



**Dedication**  
makes the difference



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

In the Name of Allah, the Most Beneficent, the Most Merciful





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

May Allah Protect him



His Royal Highness  
**Prince Mohammed Bin Salman Bin Abdulaziz Al-Saud**  
The Crown Prince, Prime Minister

May Allah Protect him

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## Who we are

Marafiq is a leading utility company specializing in integrated services, supplying power, water, and gas to key industrial, commercial, and residential cities across the Kingdom. Its main goals include operating, maintaining, managing, expanding, and building systems for seawater cooling, desalinated and treated water, wastewater and industrial sewage, power, and gas. These efforts support and develop essential infrastructure for its core operations in Jubail, Yanbu, Ras Al-Khair, Jazan, and Jeddah.



## Report Overview

This report has been prepared to provide a summary of the company's activities in 2024, covering key information relevant to shareholders, investors, analysts, lenders and other stakeholders. It focuses on the twelve-month period from January 1, 2024 until December 31, 2024. The report highlights the most important financial and non-financial aspects of Power and Water Utility Company for Jubail and Yanbu (Marafiq) along with key developments and achievements throughout the year.

The content of this report has been prepared in accordance with regulatory requirements and the Corporate Governance Regulations, along with other relevant information that adds valuable insights about the company. All information in this report is intended for general disclosure purposes only and should not be relied upon for making any investment or similar decisions.



For more information  
**Marafiq website**  
[www.marafiq.com.sa](http://www.marafiq.com.sa)



# Management Report

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## Message from the Chairman

Greeting distinguished shareholders of the Power and Water Utility Company for Jubail and Yanbu (Marafiq).

I am proud on my behalf, and on behalf of the Board of Directors, to present you with the Company's annual report, which reflects the Company's performance and success during 2024.

Marafiq was established to provide reliable energy and water services to the communities it serves in industrial cities, as it provides the basic needs of electricity, water, and gas to the industrial sectors and residential cities affiliated with it. The Company plays a vital role in the daily lives of individuals and companies alike. From this standpoint, Marafiq believes that its mission goes beyond providing basic services to a commitment to promoting sustainability, strengthening communities, and adopting innovative solutions that meet the environment's needs and shareholders' interests.

This year, the Company has achieved remarkable developments in a number of areas, the most important of which is continuing to invest heavily in upgrading the Kingdom's infrastructure. We at Marafiq are committed to achieving the lowest level of interruptions, which has led to activating the continuity of services and improving response times. The Company has also continued to use modern and smart technologies to improve customer experience, enabling them to monitor their energy and water consumption directly, while planning more innovations that improve the efficiency of operational processes and facilitate communication with its customers. Marafiq has also launched several awareness programs on energy and water conservation and has worked with members of the local community to enhance environmental awareness based on our belief that environmental education enhances the concept of collective responsibility.

**His Excellency Engineer  
Khalid Mohammed Al-Salem**

We are also proud to have implemented strategic plans that reduced unscheduled outages of steam turbines at Yanbu (1) Station to 3.83%, the best rate achieved compared to previous years, outperforming the standards we set, as the predictive maintenance programs we implemented contributed to reducing outages and improving response times when challenges existed.

And while Marafiq is proud of its achievements, it also faced significant challenges, the most important of which were some pressures and challenges related to supply chains and rising material costs. However, the Company succeeded in dealing with these challenges with flexibility and adaptation.

As the Company seeks to fully comply with the highest operational standards in terms of operation and financial solvency, and to continue to achieve its societal visions as a strategic partner to the local community in providing basic services related to energy and water, we have several strategic goals in mind that we will focus on in the future. The most important of these goals are reducing carbon emissions, which is in line with national environmental policies, and improving the resilience of the infrastructure by strengthening our systems to meet the challenges associated with climate change. All of this is in accordance with that primary principle of enhancing customer experience by planning to update digital customer service platforms and increase the level of services provided to better meet our customers' expectations.

In light of these achievements and our continuous aspirations for better growth, the Company has taken the initiative to enhance customer experience, as we believe our customers deserve exceptional service and priority with innovative solutions that enhance engagement and satisfaction, including the development of digital platforms that facilitate service inquiries and personalized energy management tools.

The Company also operates according to its strategic plan to enhance its growth, support customers and investors in industrial cities, and meet the growing demand for all services through optimal operation of its facilities and enhancing production capabilities through expansion efficiency improvement projects. The Company's plan includes expanding the provision of energy and water supplies to new investors and utility services and developing inter-projects for customers to provide the supplies required for operations according to the best technologies, productivity, and costs. In addition, the Company continues to expand outside industrial cities through qualitative projects in the utility and inter-projects sector.

The Company's achievements are solely due to God's grace and fruits of our employees' labor and distinguished performance, as we seek to continue building on what has been accomplished by continuing to rely on the highest technical and information technologies and investing in our national human cadres. We will continue to provide them with all means of development and refine the scientific and practical expertise that they possess.

In conclusion, I would like to extend my sincere thanks and gratitude to the leaders of our wise government, the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and his loyal Crown Prince, His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al Saud, may God protect them, for their continuous support that contributed to overcoming all the difficulties and obstacles facing the company and pushing it towards success and progress. We will continue, with God's help, on the path of success to support the realization of the vision of our beloved Kingdom. I would also like to extend my sincere thanks to the Royal Commission in Jubail and Yanbu, the Ministry of Energy, the Ministry of Environment, Water and Agriculture, the Ministry of Industry and Mineral Resources, the Water and Electricity Regulatory Authority, and the Capital Market Authority for their continuous support to Marafiq.

## Message from the President & CEO

As we conclude another year in the journey of Marafiq, which has now spanned more than two decades, I want to begin by expressing my pride in what the company has achieved this year. It has been an exceptional year, full of challenges that tested us and opportunities that inspired us. Despite the rapid changes in the business environment, our company has once again proven its ability to face challenges and turn them into new opportunities for excellence and innovation.

The company's journey in 2024 represents a pivotal moment in enhancing value for all stakeholders. Our success this year wasn't by chance, but rather the result of the hard work of our teams, the clear vision of our management and the strength of our strategies, which allowed us to face tough challenges and turn them into opportunities for growth and advancement. It is safe to say that this year wasn't just another chapter in the company's journey, nor was it just about numbers or projects. It was a year full of meaningful achievements that solidified our position in the market and reinforced our commitment to excellence.

This year, the company faced unprecedented challenges due to rapid changes and pressures across various sectors. However, Marafiq once again, demonstrated its ability to adapt and endure by taking a strategic approach focused on innovation and improving operational efficiency. Our accomplishments for this year are a testament to our strong commitment to making the company more resilient and sustainable. The biggest challenge the company faced this year was the increase in fuel costs used in production operations, which significantly impacted on the profitability of the power sector. The impact of rising fuel prices could have been even greater were it not for the company's efforts to reduce the impact by leveraging every opportunity to improve production efficiency, increase the reliability of plants, and continue providing the best services in line with the expectations of our valued customers.

Regarding the intensive tariff on electricity, the company's management exerted all efforts through discussions with the Regulators to clarify the financial impact on Marafiq if the intensive electricity consumption tariff were applied to qualifying operational facilities and the delay in the mechanism to compensate for the expected reduction in electricity revenues was addressed in full compliance with the issued decision. This was done to ensure the company's financial position remains unaffected by revenue shortfalls and to safeguard cash flows.

**Engineer  
Mohammed Berki Al-Zuabi**

Since regulatory bodies have not announced a mechanism to compensate on the shortfall in the energy sector revenues, the company's management considered it necessary to comply with applicable accounting standards by recognizing an impairment provision for trade receivables and disclosing this in its financial statements for the years 2023 and 2024. The company's management affirms that these developments are beyond its control.

As for the financial aspects, the company achieved a 7.83% growth in its revenues compared to the fiscal year 2023, which positively contributed to mitigating the effects of rising fuel prices and additional provisions related to revenue discrepancies due to the electricity consumption tariff for high-demand users. As a result, the company recorded a positive net income of ₪ 17.15 million. However, due to the financial challenges, no cash dividends have been approved for the second half of 2024. The company reaffirms its commitment to preserving and maximizing shareholder rights by working with regulatory authorities to resolve all associated challenges, while the company's management remains committed to continuously improving production efficiency, increasing the reliability of the stations, and continuing to provide the best services.

Our focus on operational efficiency has improved across various departments. Recognizing the importance of infrastructure as a fundamental pillar for growth and success, we have made substantial investments in enhancing our operations and developing our networks. This ensures the continued delivery of high-quality service, which is crucial for business continuity and sustainability. Through these investments, Marafiq is now better prepared to meet the increasing demands of our customers while also supporting national sustainability objectives.

Digital transformation has been at the heart of our strategies to enhance operational efficiency and improve customer experience. We adopted the latest data analytics technologies to redesign our processes, which helped reduce costs, improve response times, and boost performance across all departments. These efforts culminated in the implementation of an Interactive Voice Response (IVR) system to enhance customer experience and set a new record for power generation in Yanbu, reaching 1,351 MW, the highest since the company's inception.

On the operational front, Marafiq acquired Veolia Middle East's 51% stake in Jeddah Althaniya Operations and Maintenance Company, making it a wholly owned subsidiary of Marafiq.

We are also proud to have implemented the SAP portal for supplier registration and management, as well as enhancing the efficiency of the Steam Turbine Generator (STG) units, successfully meeting the overall efficiency targets for the STG units in Yanbu. Notably, this year, Marafiq exported 180,000 MWh to the national grid without any interruptions during the energy export agreement period.

Marafiq is deeply committed to the sustainability of its operations by focusing on environmental and community best practices, ensuring adherence to all environmental standards, and continuously working to improve the energy efficiency of its operations. Through the implementation of necessary operational and technical plans, we have achieved significant improvements in the efficiency of steam and thermal turbines, surpassing our targets. This not only help reduce fuel consumption but also contributes to lowering greenhouse gas emissions.

As part of our commitment to expanding the reuse and recycling of waste generated from our operations, we continually work to identify the necessary initiatives in collaboration with relevant companies. Continuing our efforts from previous years, we successfully maintained the reuse of fly ash and oil from power generation operations during the past year.

Additionally, in partnership with Rea'a, a company specializing in recycling waste and scrap materials, we successfully recycled 268.36 tons out of 493.63 tons of waste and scrap, representing 54%. This contributed to preserving 469 cubic meters of landfill space for recycling, as well as directly reducing carbon emissions by 466 tons of CO<sub>2</sub>. We reaffirm our commitment to expanding recycling and reuse operations, which play a key role in achieving the company's primary goal of carbon neutrality.

Marafiq's commitment to environmental standards and public safety has resulted in over 16 million work hours without any incidents, thanks be to God. This achievement has positively impacted on our quality systems and production management. This structured effort culminated in Marafiq renewing its certification for the ISO 9001 Quality Management System, ISO 14001 Environmental Management System, and ISO 45001 Occupational Health and Safety Management System. Additionally, Marafiq won the 2024 Saudi Aramco Excellence Award for the best improved in the Environment and Climate category. Marafiq was also honored as one of the best companies in the Future Factories program by the Ministry of Industry and Mineral Resources for adopting the latest technologies and advancing in digital transformation. Furthermore, Marafiq was listed among the top 100 companies by Forbes Middle East for 2024.

On another note, Marafiq achieved an average compliance rate of 99.33% with the standards set by the National Cybersecurity Authority. The company also implemented the SAP Segregation of Duties system, a crucial internal control mechanism that enhances security and reduces the risks of fraud or errors within the system. Furthermore, we deployed a fully automated access system for SAP to strengthen security, reduce the risks of human error, and improve compliance.

Furthermore, I would like to highlight our ongoing efforts in community engagement and corporate social responsibility at Marafiq. We believe that strong communities are vital to our success. In this regard, we have launched several awareness programs aimed at supporting local initiatives, raising environmental awareness, and enhancing educational opportunities. Our partnerships with local stakeholders reflect our commitment to building a better future for the generations to come.

I feel optimistic as I look towards the future. The strategic initiatives we have set will not only strengthen our position as a leading company in the power and water utilities sector but will also ensure our continued ability to meet the needs of our customers and stakeholders.

