unpaid)	Paid End of Service Gratuity
<b>Total</b>	6,976	2,197	6,088	0	0	2,217	515	249

\*Clarification: Saudi Chemical Company Holding is committed to disclosing the elements of the remuneration of senior executives in total in accordance with the statutory requirements contained in subparagraph (B) of paragraph (4) of Article (90) of the Corporate Governance Regulations, but to protect the interests of the company, its shareholders and its employees and to avoid causing any harm resulting from the detailed disclosure according to the position, the details are not presented as contained in Appendix (1) of the senior executives of the Corporate Governance Regulations.

## Description of any interest of the senior executives, their partners, and minor children in the SCCH's shares, debt instruments, or in any of its subsidiaries:

Interest Holder Name	Beginning of the year 2023		End of the year 2023		Net Change	Ratio Change
	Number of Shares	Debt Instruments	Number of Shares	Debt Instruments		
1 Thamer Mohammed Al Muhid: GCEO and MD.	--	--	--	--	--	--
2 Sameh Fathi Ahmed Hasan: Group CFO.	--	--	--	--	--	--
3 Ismail Mohammad Ismail Shehada: Pharmaceutical Sector CEO.	--	--	--	--	--	--
4 Dimitri Levadov/ CEO of the Pharmaceutical Sector (current).						
5 Khaled Mohammed Al Bawardi/ Secretary of the BOD - CEO of Holding Company Affairs.	--	--	--	--	--	--
6 Abdullah Abdulaziz Alznaedi: Explosives Sector CEO.	--	--	--	--	--	--



## The Impact of Each Activity to the SCCH's Business Volume and the Consolidated Sales

### First: Explosives for Civil Uses

The sale of explosives for civil use amounted to SAR 506 million in 2023, compared to SAR 324 million in 2022, marking an increase of %55.8. The company has the capabilities to meet the Kingdom's needs for explosives for civil use. This involves infrastructure and road construction projects, as well as mining, quarrying, and uncovering oil and gas reservoirs. SCCH is renowned for its ability to produce all types of explosives for civil use necessary in various fields. This is done while complying with the highest global quality standards.

### Second: Pharmaceutical and Medical Supplies

The annual sales of SITCO Pharma Company amounted to SAR 4.2 billion in 2023, compared to SAR 3.3 billion in 2022, marking an increase of %28.4. The levels of pharmaceutical sales over the past five years confirm the company's ability to maintain a record share in the distribution market in the Kingdom. This is due to its ability to meet the local demand for globally produced medicines and provide them to the Saudi market. This is in line with the company's commitment as an agent of the world's largest pharmaceutical companies. SITCO Pharma also manages a state-of-the-art distribution and storage network that covers all regions of the Kingdom and is designed in accordance with the latest international regulations. It is also equipped with the appropriate devices to distribute all types of medicines around the clock. The company has also acquired record market share for vaccines, inoculations, and refrigerated medications that require special conditions for transportation and storage. This provided added value to the company's prominent position in the market, as it became the first supplier of these types of medications to the local market, thereby confirming the company's pioneering role as the largest pharmaceutical distributor in the Kingdom.

The revenues of AJA Pharmaceutical Industries Company in 2023 amounted to SAR 154.8 million, compared to SAR 116.7 million in 2022, marking an increase of %32.6. The sales of AJA to SITCO Pharma amounted to SR 123.9 million in 2023 (SAR 86.8 million in 2022), noting that these amounts were excluded when preparing the consolidated financial statements. The sales of medical supplies and other materials amounted to SAR 68.8 million in 2023, compared to SAR 21.7 million in 2022, marking an increase of %217.

### Third: Ammonium Nitrate Activities

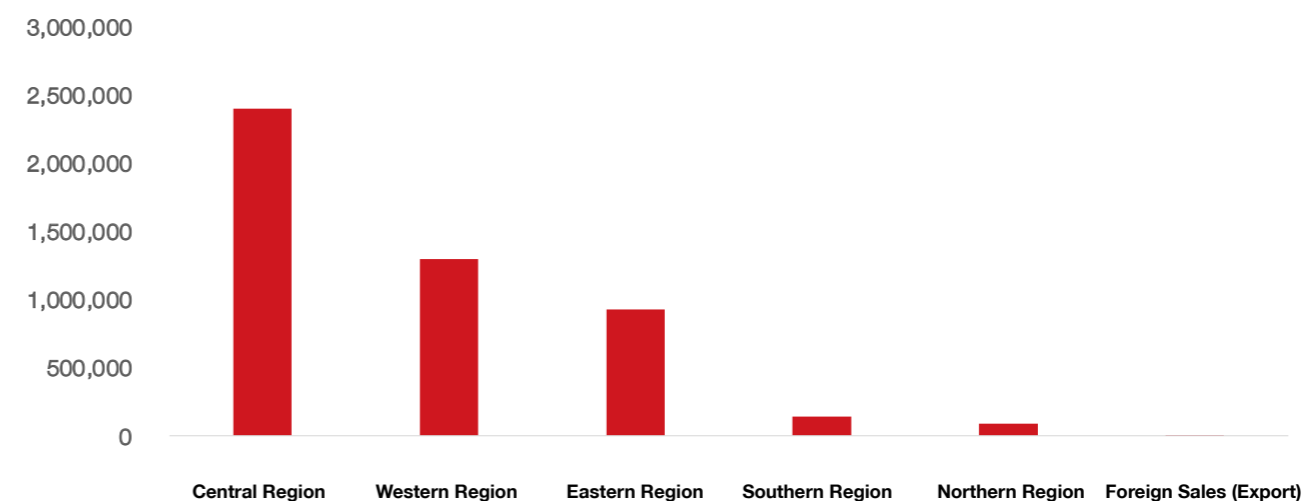
The sales of ammonium nitrate recorded by the Suez International Nitrates Company (SINCO) during 2023 amounted to SAR 94.2 million, compared to SAR 77.6 million in 2022, marking an increase of %21.3. Meanwhile, SINCO's sales to Saudi Chemical Company Holding Limited during 2023 amounted to SAR 94.2 million (SAR 66.8 million in 2022), noting that these amounts were excluded when preparing the consolidated financial statement.