In conclusion, we assure you that Marafiq is committed to making every effort to ensure the continuous growth of the company, safeguard shareholder rights and contribute to further progress. The company is moving toward a bright future full of operational, financial and practical achievements.

# Company Overview

Power and Water Utility Company in Jubail and Yanbu (Marafiq) was established under Royal Decree No. (M/29) dated 21/07/1421H as a closed joint-stock company with a capital of 2,500,000,000. Its headquarters is located in the industrial city of Jubail. A few of the company's shares were offered for public subscription and it was listed on the Saudi Stock Exchange (Tadawul) as a public joint-stock company on November 23, 2022.

The company operates as an integrated center in providing reliable and sustainable utility services in the major industrial cities having strategic importance in the Kingdom. It provides water services in Jubail Industrial City and Ras Al-Khair,

in addition to supplying both water and power services in Yanbu Industrial City and Jazan City for Primary and Downstream Industries.

The company's main activities include water supply, wastewater management, waste treatment, power, gas, steam, and cooling supply, manufacturing and construction. The company is also authorized to perform any necessary or complementary activities for these purposes, including importing materials and others. Additionally, the company provides these services across all regions of the Kingdom, ensuring that they are available to all beneficiaries in the major industrial cities.



## Vision

Our vision is to be the preferred supplier of utility services in major Industrial Cities in the Kingdom of Saudi Arabia.



## Mission

Our mission is to meet customers' needs by providing reliable and sustainable utility services which comply with environmental regulations and maximize shareholders' value.



## Values



People Oriented



Accountability



Teamwork



Transparency



Social Responsibility



Customer Focus

## Our strategy

The company adopts the best practices in developing its long-term strategy, which is reviewed annually. The implementation is closely monitored and the strategic direction is reassessed to align with developments in the targeted sectors. The group's strategy is in line with the government's policy to develop the water and power sector in the Kingdom. The company's management believes that the following key strategic objectives will enhance its revenues, increase profitability, and improve future cash flow.

## The company's main strategic objectives are as follows:



### Health, Safety and Environment

Adopting the best global standards and practices to ensure the safety of operations, employees and the community, while continuously complying with all health precautionary guidelines.



### Reliability

Building a strong asset management system and maintaining operational excellence by implementing proactive plans to mitigate risks related to equipment and assets. Additionally, developing scheduled maintenance programs and improving execution methods to enhance the reliability of services provided to customers.



### Sustainability

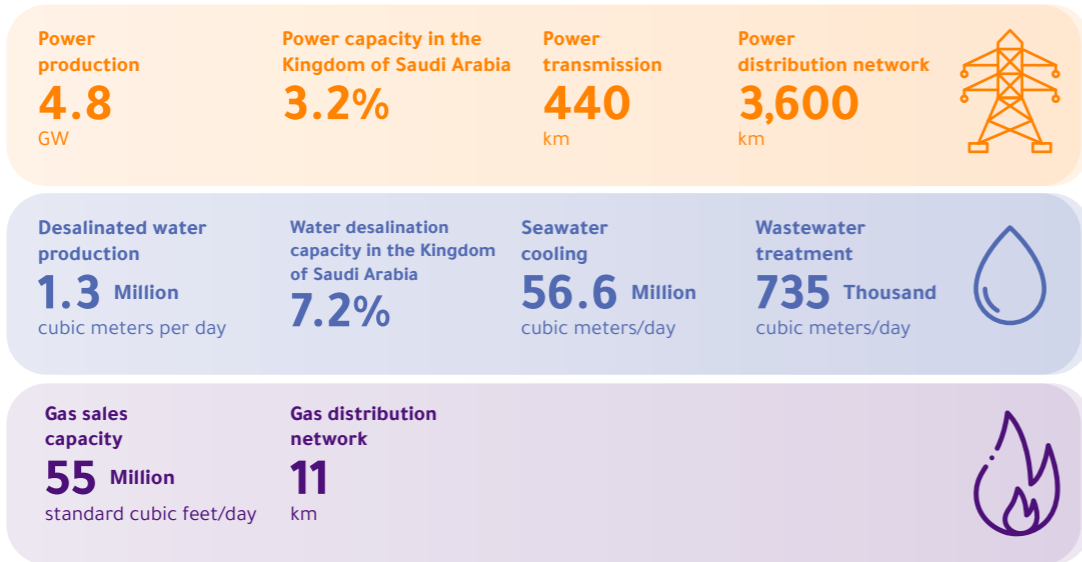
The focus is on improving operational efficiency, reducing energy and water consumption, lowering greenhouse gas emissions and meeting the requirements of the Saudi Energy Efficiency Center "Kafa'a."



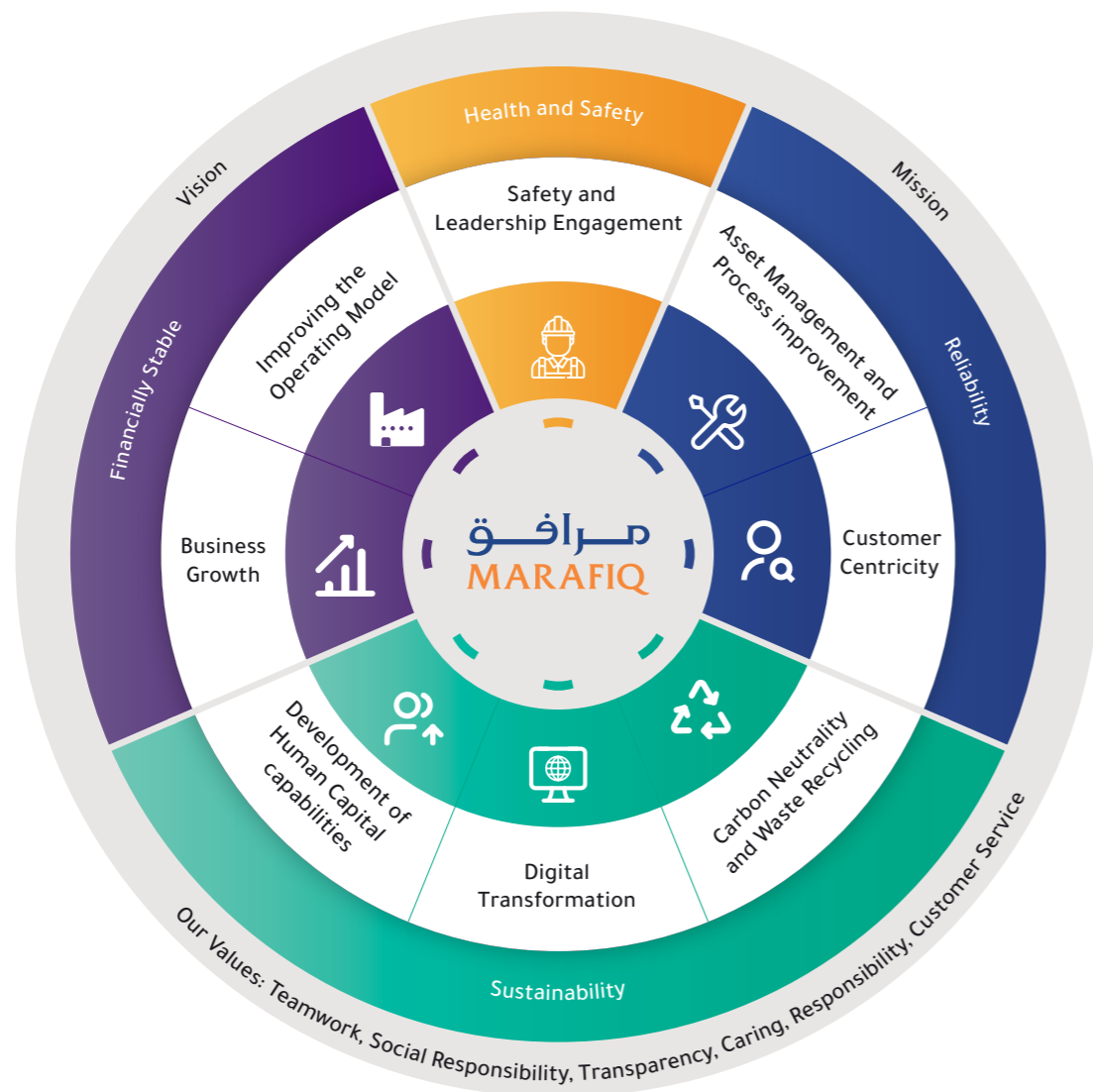
### Financial Stability

Establishing the appropriate foundations for medium and long-term financial planning to positively meet the variations and transformations that occur at the financial and economic levels, in addition to developing our financial operations to improve the company's competitiveness.

### Marafiq in numbers



### Strategic Priorities



### Company's competitive benefits

- 
**Empowerment**  
 The cities in which Marafiq operates are considered of strategic importance to the Kingdom's economy.
- 
**Assets**  
 A reliable asset base with internal capabilities for professional management.
- 
**Exclusive service offerings**  
 Providing reliable and sustainable services in industrial cities under the supervision of the Royal Commission.
- 
**Customers**  
 A broad base of industrial customers with a high credit rating.
- 
**Sustainable growth**  
 The strength of its financial position and sustainable cash flows.
- 
**One of the leading developers**  
 The primary developer of independent power, water, and wastewater treatment projects.
- 
**Extensive infrastructure**  
 The company operates large facilities and the necessary infrastructure to establish and support national industries.



## The historical milestones of the company

### 1999

- The government privatized electricity services in Jubail and Yanbu.

### 2000

- Marafiq Company was established under Royal Decree (M/29) as a closed joint-stock Saudi company.

### 2003

- Marafiq Company took over operations in Jubail and Yanbu from the Royal Commission for Jubail and Yanbu (RCJY) starting from January 1, 2003.

### 2005

- Marafiq Insurance Limited (MIL) was established as a limited liability company.

### 2006

- Assets worth over SAR 3.4 billion were transferred to Marafiq from the Royal Commission for Jubail and Yanbu (RCJY).
- Marafiq Water and Power Supply Company (Tawreed) was established as a limited liability company.

### 2007

- Jubail Water and Power Company (JWAP) was established as a closed joint-stock company in Saudi Arabia.

### 2009

- Jubail and Yanbu District Cooling Company (Marafiq Cool) was established as a limited liability company.

### 2010

- The power and water generation plant of JWAP was commissioned.

### 2011

- The company began gas distribution services in Yanbu in the light industrial area.
- Marafiq-Saur Operation and Maintenance Company (MaSa) was established as a joint venture with SAUR International SAS.
- The company won the King Khalid Competitiveness Index Award.
- The company was ranked as the best Saudi company to work for.

### 2016

- Operation of the reverse osmosis water production plant in Jubail with a capacity of 100,000 cubic meters per day.
- Operation of the wastewater treatment plant in Yanbu with a capacity of 47,000 cubic meters per day.
- Operation of the Yanbu-2 power, water, and brine complex.
- Operation of the reverse osmosis plant supplying industrial water to the Sadara Chemical Complex.

### 2015

- The company was awarded the "Sword of Honor" for Health and Safety by the British Safety Council.

### 2014

- The license was granted to operate the fifth phase of the wastewater treatment plant in Jubail with a capacity of 72,000 cubic meters per day.
- The industrial wastewater treatment plant in Yanbu began operations with a capacity of 48,000 cubic meters per day.

### 2013

- The multi-effect distillation (MED) plant in Jubail began operations with a capacity of (2 x 27,600 cubic meters per day).

### 2012

- The company signed an industrial water supply agreement with the Sadara Chemical Complex.
- The fourth phase of the industrial wastewater treatment plant in Jubail was commissioned with a capacity of 55,000 cubic meters per day.

### 2017

- The Sadara-Marafiq reverse osmosis project was awarded the "Industrial Desalination Plant of the Year 2017" by Global Water Intelligence.

### 2019

- Jeddah Althaniya Water Company (JAWC) was established as a closed joint-stock company.
- Jeddah Althaniya Operations and Maintenance Company (JAOMC) was established as a limited liability company.
- The company was assigned by the Royal Commission for Jubail and Yanbu (RCJY) as the service provider for the Ras Al Khair Industrial City.

### 2021

- The company acquired the remaining shares of MaSa, making it a fully owned subsidiary of Marafiq.

### 2022

- The company was authorized by the Royal Commission for Jubail & Yanbu (RCJY) to provide utility services in the Jazan Economic City for Basic and Transformational Industries.
- The company was listed as a public joint-stock company on the Saudi Stock Exchange (Tadawul).
- The company received a 4-star rating from the European Foundation for Quality Management (EFQM).

### 2023

- The company received the Saudi Aramco President's Award for Operational Excellence.
- The company was ranked by Forbes as one of the top 100 companies in the Middle East.

### 2024

- The company received the Saudi Aramco President's Award for Environmental and Climate Improvement.
- It was ranked among the top 100 companies in the Middle East by Forbes.
- The company was recognized in the Future Factories Program as one of the best for its adoption of advanced technologies and digital transformation.
- The company joined the consortium for the development of the wastewater treatment plant in Al-Haer with "Miahona" and "NV BECX S.A."
- The company acquired the remaining shares in Jeddah Althaniya O&M Company, making it a fully owned subsidiary of Marafiq.

## Subsidiaries and Affiliates

### 1) MaSa Services Company for Operation and Maintenance (MaSa Services)



MaSa was established on December 26, 2011, as a limited liability company. It was previously a joint venture with SAUR International SAS, a French water infrastructure company. In 2021, Marafiq acquired SAUR International SAS's full stake, making MaSa a wholly owned subsidiary of Marafiq. The company's activities include water collection, desalination, transportation, distribution, salinity reduction, and wastewater disposal. It is also responsible for the operation and maintenance of the seawater cooling station in Jubail Industrial City, the reverse osmosis production stations in Jubail Industrial City and Jazan Industrial City, the treated water network in Yanbu Industrial City, the drinking water network in Jubail Industrial City, Yanbu, Jazan Industrial City, and Ras Al-Khair Industrial City, as well as the wastewater and industrial wastewater collection and treatment systems in Jubail, Yanbu Industrial Cities, Jazan Industrial City, and Ras Al-Khair.

Ownership	Capital	Country of establishment and operations
100% owned by Marafiq	ﷲ 35 million	Kingdom of Saudi Arabia

### 2) Marafiq Water and Power Supply Company (Tawreed)



Tawreed was established on December 16, 2006, as a limited liability company in Jubail Industrial City. It is fully owned by Marafiq. The company's activities include power generation, distribution, water transportation and distribution, wholesale of desalinated water, natural gas and water transportation through pipelines and the operation and maintenance of pumping stations and related pipelines.

Ownership	Capital	Country of establishment and operations
100% owned by Marafiq	ﷲ 1 million	Kingdom of Saudi Arabia



### 3) Marafiq Insurance Limited (MIL)



MIL was established on December 23, 2005, as a limited liability company. It is fully owned by Marafiq. Its activities cover insurance for risks related to the company's property and equipment.

Ownership	Capital	Country of establishment and operations
100% owned by Marafiq	ﷲ 6 million	UK, Guernsey

### 4) Jeddah Althaniya Operations and Maintenance Company (JAOMC)



JAOMC was established on May 16, 2019, as a limited liability company. In 2024, Marafiq acquired a 51% stake in Veolia Middle East's share of Jeddah Operations and Jeddah Althaniya Operations and Maintenance Company (JAOMC). With this acquisition, JAOMC became fully owned by Marafiq.

JAOMC's activities include the construction and operation of networks, facilities, water treatment plants and sewage pumping stations.

Ownership	Capital	Country of establishment and operations
100% owned by Marafiq	ﷲ 300,000	Kingdom of Saudi Arabia

### 5) Jeddah Althaniya Water Company (JAWC)



JAWC was established on September 12, 2019, as a closed joint-stock company. Marafiq owns 45% of the shares, while Veolia Middle East holds 20% and Amwal AlKhaleejia Althaniya owns 35%. The company's activities include operating sewage treatment networks and facilities.

Ownership	capital	Country of establishment and operations
45% owned by Marafiq	ﷲ 500,000	Kingdom of Saudi Arabia

### 6) Jubail Water and Power Company (JWAP)



JWAP was established on April 23, 2007, as a closed joint-stock company. Marafiq holds 30% of the company's shares, while SGA Marafiq Holding Limited owns 60%, the Water and Power Holding Company owns 5%, and Saudi Electricity Company owns 5%. The company sells all its power and water production to Tawreed under a twenty-year agreement between JWAP and Tawreed. Tawreed, in turn, sells it to the Principal Buyer, the Saudi Water Authority (SWA) and also to Marafiq.

Ownership	capital	Country of establishment and operations
30% owned by Marafiq	ﷲ 882.5 million	Kingdom of Saudi Arabia

### 7) Jubail and Yanbu District Cooling Company (Marafiq Cool)



Marafiq Cool is a limited liability company, with Marafiq holding 20% of its capital, while the Saudi District Cooling Company (Tabreed) owns 80%. The main purpose of this company is to provide cooling services to the industrial cities of Jubail and Yanbu.

Ownership	capital	Country of establishment and operations
20% owned by Marafiq	ﷲ 2.6 million	Kingdom of Saudi Arabia

### 8) Al-Haer Environmental Services Company (Al-Haer ISTP Project Company)

In 2024, Marafiq entered into a joint venture with Miahona and BE Invest to establish the Al Haer ISTP Company, where Marafiq owns 35% of the project company, Miahona owns 45%, and BE Invest holds the remaining 20%. The activities of Al-Haer Environmental Services Company include operating sewage treatment networks and facilities.

Ownership	Capital	Country of establishment and operations
35% owned by Marafiq	ﷲ 100,000	Kingdom of Saudi Arabia

### 9) Al-Haer Operations Company (Al-Haer ISTP O&M Company)

In 2024, Marafiq entered into a joint venture with Miahona, where Marafiq owns 45% of the operations and maintenance company shares through its wholly owned subsidiary, MaSa, while Miahona owns the remaining 55%. The activities of Al-Haer Company include the establishment and operation of networks, facilities, water treatment plants, and sewage pumps.

Ownership	Capital	Country of establishment and operations
45% owned by MaSa	ﷲ 100,000	Kingdom of Saudi Arabia



### Licenses granted by Regulatory Authorities

Marafiq obtained licenses and approvals from the relevant regulatory authorities to carry out its main activities and operations. These authorities include the Ministry of Energy (MOE), Saudi Electricity Regulatory Authority (SERA) and the Saudi Water Authority (SWA).

Below is an overview of the regulatory licenses required for the company to conduct its business:



License for the establishment, ownership, and operation of a local network for the distribution of dry gas (Yanbu Industrial)



Cogeneration License (Yanbu Industrial)

Electrical Transmission License (Yanbu Industrial)

Electricity Distribution and Retail Sales License (Yanbu and Jazan)



License for Collecting and Transporting Wastewater (Jubail and Yanbu Industrial)

License for Transporting, Distributing, and Retail Sale of Treated Water (Jubail and Yanbu Industrial)

License for Wastewater Treatment Operations (Jubail and Yanbu Industrial)

License for Distributing and Retail Sale of Desalinated and Selected Water (Jubail and Yanbu Industrial)

License for Strategic Water Storage Operations (Jubail and Yanbu Industrial)

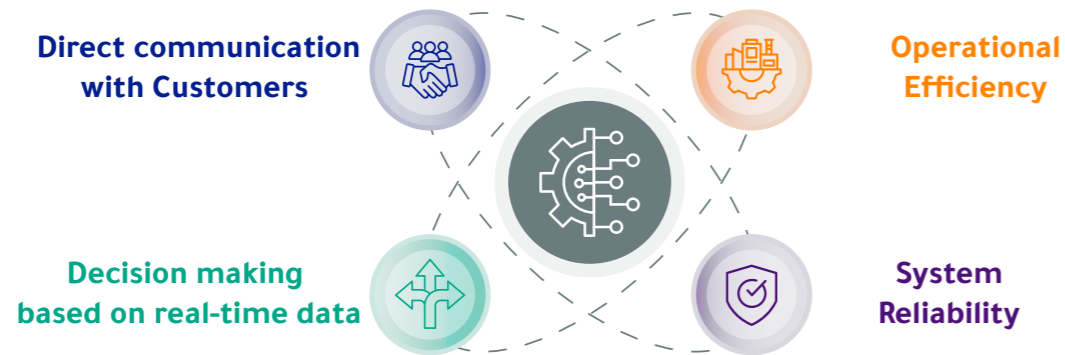
License for Desalinated Water Production (Jubail, Yanbu, and Jazan)



## Digital Transformation

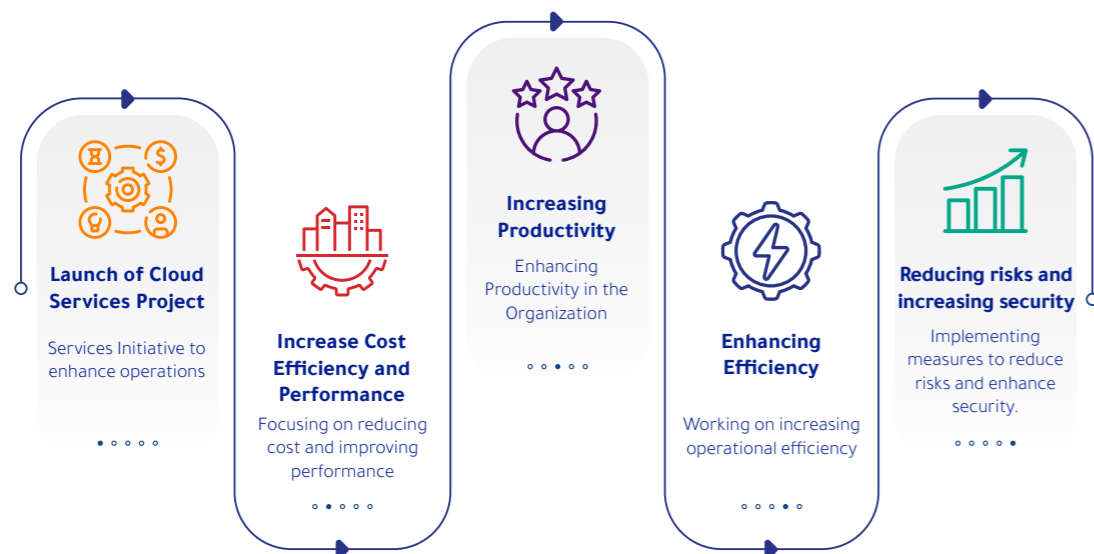
As part of its ongoing digital transformation journey, Marafiq team has completed the scope of work for the Digital Transformation Platform in operational areas covering Jubail and Yanbu. The project has been launched and responses to bidders' inquiries are underway. This initiative will cover vast areas with numerous assets across various departments.

### Improving operational areas through the digital transformation program

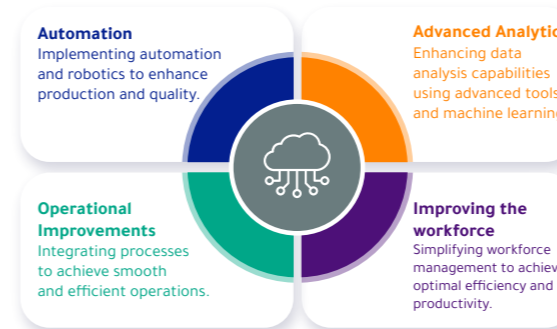


## Digital Transformation Roadmap

Building on previous efforts and as part of the digital transformation roadmap, Marafiq has launched the cloud services project to enhance and optimize its operations across multiple areas.



### Digital Transformation initiatives



### Enhancing awareness through Digital Transformation



## Achievements


As part of our digital transformation efforts, SAP systems has been upgraded and enhanced through a strategic agreement with SAP. The latest cloud services provided by SAP has been adopted, specifically the RISE with SAP service on Google Cloud Platform (GCP), to migrate all SAP-related systems of Marafiq to Google Cloud data centers. GCP is considered one of the most advanced cloud service centers in the Kingdom and has been classified as C Class by the Communications, Space, and Technology Commission, which is the highest cybersecurity classification granted by the authority.