## Geographical Distribution of the Consolidated Sales

The sales of SCCH and its subsidiaries are mainly realized through their respective activities inside the Kingdom of Saudi Arabia as follows:

Region	Sales (Thousands SAR)			
	μ2023		μ2022	
	Amount	Percentage	Amount	Percentage
Central Region	2,399,335	49.42%	1,679,845	45.45%
Western Region	1,294,493	26.66%	1,030,507	27.88%
Eastern Region	925,034	19.05%	729,361	19.73%
Southern Region	142,165	2.93%	189,059	5.12%
Northern Region	91,256	1.88%	51,190	1.39%
Foreign Sales (Export)	2,565	0.05%	15,906	0.43%
<b>Total</b>	<b>4,854,848</b>	<b>100.00%</b>	<b>3,695,868</b>	<b>100.00%</b>

The following graph illustrates the geographical distribution of the consolidated sales achieved within Saudi Arabia and abroad for the year 2023:



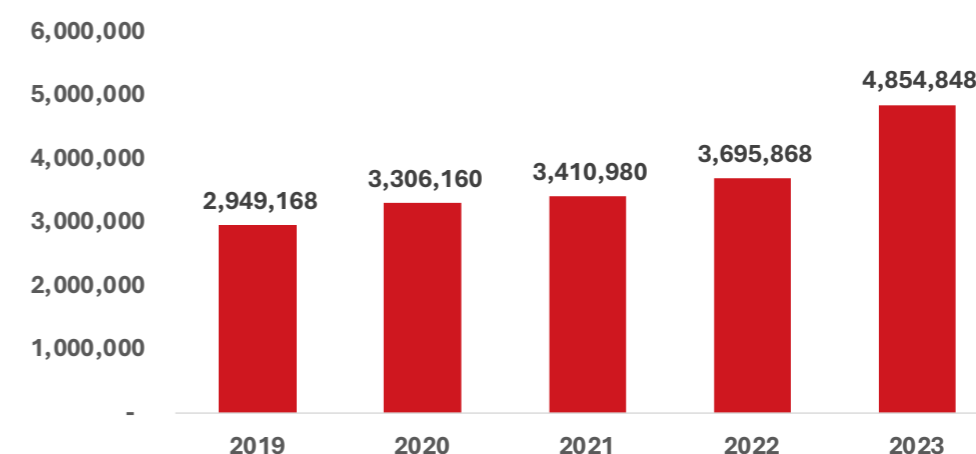
## Explanation of any Significant Differences in Operating Results as Compared to Previous Year's Results

Description	μ2023	μ2022	Variations	
	(Thousand SAR)			
<b>Sales</b>	4,854,848	3,695,868	1,158,980	31.36%
<b>Cost of Sales</b>	(4,182,187)	(3,208,213)	(973,974)	30.36%
<b>Gross Profit</b>	672,661	487,655	185,006	37.94%
<b>Selling and Marketing Expenses</b>	(167,439)	(159,483)	(7,956)	4.99%
<b>General and Administrative Expenses</b>	(124,024)	(102,465)	(21,559)	21.04%
<b>Expected Credit Loss on Trade Receivables</b>	(63,856)	(48,297)	(15,559)	32.22%
<b>Income from Main Operations</b>	317,342	177,410	139,932	78.87%
<b>Finance Costs</b>	(94,450)	(58,027)	(36,423)	62.77%
<b>Other Income (Expenses), Net</b>	(8,964)	(5,216)	(3,748)	71.86%
<b>The Company's Share of Investment in a Joint Venture</b>	3,872	0	3,872	0.00%
<b>Zakat and Income Tax Expense</b>	(33,668)	(33,180)	(488)	1.47%
<b>Non-controlling Interests</b>	(1,246)	(764)	(482)	63.09%
<b>Net Profit of Shareholders</b>	182,886	80,223	102,663	127.97%
<b>Other Comprehensive Income of Shareholders</b>	(322)	4,189	(4,511)	(107.69%)
<b>Total Comprehensive Income of Shareholders</b>	182,564	84,412	98,152	116.28%

## Summary of the Consolidated Financial Results

### First: Consolidated Sales

The consolidated net sales of SCCH and its subsidiaries amounted to 4,855 million SAR during the fiscal year ended on 31 December 2023, compared to the sales in 2022 that reached 3,696 million SAR, with an increase in %31.36. The following table shows the increase in consolidated sales over the past five years:

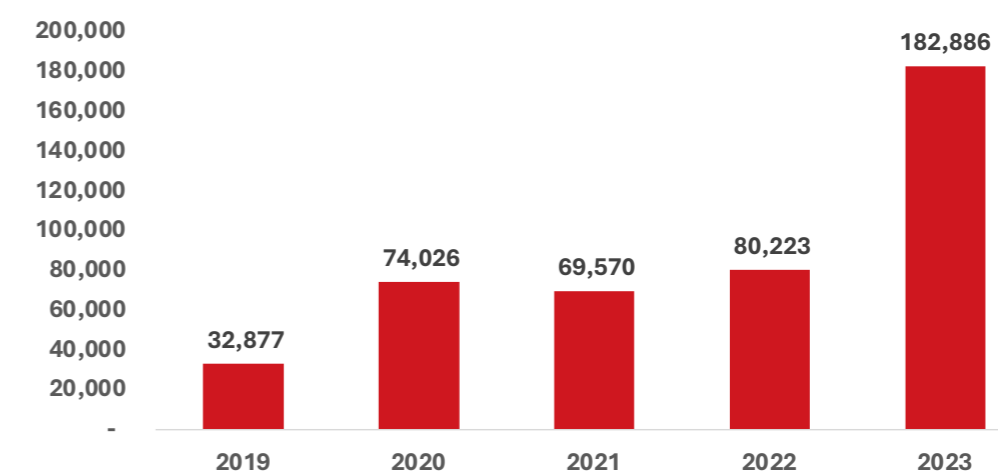


### Second: Consolidated Net Profit

The consolidated net profit for 2023 amounted to 182.9 million SAR compared to 80.2 million SAR in 2022, reflecting a decrease of %128. The increase in net profit is mainly due to performance improvement, the increase in sales of the pharmaceutical industries sector and the civil explosives sector, and the improvement in the profit margin.

In addition to the decrease in the provision for zakat and income tax, and the achievement of a profit from the revaluation of derivative financial instruments to cover the risks associated with commission rates, despite the increase in the provision for impairment of trade receivables and the increase in finance costs, foreign exchange losses.