Additionally, an agreement has recently been made with Google to migrate the remaining non-SAP systems of Marafiq including the smart metering system, e-services, and customer service application to Google Cloud. Furthermore, a partnership has been established with Microsoft Arabia to launch Microsoft 365 cloud applications, along with the implementation of the AI-powered CoPilot tool to empower employees and enhance productivity. Moreover, a comprehensive assessment of internal processes were conducted to identify several opportunities for process streamlining. These opportunities have been prioritized and integrated into next year's plans. The Process Simplification Initiative aims to enhance workflow efficiency, reduce costs, improve performance and productivity, and increase overall quality. Additionally, the Interactive Voice Response (IVR) system has been introduced to enhance customer communication, along with the launch of the "My Meter" service via the Tawakkalna platform for customer meter verification. The company has also signed a contract to enhance e-services for customers, ensuring they align with both regulatory requirements and customer expectations.


Furthermore, IT services have expanded to support operations at Jazan and Ras Al Khair sites and multiple SAP-based projects and initiatives have been launched to automate and optimize business processes. The digital transformation roadmap includes multiple programs covering various assets across different departments, contributing to operational efficiency, system reliability, direct customer communication, safety improvements, enhanced security measures for asset and data protection, risk awareness and continuous improvement opportunities. Additionally, the roadmap focuses on strategic investment, resource allocation for sustainable growth, asset reliability, and ensuring consistent performance, ultimately fostering awareness and readiness for digital transformation.





# 2024 Key achievements


- 


Achieving more than 16,738,207 safe work man-hours with zero accidents across all company sectors.
- 


Marafiq obtained the renewal of ISO 9001 Quality Management System certification. The company obtained the ISO 14001 Environmental Management System certification and ISO 45001 Occupational Health and Safety Management System certification.
- 


Marafiq won 2024 Saudi Aramco President's Affiliate Excellence Award for the most improved in the environment and climate category.
- 


Marafiq was ranked among the top in the Future Factories program by the Ministry of Industry and Mineral Resources due to its adoption of advanced technologies and progress in digital transformation.
- 


Marafiq was listed among the top 100 companies in the Middle East for 2024 by Forbes Middle East.
- 


MARAFIQ achieved financial close of Al-Haer ISTP project, where MARAFIQ owns directly 35% of the Project Company and owns 45% of the O&M Company shares through its 100% owned subsidiary (MaSa).
- 


Marafiq acquired a 51% stake in Veolia Middle East in JAOMC, making JAOMC a fully owned subsidiary of Marafiq.
- 


Marafiq began implementing the SAP RISE digital transformation, which will enhance the company's digital capabilities in line with the highest cybersecurity standards set by the National Cybersecurity Authority.
- 


The company set a new record for power production in Yanbu, reaching 1,351 MW, the highest since its establishment.
- 


A new Interactive Voice Response (IVR) system was implemented as part of customer service enhancements.
- 


The SAP Ariba portal for supplier registration and management was implemented.
- 

The efficiency of the Steam Turbine Generator (STG) unit was improved, achieving the overall efficiency target for SEEC for STG units in Yanbu.
- 

Marafiq exported 180,000 MWh to the national grid without any interruptions during the energy export agreement period.
- 

Reliability automation tools were implemented by purchasing and installing the Asset Management System (AMS) software developed by CENOSCO.
- 

An assessment asset condition was conducted for the SWPH Manifold system, showing it was in good condition, and its lifespan was extended.
- 

Unscheduled outages of the steam turbine unit at the Yanbu plant were reduced to 3.83%, the best figure compared to previous years.
- 

Preventive maintenance (PM) hours for the STG units at both YI and YII were improved by 5%, leading to better utilization of Marafiq's resources.





## MaSa Company achievements for the year 2024

### MaSa expansion in providing operation and maintenance services

MaSa announced the successful registration as an approved service provider with SABIC and Chevron, marking a significant achievement that supports its expansion plans and enhances its competitive position to enter new markets and increase revenue. This collaboration also offers an opportunity for innovation in maintenance services, helping maintain its leadership in the sector.



### Launch of a pilot project for smart meters

MaSa has launched a pilot project for the installation of smart meters aimed at modernizing water management with advanced technology. The meters allow real-time tracking of water consumption, improving efficiency, supporting accurate billing, and helping customers understand their usage. They also contribute to quickly identifying leaks, enhancing environmental sustainability, and enabling informed decisions for infrastructure development. The project strengthens MaSa's position as an advanced service provider that supports innovation and enhances customer experience.

### The integration and centralization of the drinking water facility in Ras Al Khair with the SCADA system in Jubail Industrial City

The integration of the SCADA system for the Ras Al Khair water plant with the SCADA system in Jubail is a pivotal step in the digital transformation of MaSa. This integration enables centralized monitoring and control, improving operational efficiency and reducing response time to issues. The system contributes to better water distribution, reduced wastage, and real-time leak detection, allowing for proactive maintenance and better operational decisions. It also helps in reducing operational costs, accelerating issue resolution, and enhancing infrastructure management automation, while providing accurate centralized reports.

### Contribution to the "Addadi" Program

The Saudi Water and Electricity Regulatory Authority launched the "Addadi" initiative to improve services and link meters with actual beneficiaries, ensuring rights are protected and enhancing billing and communication mechanisms. MaSa supported the program through Geographic Information Systems and databases via the control and communication department. This contributed to safeguarding beneficiaries' rights, improving billing accuracy, facilitating communication with service providers, and promoting digital transformation through platforms like the "Tawakkalna" app.

### Active participation in the National Center for Environmental Compliance program (Response 15)

MaSa participated in the "Response 15" program, organized by the National Center for Environmental Compliance, where it received a shield for active participation and a certificate of appreciation during a ceremony held in Dammam. The company also received positive feedback during the external audit of the MaSa SWC facilities. This achievement reflects the company's commitment to environmental standards and reinforces its position as a leader in this field. It also helps build trust with regulatory authorities due to the positive results that confirm the efficiency of the applied systems and procedures. This event highlights the company's role in improving its operations, enhancing its environmental performance, and showcasing its social responsibility through active participation in managing environmental crises and contributing to sustainability and community service.

### A delegation from the Saudi Ministry of Defense visits MaSa

MaSa hosted members of the Saudi Ministry of Defense for a visit to its operations, control, and communication center. The visit highlighted the importance of essential services such as water distribution and management in enhancing national security. It emphasized the company's role in supporting national infrastructure and defense capabilities. The visit helped strengthen strategic collaboration between the industrial and defense sectors and raised awareness about the importance of protecting water infrastructure during crises. Additionally, the interaction facilitated knowledge exchange on advanced water management technologies, enhancing national security preparedness and ensuring the sustainability of vital resources.



### Visit by the Danish Embassy and Representatives from Danish Companies

The Danish Embassy in Riyadh, along with representatives from Danish companies, visited MaSa to explore potential cooperation opportunities on best practices in water treatment and innovative technologies. The visit helped strengthen international relations between both parties, reflecting MaSa's commitment to international partnerships and commercial collaboration. It provided an opportunity to exchange ideas and best practices in operational management. Additionally, the visit opened new avenues for cooperation in technology and services, which could lead to future joint projects.



### An educational visit by a group of elementary school students to MaSa

The Operations and Communication Control Department at MaSa hosted students from a primary school affiliated with the Royal Commission, reflecting the company's commitment to social responsibility and education. This initiative fosters stronger ties between the company and the local community, allowing students the chance to learn about essential industrial processes like water treatment and distribution. It inspires them to pursue careers as engineers and technicians in the future.



### Launch of the Unified Customer Service Call Center

MaSa launched a unified customer service call center in collaboration with Silah, aiming to improve customer experience and enhance the efficiency of services provided. The center is designed to provide an integrated communication channel, ensuring customers can easily and quickly access support and information. By consolidating all communication channels in one place, the center improves service effectiveness and contributes to increased customer satisfaction. Advanced technologies will be used to manage the center, including analyzing customer service data to enhance performance and make effective strategic decisions.



**Our goal is to build vital energy infrastructure capable of providing sustainable power and water for industrial and residential cities in the Kingdom of Saudi Arabia.**



# Financial Performance

Financial indicators for the year 2024 40

The consolidated financial performance of  
Marafiq and its investee companies 42



## Financial indicators for the year 2024

Revenues

**ﷲ 6,883**  
Million

Operating profit

**ﷲ 948**  
Million

Net profit

**ﷲ 17.15**  
Million

Earnings per share

**ﷲ 0.07**

Total profits paid

**ﷲ 362.4**  
Million

Profit paid per share

**ﷲ 1.45**

Equity

**ﷲ 5,224**  
Million

Free cash flows

**ﷲ 2,268**  
Million

Debt ratio

**3.40**

## The consolidated financial performance of Marafiq and its investee companies

During the year 2024, Marafiq maintained its focus and strong financial and operational performance, which enhanced its resilience in facing and mitigating the challenges associated with rising interest cost on loans and higher fuel costs.

### Consolidated income statement (Million ₪)

Statement	2024	2023	Change Percentage	2022	2021	2020
Revenues	6,883	6,383	7.8%	6,505	6,192	6,091
Cost of revenue	(5,361)	(4,671)	14.8%	(5,357)	(5,187)	(5,463)
Gross profit	1,523	1,712	-11.0%	1,148	1,005	628
Operating profits	948	1,595	-40.6%	1,094	997,716	664,071
Net profit	17	587	-97.1%	846	665	290

Note: 2023 figures are restated.

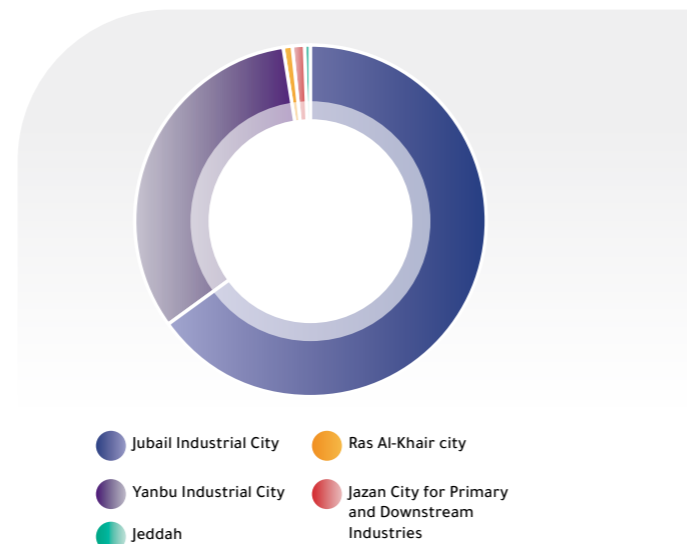
The revenue for the year 2024 amounted to ₪ 6,883 million, compared to ₪ 6,383 million for the year 2023, reflecting an increase of ₪ 500 million equivalent to 7.8%, mainly due to higher demand.

The cost of revenue for the year 2024 amounted to ₪ 5,361 million, compared to ₪ 4,671 million for the year 2023, reflecting an increase of ₪ 690 million, equivalent to 14.8%, mainly due to higher input cost in 2024 resulting from sharp hike in fuel prices.

The net profit for the year 2024 amounted to ₪ 17 million, compared to ₪ 587 million for the year 2023, reflecting a decrease of ₪ 570 million, equivalent to 97%, mainly due to provision against HIECT receivables and higher input cost in 2024 resulting from sharp hike in fuel prices.