Net Profit in Thousand SAR



### Third: Consolidated Income Statement in Thousands of SAR

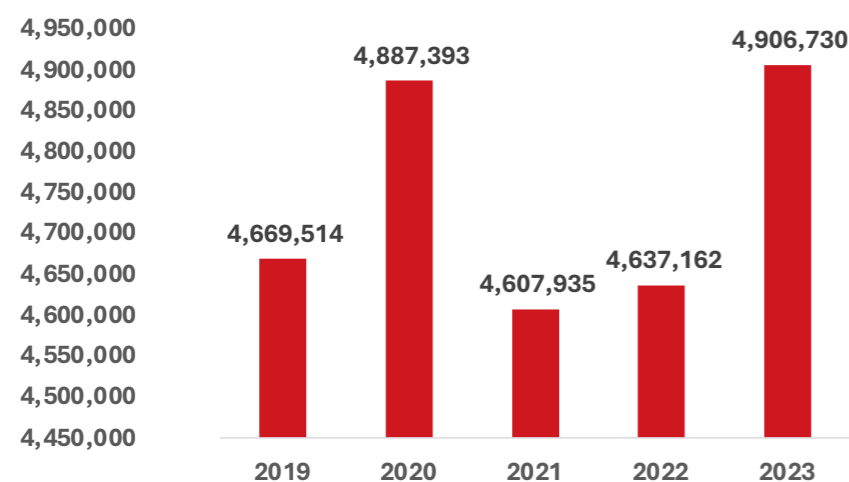
Description	μ2023	μ2022	μ2021	μ2020	μ2019
<b>Sales</b>	4,854,848	3,695,868	3,410,980	3,306,160	2,949,168
<b>Cost of Sales</b>	(4,182,187)	(3,208,213)	(2,979,079)	(2,869,752)	(2,491,206)
<b>Gross Profit</b>	672,661	487,655	431,901	436,408	457,962
<b>Selling and Marketing Expenses</b>	(167,439)	(159,483)	(154,099)	(157,525)	(152,849)
<b>General and Administrative Expenses</b>	(124,024)	(102,465)	(107,749)	(115,969)	(136,148)
<b>Expected Credit Loss on Trade Receivables</b>	(63,856)	(48,297)	(28,454)	(13,289)	(44,478)
<b>Income from Main Operations</b>	317,342	177,410	141,599	149,625	124,487
<b>Financing Expenses for Islamic Murabaha</b>	(94,450)	(58,027)	(41,040)	(41,703)	(57,055)
<b>Other Income (Expenses), Net</b>	(8,964)	(5,216)	6,278	326	(1,196)
<b>The Company's Share of Investment in a Joint Venture</b>	3,872	0	0	0	0
<b>Zakat</b>	(33,668)	(33,180)	(36,374)	(33,201)	(32,803)
<b>stseretnl gniillortnoc-noN</b>	(1,246)	(764)	(893)	(1,021)	(556)
<b>Net Profit of Shareholders</b>	182,886	80,223	69,570	74,026	32,877
<b>Other Comprehensive Income of Shareholders</b>	(322)	4,189	2,024	2,365	(1,436)
<b>Total Comprehensive Income of Shareholders</b>	182,564	84,412	71,594	76,391	31,441

### Fourth: Consolidated Financial Position in Thousands of SAR

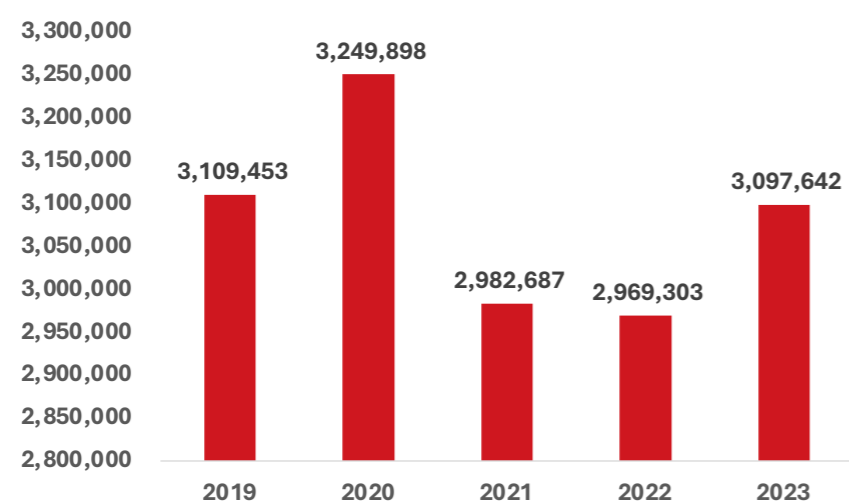
Consolidated Financial	μ2023	μ2022	μ2021	μ2020	μ2019
<b>Assets:</b>					
<b>Non-Current Assets</b>	1,790,290	1,770,942	1,556,380	1,391,027	1,156,022
<b>Current Assets</b>	3,116,440	2,866,220	3,051,555	3,496,366	3,513,492
<b>Total Assets</b>	4,906,730	4,637,162	4,607,935	4,887,393	4,669,514
<b>Liabilities and Equity:</b>					
<b>Non-Current Liabilities</b>	713,431	809,400	424,631	370,984	175,859
<b>Current Liabilities</b>	2,384,211	2,159,903	2,558,056	2,878,914	2,933,594
<b>Total Liabilities</b>	3,097,642	2,969,303	2,982,687	3,249,898	3,109,453
<b>Shareholders' Equity</b>					
<b>Capital</b>	843,200	843,200	843,200	843,200	843,200
<b>Statutory Reserve</b>	341,868	341,868	333,846	326,890	319,488
<b>General Reserve</b>	340,000	340,000	340,000	340,000	340,000
<b>Retained Earnings</b>	275,219	134,815	100,585	120,267	51,278
<b>Total Shareholders' Equity</b>	1,800,287	1,659,883	1,617,631	1,630,357	1,553,966
<b>Non-controlling interests</b>	8,801	7,976	7,617	7,138	6,095
<b>Total Equity</b>	1,809,088	1,667,859	1,625,248	1,637,495	1,560,061
<b>Total Liabilities and Equity</b>	4,906,730	4,637,162	4,607,935	4,887,393	4,669,514



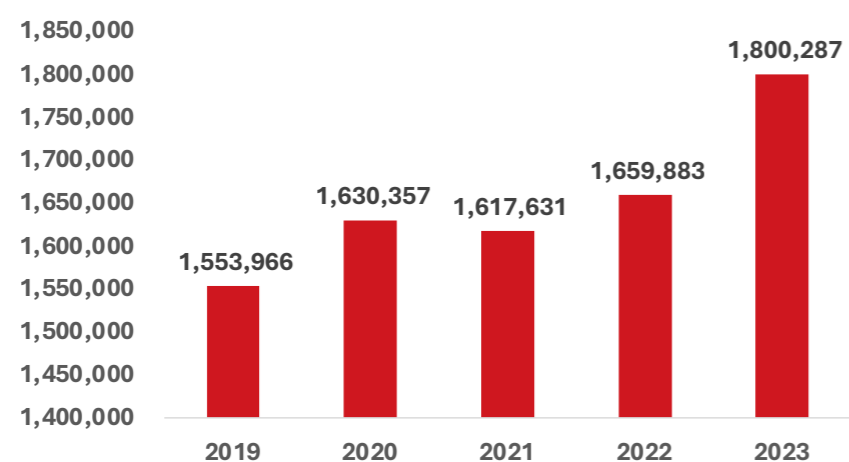
## Fifth: Total Assets (In Thousands of SAR)



## Sixth: Total Liabilities (In Thousands of SAR)



## Seventh: Total Shareholders' Equity (In Thousands of SAR)



## 24

### Earnings per Share

The earnings per share, compared to last year, is as follows:

2022	2023
0.10 SAR/Share	0.22 SAR/Share

## 25

### SCCH's Policy in Distributing Profits

The Company's annual net profits shall be distributed as follows:

1. (%10) of the net profits to be set aside to form a statutory reserve. The General Assembly may cease such transfer when the said reserve reaches (%30) of the paid-up capital.
2. The Ordinary General Assembly may, on the proposal of the Board of Directors, transfer an amount of net profit to form a general or an agreed reserve to face any future adverse effects on the Company.
3. The Ordinary General Assembly may decide to create other reserves to the extent that serves the interests of the Company or ensures the distribution of fixed dividends as much as possible to the shareholders. The said Assembly also may deduct from the net profits amounts for establishing social organizations for the Company's employees or to help the existing ones.
4. Part of the remaining net profits shall be distributed to the shareholders dividends equivalent to (%5) of the paid-up capital.
5. Subject to the provisions stipulated in Article (20) of the Company's By-Laws and Article (76) of the Companies' Regulations. The following shall be allotted by a percentage not to exceed (%10) to reward the BOD, provided that the entitlement to such remuneration is commensurate with the number of meetings attended by the member.
6. The Company may distribute interim dividends to its shareholders semi-annually or quarterly provided that the Ordinary General Assembly authorizes the Board to distribute interim dividends by virtue of a resolution renewed annually. This is in accordance with the regulations established by the Regulatory Authority.

## SCCH's Financing Compatible with Islamic Sharia

SCCH and its subsidiaries obtained banking facilities from local banks that comply with Islamic Sharia and its provisions generally accepted in the financing process. This includes Murabaha being with Islamic Sharia on the short and medium term.

The agreed commission is charged to the financing agreement. The total of these contracts is summarized as follows:

Description (in thousand SAR)	μ2023	μ2022
Opening Balance	1,129,961	1,534,425
Variation During the Year	(253,285)	(404,464)
Closing Balance	876,676	1,129,961

The outstanding Sharia-compliant financing contracts of each company as of 31/12/2023 are summarized as follows:

### First: Financing compatible contracts with Islamic Sharia of SCCH

Financing contracts compatible with the Islamic Sharia from local commercial banks in thousands of SAR.

Description	Lending entity	Murabaha Principal Amount	Repaid Amount	Remaining Balance	Murabaha Term
(1)	Saudi British Bank	140,000	-	140,000	3 months
	<b>Total</b>	<b>140,000</b>	<b>-</b>	<b>140,000</b>	

### Second: Financing compatible contracts with Islamic Sharia of Saudi International Trading Co. Ltd. (SITCO Pharma):

Financing contracts compatible with the Islamic Sharia from local commercial banks in thousands of SAR.

Description	Lending entity	Murabaha Principal Amount	Repaid Amount	Remaining Balance	Murabaha Term
(1)	Banque Saudi Fransi	273,693	-	273,693	3 months
(2)	Saudi British Bank	93,149	-	93,149	3 months
(3)	Saudi National Bank	69,833	-	69,833	3 months
	<b>Total</b>	<b>436,676</b>	<b>-</b>	<b>436,676</b>	

### Third: Financing compatible contracts with Islamic Sharia of SCCH:

Financing contracts compatible with the Islamic Sharia from local commercial banks in thousands of SAR.

Description	Lending entity	Murabaha Principal Amount	Repaid Amount	Remaining Balance	Murabaha Term
(1)	Saudi National Bank	300,000	-	300,000	3 months
	<b>Total</b>	<b>300,000</b>	<b>-</b>	<b>300,000</b>	

## Saudi Industrial Development Fund's Financing

SCCL signed a long-term financing agreement with the Saudi Industrial Development Fund on 22/03/1441 corresponding to 19/11/2019 for financing the capital expenditures of a new factory in Riyadh for 229 million SAR which was totally received. With administrative fees amounting to SAR 18.3 million. The financing repayment shall be repaid in 14 semi-annual payments starting from 15/4/1444 corresponding to 9/11/2022. The last payment would be on 15/10/1450 corresponding to 28/2/2029. The agreement is secured by a promissory note, and a pledge of the company's property, factory, and equipment. The agreement also includes some financial covenants.

AJA Pharma Company - also signed a long-term financing agreement with the Saudi Industrial Development Fund on 23/04/1437 corresponding to 02/02/2016 for financing the capital expenditures of the company's new factory in Hail for 157 million SAR which was totally received. With administrative fees amounting to SAR 11.8 million. The financing repayment shall be repaid in 16 semi-annual payments starting from 15/10/1444 corresponding to 05/05/2023. The last payment would be on 15/04/1452 corresponding to 15/08/2030. The agreement was secured by a promissory note, and a pledge of AJA's property, factory, and equipment. The agreement also includes some financial covenants.

## Transactions with Related Parties

Related parties are shareholders, members of the BOD, and senior management personnel of the Group and installations under control, joint control, or over which they exercise significant influence. During the year 2023, the company and some of its subsidiaries had transactions with related parties, which included non-material payments and expenses. The following is a statement of the balances at the end of the year resulting from transactions with a related party

First: Amounts due from a related party - Supply Chains Company for Logistics Services in the amount of 12.5 million riyals (2022: 13.3 million). The Supply Chain Company for Logistics Services is a joint venture between the Group and Hellmann International Company for Logistics Services, in which the Group has joint control and 50% Ownership a stake, as it issues the decisions of the partners unanimously according to the company's articles of incorporation.

## Conflict of Interests of BOD Members and Senior Executives

1. The Company does not have any contracts or any substantial interest with any of the company's BOD
2. members, Managing Member, Finance Manager, senior executives or with any person related to any of them.
3. None of the BOD members has engaged in any work that would in any form compete with the Company's business or trade in the Company's activities.
4. The Company has not offered cash loan of any kind to the BOD members or guaranteed any loan taken by one of them from others.

## Remunerations and Compensations

1. None of the company's BOD members or any of the senior executives has waived their right to any salary or compensation.
2. There are no arrangements or agreements pursuant to which any shareholder of the Company has waived his rights to receive dividends.
3. There are no investments or other reserves that have been made in favor of the employees of the Company.



## Statement of Statutory Payments

The following is certain statutory payments made by SCCH and its subsidiaries during 2023: (in Thousands of SAR)

Description	2023		Brief Description	Reasons for the Accruals
	Paid	Due		
<b>Zakat, Tax and customs Authority</b>	41,756	50,688	Zakat payable by SCCH and its subsidiaries	Payable after submitting the annual Zakat declaration
<b>General Organization for Social Insurance (GOSI)</b>	14,366	1,246	The amount payable to GOSI which represents the shares of the employees HCCS dna	Payable at the beginning of the following month
<b>Costs of visas and passports</b>	218	0	Visa fees, renewal of residency and transfer of sponsorship of employeesand SCCH	---
<b>Labor Office fees</b>	3,017	0	Work permit fees	---
<b>Value Added Tax (VAT)</b>	85,237	7,440	Net Value Added Tax	To be paid before end of following month

## Penalties and Sanctions and Reserve Restriction

No penalty, sanction, or reserve restriction by any supervisory, regulatory, or other jurisdictions, was imposed on the Company during the year 2023.

## Auditor

The General Assembly that was convened on 21/06/2023 approved the appointment of Ernst & Young. As an external auditor for the Company for reviewed and audited financial statements of the third quarter, the annual statements for the fiscal year 2023, and the first and second quarters of 2024.

## Results of the Annual Review of the Effectiveness of the Internal Control

The Internal Audit Department of SCCH, based on the plan approved by the Audit Committee for 2023, has carried out all internal audit functions of the Company and its subsidiaries as follows:

- The Internal Audit Department has conducted comprehensive reviews of the central shared services sector in the Human Resources and Administrative Affairs Department, in addition to reviewing risk management tasks and following up on the implementation of recommendations and observations at SCCH.
- Participating in the inventory of stores at the end of the year for the Saudi International trading and marketing Ltd. (SITCO Pharma), Chemical Ltd. (Civil Explosives) and the Chemical Company for Commercial Investment Ltd (CCCI).

In addition, comprehensive business reviews were conducted for the following companies:

- A comprehensive audit of the factory operations of AJA Pharma, and a comprehensive audit of the stores and operations of the Saudi International Trade Company Limited (SITCO Pharma).

In addition to the audit activities mentioned above, the Company's Internal Audit Department has implemented other value-added initiatives for the Company's business, such as:

- Internal training in the field of governance, risk, compliance and control in SCCH.
- Participation in the training provided to employees of AJA Pharma at the company's headquarters in Hail on Good Manufacturing Practices (GMP). In addition to training civil and military factory employees at SCCH on Good Documentation Practices (GDP) and Operating Procedures Standard SOPs.
- External training in the risk-based internal audit course from an external provider remotely for four days, with a certificate awarded upon passing the test, and training for Saudi employees, as part of the long-term development plan.

The Internal Audit Department has established detailed Standard Operating Procedures (SOPs) related to internal audit tasks in line with the best international practices and standards, such as:

1. Assess the risks that the company's activities and business may be exposed to. Then, take it into account in preparing a three-year audit plan, and present it to the Audit Committee to be discussed and approved.
2. Planning and implementing the audit.
3. Formulate review notes, ensure their accuracy, and discuss them with the relevant departments.
4. Follow up on the implementation of observations and amendments in audit reports.

In 2023, the Audit Committee at SCCH held five meetings to implement the tasks assigned to it. This was in accordance with the regulations approved by the General Assembly and in line with the Corporate Governance Regulation, some of which were aimed at:

- Study and discuss the consolidated annual financial statements for 2023 to ensure and approve their validity, fairness and compatibility with the approved accounting policies, recommend them to the BOD for approval, and submit them to the General Assembly for confirmation.
- Study and discuss data and consolidated quarterly financial statements for 2023, approve them, and recommend them to the Board of Directors for approval.

- Approve the internal audit and inspection plan for 2023 based on the discussion of the risk assessment and answering the Committee's inquiries.
- Follow up the execution of the internal audit plan for 2023 which is approved by the committee and discuss the reports presented by the internal audit management and following up the execution of corrective procedures.
- Study and discuss the report of the external auditors, meet them to verify the independence and effectiveness of the review process, answer their inquiries, and ensure that there are no obstacles that may affect their work progress.
- Review the evaluation of offers submitted by the offices of the external auditors who were invited with the approval of the Committee and recommend the BOD to present them to the General Assembly, to select an external auditor to audit the Company's quarterly and annual consolidated financial statements from among the applicants.
- Follow up with the executive management to improve risk management and governance activities.

## Independence, Authorities, and Responsibilities

Internal audit provides independent objective services to help the BOD, the Audit Committee, and executive management in performing their responsibilities with a high degree of efficiency and effectiveness. The internal audit is not subject to any influence by the executive management and has full authority to have unrestricted access to any records (manual or electronic), of the company's properties and personnel of the company, as required to perform its tasks. The Internal Audit Department, in carrying out its work, adopts a systematic approach to evaluate and improve the effectiveness of internal oversight. This is so that the company's objectives and asset protection can be achieved. The internal audit scope of work includes checking the adequacy and effectiveness of the company's internal control system and the quality of management. This is to verify whether the company's internal systems provide reasonable assurance to achieve the company's objectives.

## The Committee's Opinion on the Adequacy of the Internal Control System:

Based on the above mentioned, the Audit Committee reviewed the internal control procedures with the plan and duties adopted and tested by the internal audit. It also discussed with the external auditor and the executive management the quarterly and annual business results and studied the observations submitted to it. The Committee can confirm reasonable internal control procedures in the company. It did not observe anything worth highlighting or believe there is a

fundamental weakness in the internal control measures and policy, considering that the effectiveness of any internal

control system cannot be fully confirmed. The Committee recommends that the company updates internal control procedures and policies that promote internal control. In addition, there are no recommendations from the Audit Committee that

conflict with the BOD's decisions, or that the Board rejected any of the recommendations made to it by the Committee during 2023.

## Risks' Management

### Monitoring Risks Management Processes :

Due to the joint efforts of the Governance and Risk Committee (GRC) and the Executive Management, the BODs' initiative to strengthen the risk management system for the Saudi chemical sector is being successfully implemented to address challenges and ensure the achievement of objectives to effectively and efficiently manage risks.

It is characterized by a continuous focus on periodically evaluating and monitoring the effectiveness of risk management processes, as well as improving the strategies used. SCCH's performance and capabilities are enhanced as a result. The BOD and the Risk and Governance Committee focus on raising the level of awareness and the culture of risk management among its employees and its employees in various departments.

### Emerging Risks and Risks' Fluctuations :

Due to the latest developments and updates on previously identified risks as well as emerging risks, SCCH's risk management team monitored the external and internal environment continuously. This allowed them to identify emerging risks and reevaluate current risks in light of the latest developments.

SCCH's Risk Department updates its records annually by obtaining input from all sectors. In addition, it analyzes changes in the external environment, such as markets, geographical and economic factors, and information technology. It also provides a brief for the Risk and Governance Committee and Executive Management on newly identified risks and emerging risks. SCCH's ability to achieve its goals and priorities could be impacted by these risks.

### Enable Effective Risk Management:

SCCH is working to reduce and mitigate the impact of these risks by proactively identifying, analyzing, and evaluating them. In general, it is taking several steps in line with its values.

SCCH's operations, operational efficiency, and financial position may also be affected. Since it is exposed to potential risks, it reports current and emerging risks periodically to the Risk and Governance Committee and Executive Management. It also updates and reviews the status of response plans and key risk indicators. This allows for more flexible discussions.