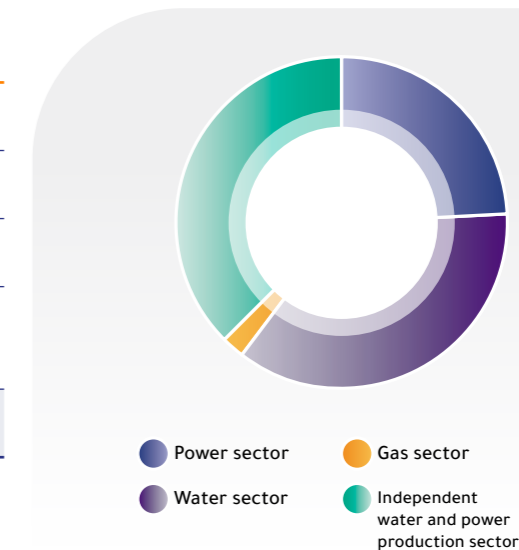
The following table shows the total value of revenues by geographic regions:

Geographic Region	Percentage of Revenue	Revenues (Million ₪)
Jubail Industrial City	65.16%	4,485
Yanbu Industrial City	32.61%	2,245
Ras Al-Khair city	1.04%	72
Jazan City for Primary and Downstream Industries	1.15%	78
Jeddah	0.04%	3
<b>Total</b>	<b>100%</b>	<b>6,883</b>



### Distribution of contributions from the main sectors and activities of the company to the consolidated revenues for the year 2024

Sector	Percentage of Revenue	Revenues (Million ₪)
Power sector	24.2%	1,666
Water sector	36.3%	2,493
Gas sector	2.1%	145
Independent water and energy production sector	37.4%	2,576
<b>Total</b>	<b>100%</b>	<b>6,883</b>



### Statement of Financial Position (Million ₪)

Statement	2024	2023	Change Percentage	2022	2021	2020
Current Asset	2,962	3,043	-2.7%	3,789	3,397	3,523
Non-current assets	20,031	20,984	-4.5%	21,791	20,713	20,589
<b>Total assets</b>	<b>22,993</b>	<b>24,027</b>	<b>-4.3%</b>	<b>25,580</b>	<b>24,110</b>	<b>24,112</b>
Current liabilities	3,401	3,019	12.7%	3,033	2,197	2,620
Non-current liabilities	14,368	15,455	-7.0%	17,013	14,362	14,504
<b>Total liabilities</b>	<b>17,769</b>	<b>18,474</b>	<b>-3.8%</b>	<b>20,046</b>	<b>16,559</b>	<b>17,124</b>
Equity	5,224	5,553	-5.9%	5,534	7,551	6,988

Note: 2022 & 2023 figures are restated.

The total assets for the year 2024 amounted to ₪ 22,993 million, compared to ₪ 24,027 million for the year 2023, reflecting a decrease of ₪ 1,034 million, equivalent to 4.3%, mainly due to depreciation of ₪ 1,494 million which was partially offset by addition of ₪ 531 million.

The total liabilities for the year 2024 amounted to ₪ 17,769 million, compared to ₪ 18,474 million for the year 2023, reflecting a decrease of ₪ 705 million, equivalent to 3.8% due to payment of lease liabilities.

The shareholders' equity for the year 2024 amounted to ₪ 5,224 million, compared to ₪ 5,553 million for the year 2023, reflecting a decrease of ₪ 329 million, equivalent to 5.9%, mainly due to payment of dividend.

## Statement of Cash Flows

(Million ₪)

Statement	2024	2023	Change Percentage	2022	2021	2020
Net cash from operating activities	2,381	2,328	2.3%	2,145	2,230	1,570
Net cash from investing activities	(226)	962	-123.5%	(874)	(972)	(1,761)
Net cash from financing activities	(1,884)	(2,791)	-32.5%	(1,068)	(1,370)	(299)

Note: 2023 figures are restated.

The net cash from operating activities for the year 2024 amounted to ₪ 2,381 million, compared to ₪ 2,328 million for the year 2023, an increase of ₪ 53 million, or 2.3%. This is mainly due to higher revenue.

Net cash from investment activities for the year 2024 amounted to ₪ (226) million, compared to ₪ 962 million for the year 2023, a decrease of

₪ 1,188 million, or 123.5%, mainly due to reduction of investment in short term deposits.

Net cash from financing activities for the year 2024 amounted to ₪ (1,884) compared to ₪ (2,791) million for the year 2023, a decrease of ₪ 907 million, or 32.5% mainly due to lower payment of lease liabilities, loans and dividend as compared to prior year.

## Free cash flows

(Million ₪)

Statement	2024	2023
Net Cash Generated from Operating Activities	2,380.85	2,328.45
Finance Cost Paid	418.52	415.92
Additions to property, plant and equipment	(531.59)	(647.64)
Total	2,267.78	2,096.73

Note: 2023 figures are restated.

## Information related to the company's loans and investee companies

### Marafiq Company

The total loans owed by the company at the end of the year 2024 amounted to ₪ 6,191 million, compared to the amount of ₪ 6,454 million at the end of 2023, a decrease of ₪ 263 million, or 4.1%. These loans were provided in accordance with Islamic Sharia law from three Saudi banks, in addition to loans Saudi Industrial Development

Fund. The company also began, from January 2, 2018, to pay off the loans it owed from the Saudi Industrial Development Fund. Regarding the loans due from banks, they were paid an amount of ₪ 500 million in advance to the Banque Saudi Fransi, while the rest of the banks will begin paying it starting in the year 2028.

The following table shows the loans owed by the company at the end of the year 2024 (Thousands ₪)

The lender	Borrowed Amount	Loan Term	Balance at the beginning of the year 2024	Paid Amount	Balance at the end of the year 2024
Banque Saudi Fransi	3,400,000	15 years	2,900,000	-	2,900,000
Saudi Awwal Bank	1,500,000	15 years	1,500,000	-	1,500,000
Saudi National Bank	1,500,000	15 years	1,500,000	-	1,500,000
Saudi Industrial Development Fund	900,000	9 years	334,000	158,000	176,000
Saudi Industrial Development Fund	660,000	9 years	220,000	105,000	115,000
Total Loans	7,960,000		6,454,000	263,000	6,191,000

## Jubail Water & Electricity Company (JWAP)

(Equity accounting as Joint Venture)

The company's outstanding loans at the end of 2024 amounted to ₪ 3,672 million, compared to ₪ 4,366 million at the end of 2023, a decrease of ₪ 694 million, or 15.9%.

The following table shows the loans owed by the company at the end of the year 2024

The lender	Borrowed Amount	Loan Term	Balance at the beginning of the year 2024	Paid Amount	Balance at the end of the year 2024
BNP Bank	5,722,500	22 years	3,071,712	435,923	2,635,789
BNP Bank	2,418,750	17 years	86,403	86,403	-
Riyad Bank	2,250,000	20 years	1,207,744	171,397	1,036,347
Total Loans	10,391,250		4,365,859	693,723	3,672,136

## Jeddah Althaniya Water Company (JAWC)

(Equity accounting as Joint Venture)

The company's outstanding loans at the end of 2024 amounted to ₪ 727,426, compared to ₪ 719,353 at the end of 2023.

The following table shows the loans owed by the company at the end of the year 2024

The lender	Borrowed Amount	Loan Term	Balance at the beginning of the year 2024	Paid Amount	Balance at the end of the year 2024
Arab National Bank	93,061	9 Years	92,407	0	92,515
Arab National Bank	53,178	9 Years	52,842	0	52,897
Banque Saudi Fransi	119,650	9 Years	118,809	0	118,947
Saudi National Bank	174,011	25 Years	151,684	0	154,266
Saudi National Bank	348,022	25 Years	303,611	0	308,801
Total Loans	787,922		719,353		727,426

## Statutory Payments

The following is a statement of the value of the statutory payments that have been paid or are due regarding any Zakat, taxes, or any other dues that have not been paid until the end of the annual financial period.

(Thousand ₪)

Clause	Paid Amount	Due until the end of the year and not paid 2024	Brief description	Reasons
Zakat and income tax payments	49,059	11,258	Which is paid or charged over the year in accordance with the provisions and rules of Zakat and tax in the Kingdom of Saudi Arabia.	Government requirement
General Organization for Social Insurance	69,049	782	Which is paid or charged over the year in accordance with the provisions of the Labor Law as a social insurance expense.	Government requirement
Total	118,108	12,040		

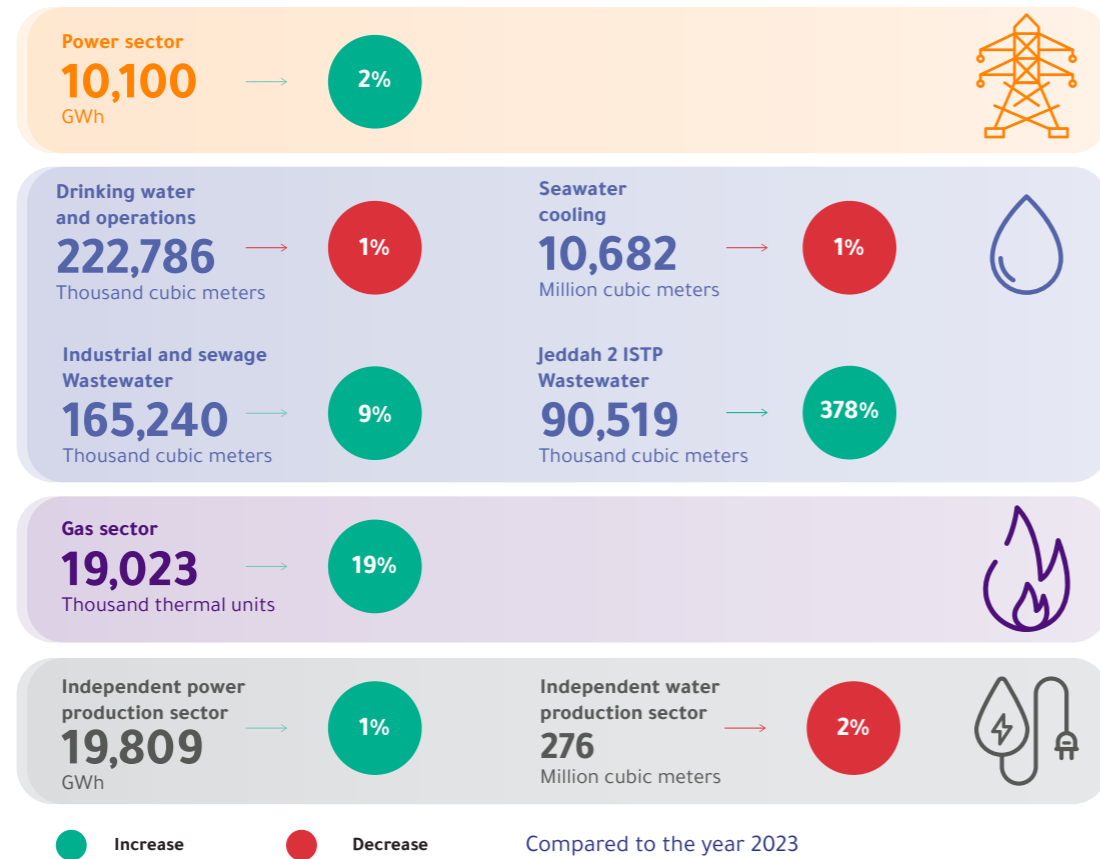
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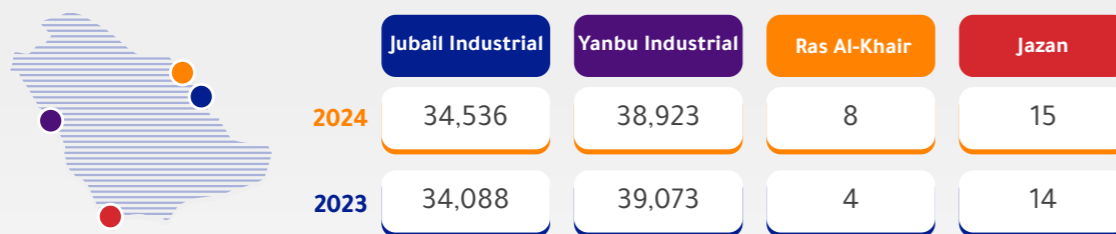