### Risk Management Policies and Procedures:

SCCH's risk management policies and procedures are a fundamental pillar, as it adheres to a robust framework that includes open and approved policies and procedures. Throughout its sectors, the company aims to ensure risk management.

As a result of these policies and procedures, the organization can successfully achieve its strategic, operational, and financial objectives in a competitive and stable business environment. Additionally, SCCH relies on the ISO 31000 standards for enterprise risk management in its framework for identifying and taking advantage of potential opportunities.

## Risks of most concern

The following risks do not necessarily include all SCCH risks. There may be other risks that are not material present. However, in the future they may become material or affect its activities, financial position, and business results. It is possible that new emerging risks may emerge. These risks must be taken into consideration due to their negative impact on SCCH's reputation, product efficiency, financial position, and cash flows.

### **Geopolitical Risks and Their Impact on SCCH's Field of Business:**

SCCH and its subsidiaries import raw materials (raw materials) used as inputs to production processes for both the healthcare sector and the explosives sector from various countries that provide these materials according to production specifications and requirements.

SCCH and its subsidiaries are aware of the increased geopolitical risks involved in securing these raw materials. They are also aware of their inability to import them at competitive prices. It may lead to searching for other alternative sources capable of providing raw materials while maintaining manufacturing quality.

In addition, raw materials require compliance with specific standards and conditions, which results in high supply chain costs. This negatively impacts its business, its operational and financial results, its profitability of products, and delays in launching the products to local and international markets.

### **Legislation, Regulations, and Systems Risks:**

SCCH strives to comply with all laws, regulations, and legislation of legislative bodies. All of its branches, divisions, and factories are governed by these laws and regulations. In accordance with the law, legislation and regulations, it works continuously to meet the needs of its customers in the local and foreign markets. This is applicable in the business sector.

Since regulations and legislation may change or be updated, SCCH monitors and analyses its potential impact on tasks and responsibilities periodically in light of the potential changes and updates. Moreover, it is essential to develop an organized and documented work mechanism and periodic supervision and monitoring processes. This will ensure compliance with all of these rules, laws, and regulations.

It is important to note that compliance with regulations, legislation, and systems may lead to additional financial expenses. However, failure to comply with them may result in it being exposed to warnings and financial fines. This may harm its reputation as a leading company in its field.





## Risks of Financial Instruments

The group is exposed to several financial risks, such as:

### Market Risk:

Market risk is the risk that the value of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: commission rate risk, foreign currency risk, and other price risks such as equity price risk and commodity price risk. Financial instruments affected by market risk include loans and financings.

### Concentration of Credit Risk:

Concentrations arise when several counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political, or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

### Commission Rate Risk:

The risk resulting from fluctuations in fair value or future cash flows of a financial instrument due to changes in interest rates prevailing in the market. The Group's exposure to the risks of changes in commission rates prevailing in the market relates mainly to obligations against the Group's long-term debts linked to the floating commission. As a result, the Group monitors commission rate changes on an ongoing basis, in addition to implementing hedging plans to reduce the risk of an increase in commissions.

### Liquidity Risk:

Liquidity risk is the risk that the group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available through committed credit facilities to meet any future commitments.

The Group assessed the risk concentration for refinancing its debt, concluding that it was low. Access to sources of funding is sufficiently available, and there is the possibility of replenishing debt due within 12 months with existing lenders.

### Foreign Currency Risk:

It represents the risk of changes and fluctuations in financial instruments' value because of changes in foreign exchange rates. The Saudi riyal, which is fixed against the US dollar, is considered the functional currency of the group. The group has a subsidiary in Egypt. Its main currency is the Egyptian pound, and the presentation currency is the US dollar, but some receivables are in Egyptian pounds.

Moreover, the group has some transactions in US dollars and euros, and it is exposed to a limited amount of foreign exchange rate risk since it signs contracts with most foreign companies in US dollars or Saudi riyals. According to the group's management, foreign currency rate fluctuations do not have any significant impact on the group's exposure to foreign currency risks.

The group's management does not enter into future agreements. They are monitored regularly, and corrective measures are taken if necessary, to hedge foreign exchange risks.

### Credit Risk:

Credit risk is the risk that one party will fail to discharge an obligation and cause the other party to incur a financial loss. The Group's credit risk results mainly from its transactions with the Ministry of Health and other ministries, other government medical institutions, and certain high-profile Saudi Arabian companies. The ministries and other government medical institutions are part of the Government of the Kingdom of Saudi Arabia, which has a strong credit rating in the Saudi market. The high-profile Saudi Arabian companies also have a high credit rating in the Saudi market. The maximum exposure to credit risk associated with the Group's financial instruments is limited to the book values included in the consolidated statement of the financial position of those respective financial instruments.

The Group's management follows on outstanding balances, and where appropriate, trade receivables are carried net of an allowance for credit loss. Cash is placed at banks with sound credit ratings.

### Price Risk:

The risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Group is not exposed to a significant price risk.

## Shareholders' Rights and General Assembly

The Company's articles of association and regulations guarantee the general rights of shareholders, including all rights related to the Shares, and ensure that its shareholders receive their due profits, the right to obtain a share of the Company's assets upon liquidation, attend shareholders' associations, participate in its deliberations and vote on its decisions, monitor the work of the BOD, file a liability case against the Board members, and inquire and request information in a manner that does not prejudice the interests of the Company and does not conflict with the Capital Market Law and its Implementing Regulations.

### Shareholders' Rights and Access to Information:

- The Company's Bylaws shall ensure the procedures and precautions necessary for all shareholders to exercise their statutory rights.
- All information shall be provided in a transparent and credible manner to the general shareholders, enabling them to exercise their rights to the fullest. This information shall be adequate, accurate and updated in a regular and timely manner.
- The Company shall ensure that information is not leaked and that all shareholders and related parties obtain information fairly without discrimination.

### General Assemblies of shareholders throughout 2023:

The following table shows the dates of the General Assemblies of shareholders during 2023 (extraordinary assembly) held in 21/06/2023 and the names of the members of the BOD attending these Assemblies, as follows:

Name	Position	Meeting 21/06/2023 Attendance Record
<b>Eng. Fahad Saleh Al-Jarbou</b>	Board Chairman	✓
<b>Mr. Obaid Abdullah Alrasheed</b>	Deputy Board Chairman	✗
<b>Eng. Thamer Mohammed Al Muhid</b>	Board Member GCEO and Managing Director	✓
<b>Mr. Abdulrahman Abdulaziz Alyemni</b>	Board Member	✓
<b>Mr. Fawaz Mohammed Al-Fawaz</b>	Board Member	✓
<b>Mr. Mohammed Saad Bin Daoud</b>	Board Member	✓
<b>Mr. Sultan Abdulaziz Al-Hamidi</b>	Board Member	✓
<b>Mr. Mohammed Omair Al-Otaibi</b>	Board Member	✓
<b>Dr. Mohammed Saud Al-Badr</b>	Board Member	✓

At this meeting, the General Assembly discussed and approved the following: agenda items by a majority of the votes present:

- Review the report of the Board of Directors for the fiscal year ending on 31/12/2022.
- Review the Company's financial statements for the fiscal year ending on 31/12/2022.
- Approval of the auditor's report for the fiscal year ending on 31/12/2022.
- Approval of the discharge of the Board members for the fiscal year ending on 31/12/2021.
- Approval of the disbursement of an amount of SAR 2,020,800 as a reward for the Board's satisfaction with the fiscal year ending on 31/12/2022.
- Approval of the dividends distributed to the company for the third quarter of the fiscal year 2022, at the rate of 0.50 riyals per share, representing %5 of the company's capital, and a total amount of 42,160,000 Saudi riyals.
- Approval to discharge the members of the BOD from their liabilities for the year ending December 31, 2022.
- Approve the appointment of Ernst & Young PLT, certified accountants and auditors, from among various candidates based on the recommendation of the Audit Committee, in order to examine and review the Company's financial statements for the third and annual quarters of the fiscal year 2023 and the first and second quarters of 2024 and determine their fees.
- Approval of the delegation of the BOD to distribute interim profits on a quarterly or semi-annual basis for the fiscal year 2023, and determine the due date and distribution date according to the regulatory controls and procedures issued in the implementation of the Companies Law in accordance with the Company's financial situation, cash flows and expansion and investment plans.
- Approval of the Division of SCCH Shares According to the Following:
  - Nominal value of the share after adjustment: 1 Saudi riyal
  - Number of shares before amendment: 84,320,000 shares
  - Number of shares after adjustment: 843,200,000 shares
  - There is no change in the company's capital before and after the stock split
  - Effective date: If the clause is approved; The division decision will be effective on all the company's shareholders who own shares on the day of the extraordinary general assembly and who are registered in the company's shareholder registry with the Securities Depository Center Company (Edaa) at the end of the second trading day following the date of the extraordinary general assembly. The effect of the decision will be applied to the price of the division. shares starting from the working day following the meeting, provided that the decision is implemented with respect to the number of shares in the shareholders' portfolios on the second trading day following the date of the extraordinary general assembly in which the shares were decided to be divided.
  - Amending Article No. (7) of the bylaws relating to the company's capital.
- Approval of system changes to comply with the updated companies' system issued on 12/01/1443, corresponding to 30/06/2022, by Royal Decree No. (M/132) dated 12/1/1443.

- Approval to stop the reserve percentage amounting to (%10) of net profits to form a statutory reserve for the company, whenever the aforementioned reserve reaches (%30) of the capital, in line with the company's updated bylaws.
- Approval of editing the Audit Committee regulations.
- Approval of editing the regulations of the Nominations and Remuneration Committee.
- Approval of editing the remuneration policy of the BOD, its committees and the executive management of SCCH.
- Approval of editing the policy and criteria for membership in the BOD.
- Approval of delegating the authority of the General Assembly to the BOD with the license contained in Paragraph (1) of Article Twenty-Seven of the Companies Law, for a period of one year from the date of approval by the General Assembly or until the end of the session of the delegated Board of Directors, whichever is earlier, in accordance with the conditions contained in the executive regulations of the Law. Private companies of listed joint stock companies.

## 35

# Shareholder Registers

During the fiscal year ending on 31/12/2023, the Company requested the shareholders' registers for a total of 7 times. The following table shows the dates of requesting the shareholders' registers and the reasons for their request:

Number of Company Requests for Shareholders' Registers	Request Date	Reasons for the Request
1	05/01/2023	Profit profile
2	07/02/2023	Company Procedures
3	14/05/2023	Company Procedures
4	07/06/2023	General Assembly
5	20/06/2023	Company Procedures
6	20/07/2023	Company Procedures
7	17/09/2023	Company Procedures

## Corporate Governance and Related Processes

SCCH adopts wise applications in corporate governance in accordance with the governance regulations and rules issued by the regulatory authorities, and in line with best practices. The Company has developed its general governance framework, including a set of regulations and policies that define roles and responsibilities.

It makes decisions, directs them and monitors their implementation, in light of transparency rules that achieve accountability and enhance performance adequacy, based on relevant laws and regulations. The Board of Directors shall follow up on the implementation of governance systems to verify the integrity and accuracy of the application, and work on constantly updating it since it was approved by the General Assembly of the company to keep pace with developments in relevant systems and ensure compliance with the best governance practices and confirm the adoption and application of the best control and compliance systems that guarantee the rights of workers, shareholders, investors and stakeholders alike.

The Company has implemented the requirements of the Corporate Governance Regulations issued by the Capital Market Authority, except the following paragraphs:

Article	Paragraph	Text of Article/Paragraph	Reasons for not Applying
37		<p>SCCH must consider training and qualifying of members of the board of directors, committees' members, and executive management with suitable programs, taking into consideration the following:</p> <ol style="list-style-type: none"> <li>Establishing programs newly appointed members of the board of directors, committees' members, and executive management to introduce them to SCCH's work and activities, especially the following: <ol style="list-style-type: none"> <li>SCCH's strategy and goals.</li> <li>Financial and operational aspects of SCCH's activities.</li> <li>Board of directors' members' commitments, duties, responsibilities and rights.</li> <li>SCCH's committees' duties and mandates.</li> </ol> </li> <li>Establishing required procedures to ensure proper and continuous training programs and workshops for members of the board of directors, committees' members and executive management to enhance their skills and know-how in relevant areas regarding SCCH's activities.</li> </ol>	Advisory Paragraph