# Key Metrics

## Quantities produced by the company's main sectors



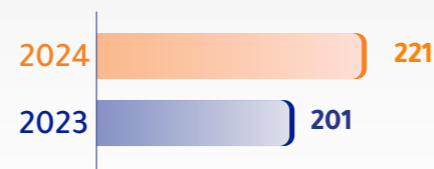
## Number of customers



### Non-industrial sector customers



### Industrial sector customers

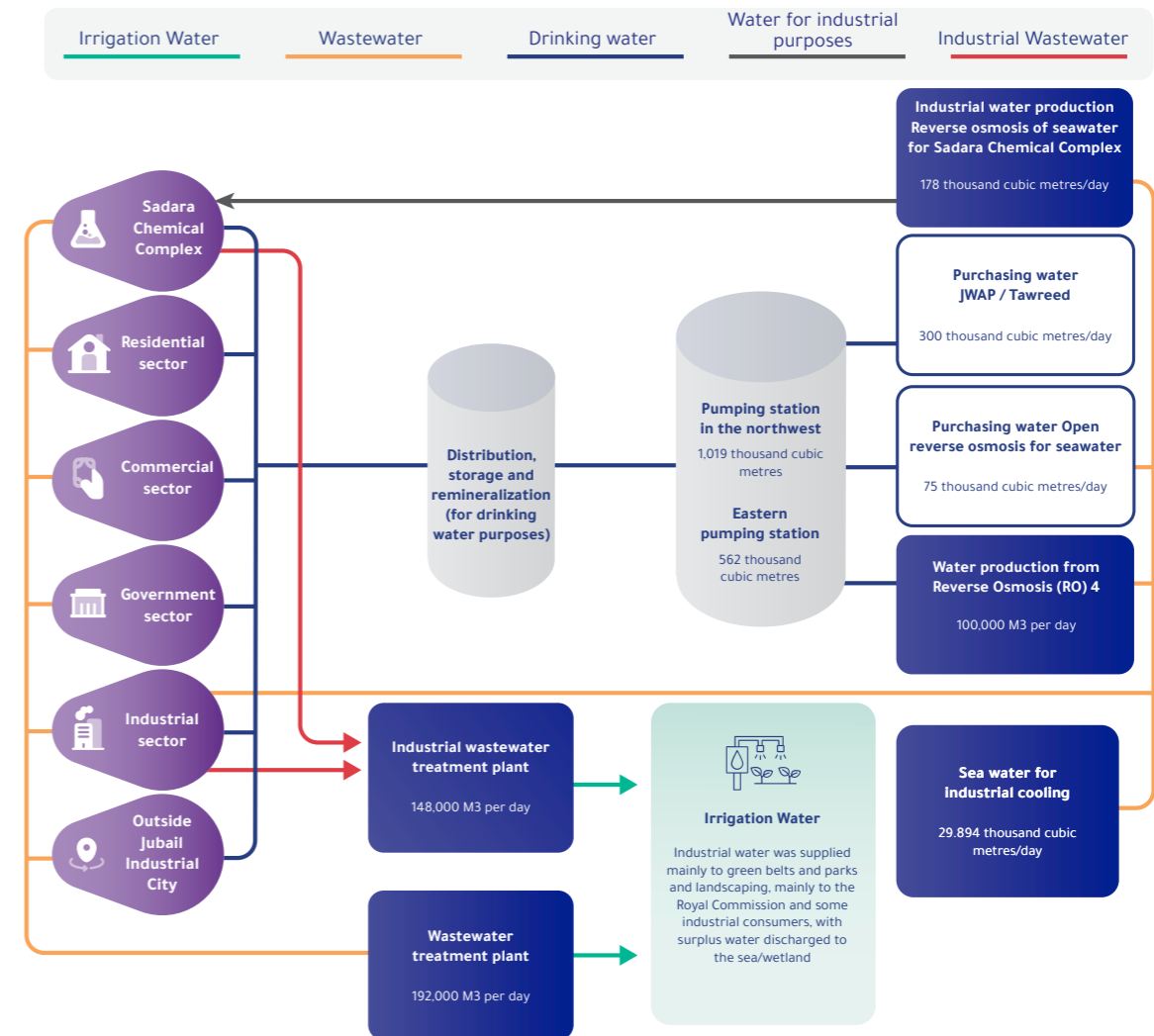


# The services provided by the company

Marafiq is responsible for the generation of power and distribution of power (through transmission and distribution assets) to its customers in the industrial city of Yanbu and Jazan. In addition, it provides services for the production and distribution of desalinated and treated water, drinking water and water for industrial purposes. The company also offers seawater cooling systems for heavy industries and industrial facilities, as well as the collection and treatment of sewage water in all four industrial cities where it operates. With extensive engineering expertise in project management, Marafiq continuously invests in its operations and assets, allowing it to build a strong and reliable asset base to serve its customers, which will enable the company to achieve remarkable growth in its future operations.

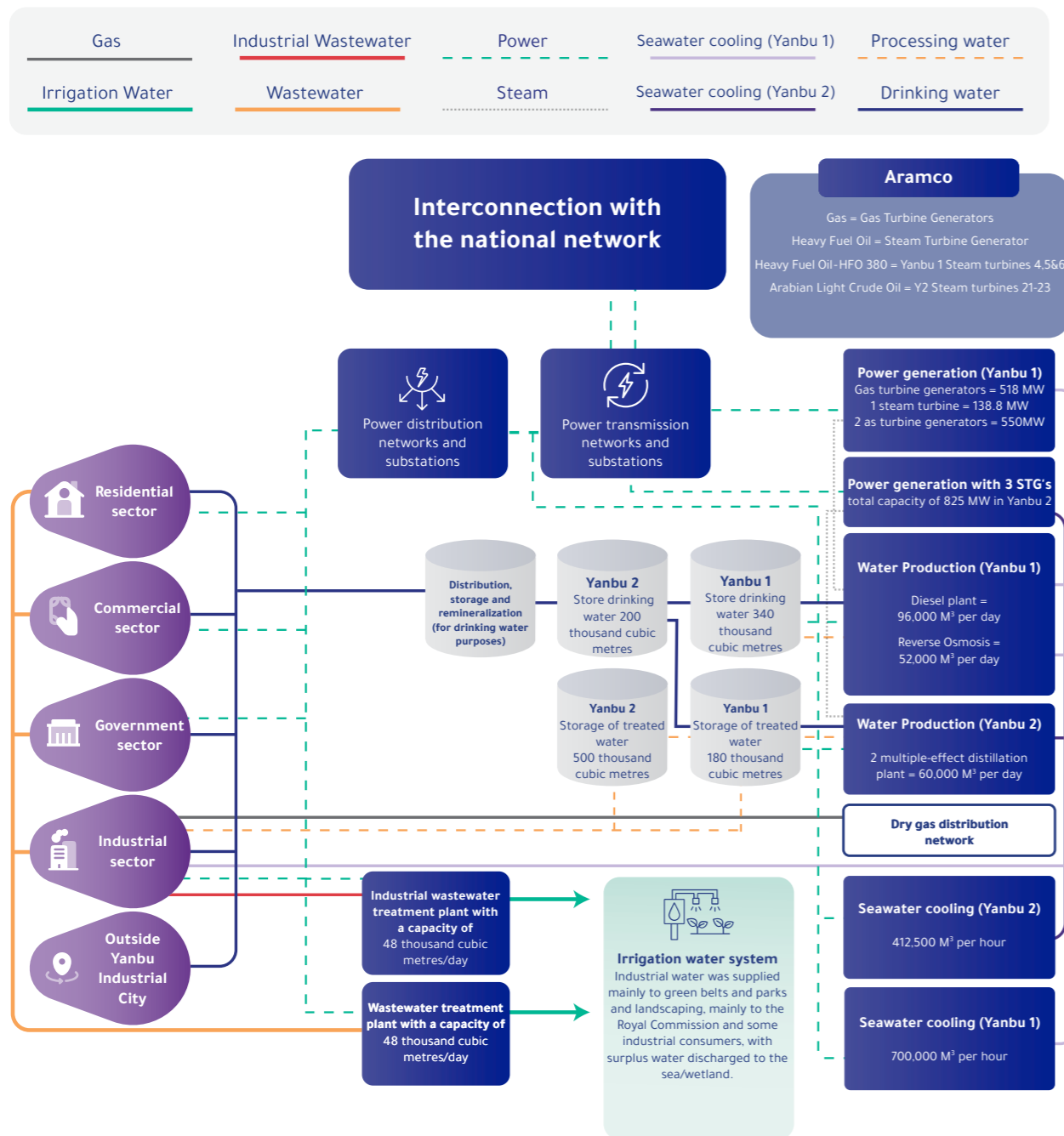
## First: Services Provided in the Industrial City of Jubail

The services offered by the group in the Industrial City of Jubail include: seawater cooling, water production, storage and distribution of drinking water, collection and treatment of industrial wastewater, and collection and treatment of sewage water.



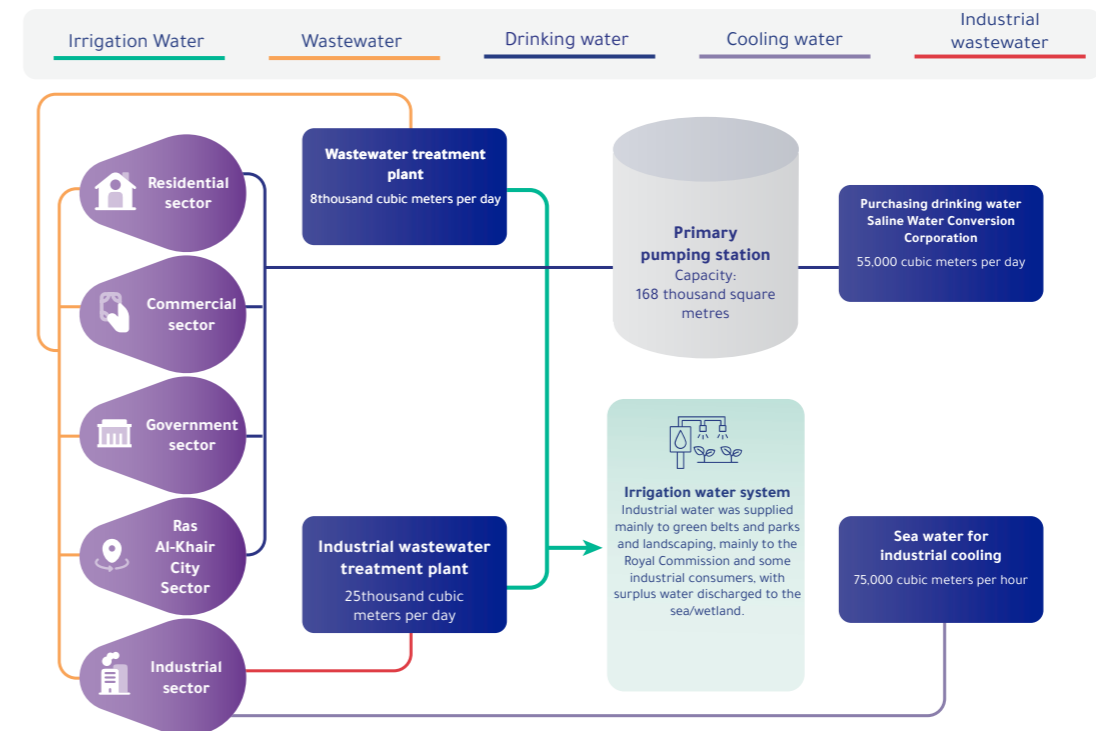
## Second: Services Provided in the City of Yanbu

The services provided by the group in Yanbu include: power generation, transmission and distribution, seawater cooling, water production, storage and distribution of drinking water and process water and treated water, collection and treatment of sewage water, collection and treatment of industrial wastewater, and distribution of sales gas.