Article	Paragraph	Text of Article/Paragraph	Reasons for not Applying
39		<ul style="list-style-type: none"> <li>a) The Board shall develop, based on the proposal of the nomination committee, the necessary mechanisms to annually assess the performance of the Board, its members and committees and the Executive Management using key performance indicators linked to the extent to which the strategic objectives of the Company have been achieved, the quality of the risk management and the efficiency of the internal control systems, among others, provided that weaknesses and strengths shall be identified and a solution shall be proposed for the same in the best interests of the Company.</li> <li>b) The procedures of performance assessment shall be in writing and clearly stated and disclosed to the Board members and parties concerned with the assessment.</li> <li>c) The performance assessment shall entail an assessment of the skills and experiences of the Board, identification of the weaknesses and strengths of the Board and shall attempt to resolve such weaknesses using the available methods, such as nominating competent professional staff able to improve the performance of the Board. The performance assessment shall also entail the assessment of the mechanisms of the Board's activities in general.</li> <li>d) The individual assessment of the Board members shall take into account the extent of effective participation of the member and his/her commitment to performing his/her duties and responsibilities, including attending the Board and its committees' meetings and dedicating adequate time thereof.</li> <li>e) The Board shall carry out the necessary arrangements to obtain an assessment of its performance from a competent third party every three years.</li> <li>f) Non-Executive Directors shall carry out a periodic assessment of the performance of the chairman of the Board after getting the opinions of the Executive Directors, without the presence of the chairman of the Board in the discussion on this matter, provided that weaknesses and strengths shall be identified and a solution shall be proposed for the same in the best interests of the Company.</li> </ul>	Advisory Paragraph
82		<p>It is the company's responsibility to set up programs that encourage and motivate its employees to perform at their best. These programs should include, among other things, the following:</p> <ol style="list-style-type: none"> <li>Creating committees or holding workshops to discuss key issues and topics with the company's employees.</li> <li>Creating Programs for granting employees shares in the company or a share of its profits and retirement programs, and establishing an independent fund to spend on these programs.</li> <li>Establishing social institutions for the company's employees.</li> </ol>	Advisory Paragraph
84		<p>According to the proposal of the BOD, the Ordinary General Assembly will formulate a policy that ensures the establishment of a balance between its objectives and the objectives that the community aspires to achieve so that the community's economic and social conditions can be developed.</p>	Advisory Paragraph
85		<p>The BOD sets programs and determines the necessary means to present the company's initiatives in social work, including the following:</p> <ol style="list-style-type: none"> <li>Establishing measurement indicators that link the company's performance to social work initiatives, and comparing this to other companies with similar activity.</li> <li>Disclosing the company's social responsibility objectives to its employees and making them aware and educated about them.</li> <li>Disclosing plans to achieve social responsibility in periodic reports related to company activities.</li> <li>Develop community awareness programs to introduce company social responsibility.</li> </ol>	Advisory Paragraph



## Communication with Shareholders and Investors

SCCH is committed to applying the highest levels of transparency, credibility and fairness in providing the right information promptly.

Performance and the latest developments in activities during the year are disclosed through the annual report of the Board of Directors. Any important developments that may occur shall be announced through the Tadawul website, the SCCH's website and other means of communication to help investors make investment decisions based on correct information, and to ensure that all beneficiaries have equal access to information from the source. SCCH strictly commits to the implementation of policies and procedures for disclosing material developments, specific events, financial statements and performance reports in accordance with legal requirements, applicable regulations and instructions from competent authorities.

SCCH shall also brief all members of the Board of Directors about the shareholders' suggestions and observations regarding SCCH and its performance. The Investor Relations Department shall provide senior management with reports that include a report on the shareholders, the movement of the shares and notes about the SCCH and its performance.

The Executive Management shall present to the Board a report containing information on investor activity and SCCH's shares. The Company shall disclose all inquiries from supervisory authorities and inquiries from shareholders received by the General Assembly. Observations of the shareholders regarding SCCH are not included, except for what is recorded in the minutes of the General Assembly.

## Social Responsibility Programs

SCCH and its subsidiaries are keen to develop human capital and improve employees' skills and qualify them after attracting them. This is done by establishing partnerships that aim to drive them to achievement and development. The company continuously analyzes the needs of its employees in order to tailor the appropriate training programs for them, so that they can continue to perform at the highest levels in a sustainable manner and meet Saudi Vision 2030's goals. Furthermore, it enhances opportunities for cooperation with universities and academic institutions to train students of both genders. To meet the future labor market's needs by hiring qualified national cadres with practical skills.

During the holy month of Ramadan, SCCH distributed gift cards to employees as part of its social responsibility activities. It also organized a trip for its employees to perform Umrah during the holy month in appreciation for their continued efforts and contributions. With the aim of providing a positive, stimulating work environment for employees that enhances their belonging.

SCCH also establishes environmental sustainability by applying relevant technologies, such as recycling waste resulting from manufacturing and production processes. Sensing a sense of environmental and societal responsibility consistent with its vision of a vibrant society and a sustainable future.

## Safety Record and Industrial Security

In 2023, there was no incident that threatened the integrity of the company's property, employees, and surrounding environment, thanks to Allah and then the continuous review of security and safety procedures and regulations at SCCH's facilities.



## Profits Distribution

On 25 December 2023, the BOD approved the distribution of a progress cash profits to shareholders for the financial period ended 30 September 2023 (9 months) in the amount of SAR 42.160.000 (0.05 Riyal/share) at a rate of %5 of the company's capital.

The eligibility for these profits was for shareholders registered in the company's records with (Tadawul) at the end of trading on 25/01/2024, and the amounts were deposited in the shareholders' accounts on 04/02/2024.

Profits Distributed in 2023		Proposed Profits to be Distributed on Year End	Total Profits
Percentage	%5	%0	%5
Total	42.160.000 Riyals	--	42.160.000 Riyals

## Internal and Other Controls' Representations

The BOD and SCCH's management acknowledge the following:

1. The account records have been correctly prepared.
2. The internal control system was established on a sound Basis and implemented effectively.
3. There is no doubt about SCCH's ability to continue its activity.
4. There is no deviation from the accounting standards approved by the Saudi Organization for Certified Public Accountants.
5. There are no shares or debt instruments issued to the subsidiaries.
6. There is no interest in the category of shares with voting rights belonging to persons (other than members of the Board of Directors and senior executives and their wives and minor children), who have informed SCCH of these rights under Article 30 of the registration and listing rules, or any change in those rights during the last fiscal year.
7. There are no interest, choice, or subscription rights belonging to the members of SCCH's Board of Directors, senior executives, their wives, and minor children in the shares or instruments of SCCH, or any of its subsidiaries, or any change in that interest or those rights during the last fiscal year.
8. SCCH has no debt instruments convertible to shares, rights of choice, or memoranda of rights of subscription, or similar rights that were issued or granted by the company. The company did not receive any compensation for these during the fiscal year.
9. There are no rights to transfer or register, under debt instruments convertible to shares, rights of choice, memoranda of rights of subscription, or similar rights that were issued or granted by SCCH.
10. There is no refund, purchase or cancellation, from SCCH's side, of any refundable debt instruments, or any securities purchased by the company or its subsidiaries.
11. There are no businesses that compete with SCCH or any of the branches of the activity it is engaged in which any member of the Board of Directors is or was engaged in.



# Toward a sustainable future

## Toward a sustainable future

### Ambitions and aspirations


Saudi Chemical Company Holding and its subsidiaries recall in this annual report their distinguished history spanning decades, and their commitment to providing top-notch service to clients, partners, and employees.

In this report for the year 2023, this ambitious journey identifies a series of achievements and innovative initiatives that are a fundamental pillar in the sustainability of its business, and its group of subsidiaries, by implementing sustainability and innovation strategies, attracting local and global investment opportunities, and developing healthcare, medicine, and pharmaceutical business opportunities. Its diverse industries in explosives, technical services, and solutions related to this field, as well as its numerous industries.

SCCH's commitment extends beyond maximizing profits and returns, and it also strives to be a pioneering company of business sustainability that steps forward for a prosperous future for Saudi Arabia.







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