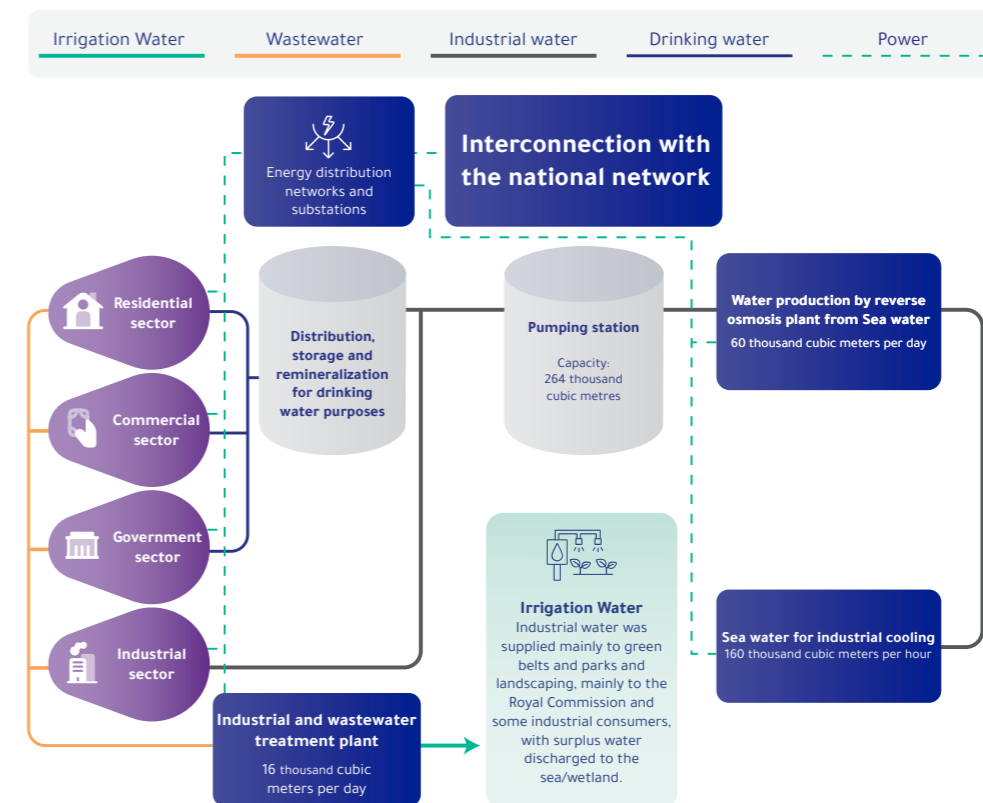
## Third: Services Provided in the City of Ras Al-Khair

The services provided by the group in Ras Al-Khair include: purchasing water for resale and distribution, seawater cooling, storage and distribution of drinking water, collection and treatment of sewage water and collection and treatment of industrial wastewater.



## Fourth: Services Provided in the Jazan Economic City for Basic and Transformational Industries

The services provided by the group in the Jazan Economic City for Basic and Transformational Industries include: purchasing power for resale and distribution, seawater cooling, water production, storage and distribution of drinking water and process water, collection and treatment of sewage water, and collection and treatment of industrial wastewater.





### Fifth: Services Provided in Jeddah

The services provided by the group through Jeddah Althaniya Water Company (JAWC), in which Marafiq owns 45%, include comprehensive wastewater treatment services for residential, commercial and government sectors in Jeddah, where it processes up to 300,000 cubic meters of wastewater daily.



We provide comprehensive wastewater treatment services for the residential, commercial and government sectors in the city of Jeddah.



## Power Sector

The company provides power services, including transmission, distribution and sectoral supply, in Yanbu City and Jazan City for Primary Industries. The power generation facilities in Yanbu Industrial Cities consist of power and water production plants in Yanbu 1 and Yanbu 2 for power generation to meet the demand of factories and the local community. The company has a total installed power generation capacity of 2,032 MW in Yanbu.

The current power generation plant in Yanbu 1 consists of 9 gas turbine generators, including 8 units with a capacity of 56.17 MW each, while the ninth unit has a capacity of 68.7 MW, bringing the total capacity of the units to 518 MW. Additionally, it includes 3 other steam turbine generators, including one steam turbine unit with a capacity of 138.8 MW and two steam turbine units with a capacity of 275 MW each. As for Yanbu 2, it contains a power generation plant consisting of 3 steam turbine generators with a capacity of 275 MW each.

### Key Operational and Financial Indicators:

The power sector's production volume in 2024 reached 10,100 GWh, compared to the production volume in 2023, which was 9,923 GWh, reflecting an increase of 2%. Meanwhile, the power sector's sales volume in 2024 reached to 9,737 GWh, compared to the sales volume in 2023, which was 9,531 GWh, reflecting an increase of 2%.

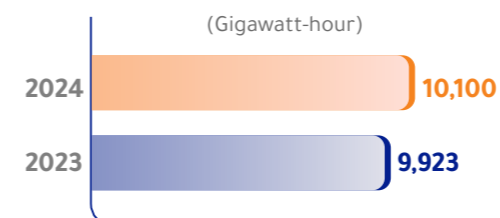
(Note: Revenue is including inter-segment revenue by ₪ 222 million in year 2024 and ₪ 214 million in year 2023)

#### Number of customers for the power sector for the year 2024 compared to the year 2023

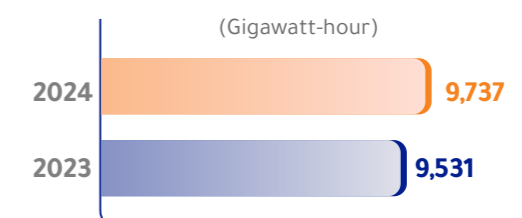
2023	2024
21,308	21,114

The sales revenue for the year 2024 amounted to ₪ 1,888 million, compared to the sales revenue for the year 2023, which was ₪ 1,845 million, reflecting an increase of ₪ 43.5 million, equivalent to 2%.

The chart shows the quantities **produced** for the power sector



The chart shows the quantities **sold** for the power sector



# Water sector

The company provides services for the production and distribution of desalinated and treated water, drinking water and water for industrial purposes, as well as seawater cooling systems for heavy industries and industrial facilities and the collection and treatment of wastewater across all four industrial cities it operates in. The water sector consists of several products as follows:

## Drinking and Process Water

Marafiq is dedicated to providing high-quality drinking water for the residential sectors in both Jubail and Yanbu Industrial Cities, in addition to treating water according to the highest standards for the industrial sector. In 2021, the Ministry of Environment, Water, and Agriculture, alongside the Water and Electricity Regulatory Authority, tasked Marafiq with supplying high-quality drinking water for the residential and industrial sectors in Jazan for primary and manufacturing industries.

In Jubail Industrial City, the company supplies and distributes drinking water by sourcing it from internal desalination plants and importing drinking water from JWAP and Al-Fath Company. The company purchases 300,000 cubic meters per day from Tawreed and an additional 75,000 cubic meters per day from the reverse osmosis seawater plant operated by Al-Fath Company. Marafiq owns a production

plant with one reverse osmosis seawater desalination plant in Jubail with a production capacity of 100,000 cubic meters per day. Drinking water is distributed through a pipeline network spanning 1,724 km, and the company uses 32 pumping stations to ensure a steady flow of drinking water through the pipelines.

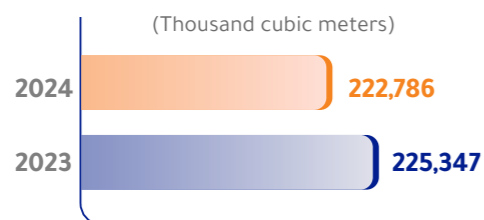
In Yanbu, the company has a production capacity of 208,240 cubic meters per day, producing high-quality drinking water for residential customers and high-quality treated water for industries in Yanbu Industrial City. The Yanbu 1 water facility consists of three multi-stage flash distillation units and one reverse osmosis desalination unit, along with two multi-effect distillation units. Yanbu 2 features an additional two multi-effect distillation units, totaling a capacity of 60,000 cubic meters per day, completely capable of meeting the demand for both drinking and treated water in Yanbu Industrial City.

### Key Operational Indicators:

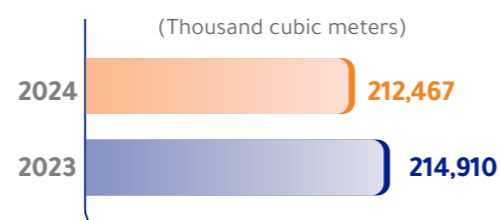
The production volume of drinking and process water in 2024 reached 222,786 Thousand cubic meters, compared to the production volume in 2023, which was 225,347 Thousand cubic meters, reflecting a decrease of 1%. Meanwhile, the sales

volume of drinking and process water in 2024 reached to 212,467 Thousand cubic meters, compared to the sales volume in 2023, which was 214,910 Thousand cubic meters, reflecting a decrease of 1%.

The chart shows the **production** volumes of drinking water and the associated processes



The chart displays the volumes of drinking water **sold** and operational activities



## Seawater cooling

Providing seawater cooling is a vital service used to cool industrial operations in Jubail, Yanbu, and Ras Al Khair. These seawater cooling facilities in Jubail consist of two adjacent pumping stations near the coast, with a distribution channel connected to customers via underground pipes. Seawater pumped into the distribution channel flows to customers, while returning water flows back to the sea by gravity. The seawater withdrawn from the Arabian Gulf passes through intake channels subject to dredging operations via coarse and

fine waste networks at the pumping stations before being treated with chlorine before being pumped into the distribution channel.

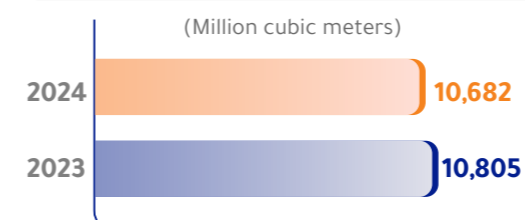
The production capacity in Yanbu Industrial City is approximately 1.11 million cubic meters per hour, while the capacity in Jubail is 1,245,600 cubic meters per hour, with an additional 200,000 cubic meters per hour at the booster pumping station in Jubail 2.

### Key Operational Indicators:

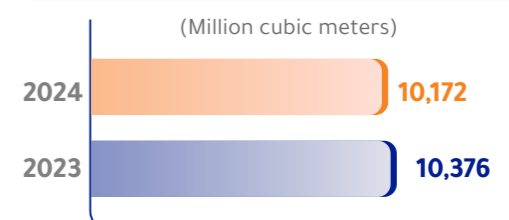
The quantities produced from seawater cooling in 2024 reached to 10,682 million cubic meters, compared to 10,805 million cubic meters in 2023, showing a decrease of 1%. The quantities sold

from seawater cooling in 2024 reached to 10,172 million cubic meters, compared to 10,376 million cubic meters in 2023, showing a decrease of 2%.

The graph shows the quantities of water **produced** for cooling with seawater



The graph shows the quantities **sold** for seawater cooling



# Treated Industrial and Sanitary Wastewater

The company collects industrial and sanitary wastewater from both industrial customers and the local community using separate wastewater collection networks for industrial and sanitary waste in the industrial cities of Jubail and Yanbu. The wastewater is treated in separate plants through a biological process. The industrial and sanitary wastewater treatment plant is designed to process water discharged from factories in the industrial cities. The flow from these factories is managed based on the characteristics of the wastewater and treated in accordance with the environmental guidelines of the Royal Commission for Jubail and Yanbu for the disposal of industrial and sanitary wastewater.

The total capacity for treating industrial and sanitary wastewater in Jubail and Yanbu is 412,000 cubic meters per day and 95,000 cubic meters per day, respectively. The additional capacity for a new plant in Jubail is 125,000 cubic meters per day of industrial wastewater will be commissioned in the year 2025.

Irrigation water and recycled water, produced from the treatment of drinking water, wastewater, and water are primarily used for irrigation purposes. The irrigation water provided by the company plays a key role in the green revolution in the industrial cities of Jubail and Yanbu, contributing to environmental preservation and ensuring the optimal use of precious natural resources. In Jubail, any surplus irrigation water is stored in a large artificial lake, while in Yanbu, any surplus is discharged into the sea.

### Key Operational Data:

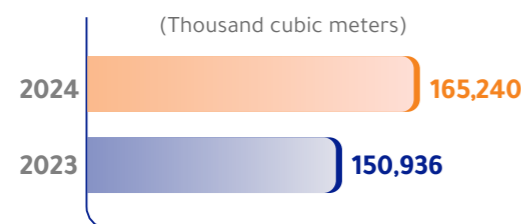
In 2024, Marafiq produced a total of 165,240 thousand cubic meters of treated industrial and sanitary wastewater, compared to 150,936 thousand cubic meters in 2023, reflecting a 9% increase. The volumes of treated industrial and sanitary wastewater sold in 2024 reached to 160,655 Thousand cubic meters, compared to 150,535 Thousand cubic meters sold in 2023, marking a 7% increase.

• Irrigation water is included in the total volumes of treated industrial and sanitary wastewater sold.

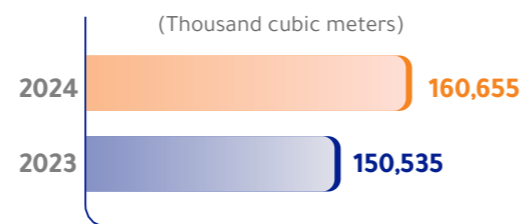
Number of customers for the water sector for the year 2024 compared to the year 2023

Year	2023	2024
Customers	51,983	52,489

The chart shows the quantities of treated industrial and wastewater produced



The chart shows the decrease in the quantities sold of treated industrial and sewage water



### Key Financial Highlights for the Water Sectors:

The water sector revenues for the year 2024 amounted to ₪ 3,034 million, compared to the sales revenue of 2023 amounted to ₪ 2,999 million reflecting an increase of ₪ 35 million, representing a 1% increase due to increase of customer's demand.

(Note: Revenue is including inter-segment revenue by ₪ 540 million in year 2024 and ₪ 548 million in year 2023)

# Gas Sector

Marafiq is responsible for gas distribution operations in the city of Yanbu, which began in 2009, with commercial operations starting in September 2011. The gas distribution system focuses on supplying gas directly from high-capacity pipelines to smaller beneficiaries in the light industrial area, ensuring safe and reliable operation of the gas distribution network. The gas distribution network consists of a series of pipelines, valve stations, valve boxes, filter units, pressure regulators, and metering platforms.

### Key Operational and Financial Data:

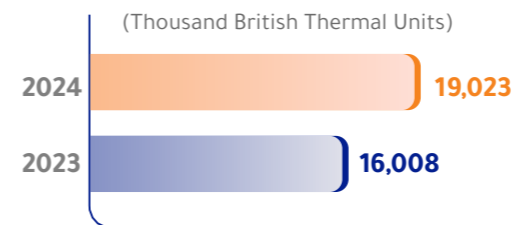
The volume of gas sold by Marafiq in 2024 reached to 19,023 Thousand British Thermal Units (BTUs), compared to 16,008 Thousand BTUs in 2023, reflecting an increase of 19%.

Sales revenue for 2024 amounted to ₪ 145 million, compared to ₪ 104 million in 2023, representing an increase of 39%.

Number of customers for the gas distribution sector for the year 2024 compared to the year 2023

Year	2023	2024
Customers	11	13

The chart shows the quantities of gas sold



The gas distribution system focuses on delivering gas directly from high-capacity pipelines to small consumers in the light industries area, ensuring the safe and reliable operation of the gas distribution network.



## Independent Water and Power Production Sector

This sector reflects the business performance of contractual transactions between Marafiq's Water and Power Supply Company (Tawreed) and Jubail Water and Power Company (JWAP). Tawreed purchases the entire water and power output from JWAP and sells these utilities to the Saudi Power Procurement Company, and Marafiq.

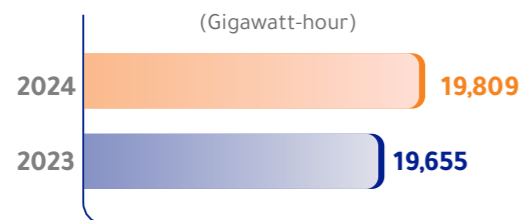
### Key Operational and Financial Data:

The volume of power sold in 2024 reached to 19,809 Gigawatt-hour, compared to 19,655 Gigawatt-hour in 2023, reflecting a 1% increase.

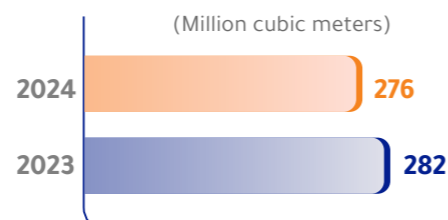
As for the volume of water sold, it reached 276 million cubic meters in 2024, compared to 282 million cubic meters in 2023, marking a 2% decrease.

The total sales revenue from the independent water and power sectors for 2024 amounted to  $\text{SAR}$  2,977 million, compared to the sales revenue of 2023 amounted to  $\text{SAR}$  2,563 Million reflecting an increase of  $\text{SAR}$  414 million, representing a 16% increase.

The chart shows the quantities sold by the independent power sector



The chart shows the quantities sold by the independent water production sector



## Independent Wastewater Treatment Sector

Through Jeddah Althaniya Water Company (JAWC), in which Marafiq holds a 45% stake, the group provides comprehensive wastewater treatment services for the residential, commercial, and governmental sectors in Jeddah. The company treats up to 300,000 cubic meters of wastewater daily.

The company continuously receives wastewater from collection points operated by the National Water Company (NWC) and treats it using the latest advanced global technologies. After treatment, the processed water is delivered to a designated collection point in accordance with the highest environmental quality standards. This process is carried out in coordination with the Saudi Water Partnerships Company (SWPC) and the NWC to ensure compliance with environmental regulations and sustainability requirements.

### Key Operational Data:

The volume of treated wastewater produced in 2024 amounted to 90,519 Thousand cubic meters, compared to 18,920 Thousand cubic meters in 2023, reflecting 378% increase.

Jeddah ISTP	Treated Quantities (Thousand M <sup>3</sup> )		
	2024	2023 (*)	Difference %
Waste Water	90,519	18,920	378%

(\*) Data are from PCOD October 2023

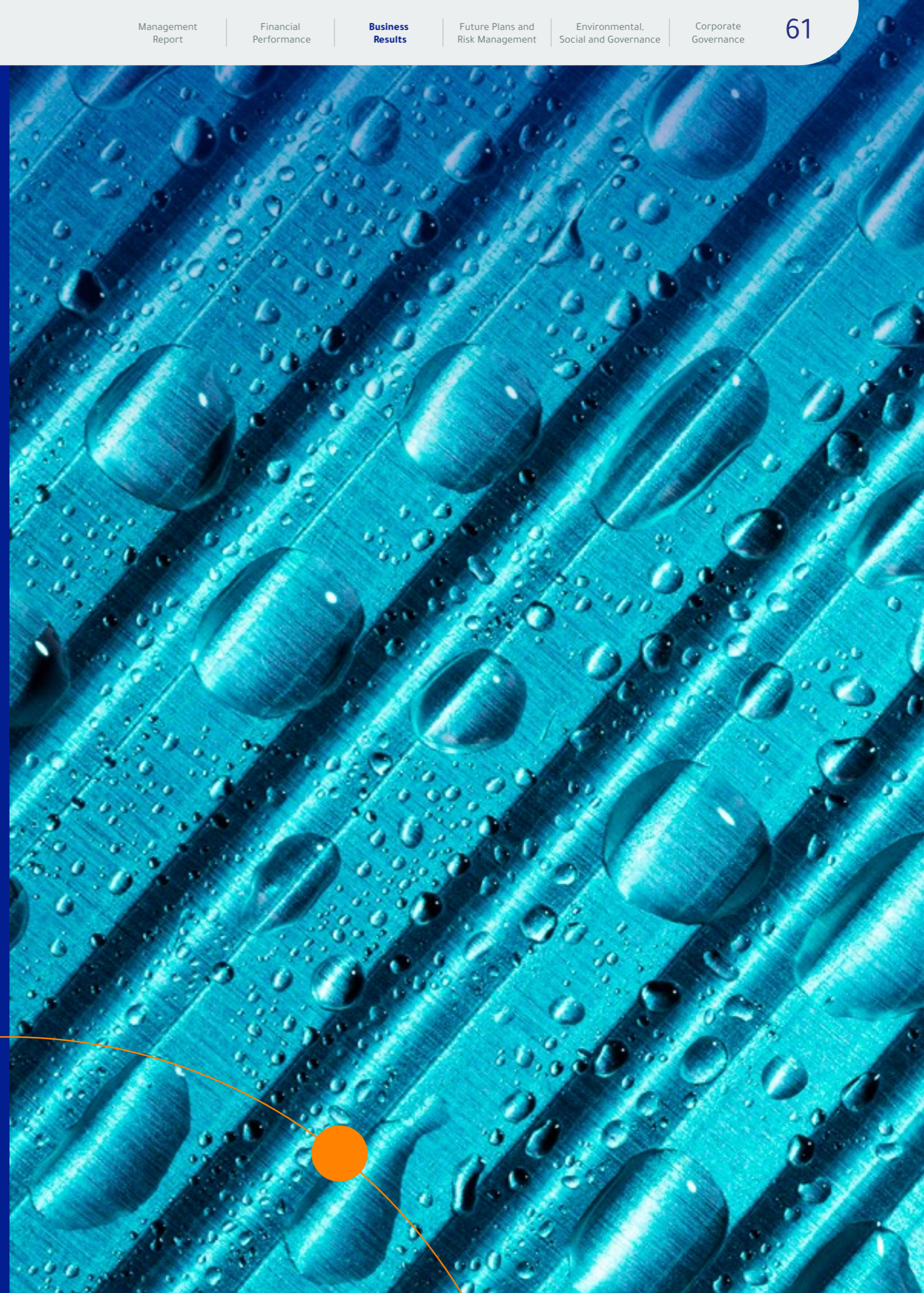


Innovation is the key to enhancing our services and meeting our customers' needs. Water is treated using the latest advanced global technologies, adhering to the highest environmental quality standards and sustainability requirements.





**Marafiq is responsible for supplying potable water and seawater for cooling, industrial and sanitary wastewater collection and treatment, and other utility services for a wide range of clients belonging to industrial, commercial, residential, and governmental sectors in Jubail and Yanbu.**



# Future Plans and Risk Management

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# Future Plans

Marafiq is committed to establishing a solid foundation for its future plans and aspirations, guided by its vision, mission, and strategic objectives. As a fully integrated provider of reliable and sustainable utility services, Marafiq plays a crucial role in Saudi Arabia's key industrial cities. The company delivers a diverse range of services, including water services in Jubail Industrial City and power, water, and gas distribution services in Yanbu Industrial City. Additionally, Marafiq is the exclusive provider of power and water services to the Jazan City for Primary and Downstream Industries and supplies water services in Ras Al-Khair Industrial City. As a result, Marafiq does not compete with other service providers in these industrial zones. All four cities in which Marafiq operates are of strategic importance to Saudi Arabia's economy. These areas host a large concentration of petrochemical facilities, refineries, and complementary industrial units, including several large-scale joint ventures. The ongoing development of industrial plants in these zones continue to drive increased demand for Marafiq's utility services.

As part of its strategic plan, Marafiq aims to expand its services in industrial areas to meet the growing demand for water and power across the Kingdom. To achieve this, the company is focusing on investments and the development of new projects. For example, Marafiq is establishing two wastewater treatment plants in Jubail with a total capacity of 245,000 cubic meters per day. Additionally, new capital projects have been planned to enhance reliability, improve efficiency and productivity and drive digital transformation in the water and power sectors. These initiatives reflect Marafiq's commitment to delivering high-quality services to its customers.

The company is also exploring new growth opportunities in Jubail and Ras Al Khair to undertake the operation and maintenance of the gas network, which will contribute to its expansion. As part of this effort, Marafiq has participated in several meetings with the Ministry of Energy, the Royal Commission for Jubail and Yanbu (RCJY), and Saudi Aramco to discuss and collect the necessary data for developing the operational and financial model. This will enable the company to make informed decisions and move forward with signing agreements with the relevant parties.

Additionally, Marafiq is leveraging investment opportunities within the Royal Commission cities, particularly in newly developed industrial areas that serve as key economic hubs in Saudi Arabia. Jubail and Yanbu are set to witness major and diverse investments, including large-scale crude-to-chemicals projects. Furthermore, Marafiq has been entrusted with the operation and maintenance of the distribution network and the provision of power services to customers at the industrial port of Jazan City for Primary and Downstream Industries, a strategic economic gateway to global markets and a key enabler for the city's development.

In alignment with Saudi Arabia's Vision 2030 and the private sector's role in achieving its objectives to support the national economy, the company is continuously working to be well-positioned for various growth opportunities. This includes exploring bilateral collaboration with existing clients within the Royal Commission service areas, as well as developing independent and cogeneration power projects, water production initiatives, and wastewater treatment projects across different regions of the Kingdom.

The demand for the services provided by Marafiq is generally less volatile and more predictable, as most of its customers are industrial entities and companies with relatively stable consumption levels, high operating rates and a consistent and timely payment record.




The company anticipates growth in demand for utility services in its operational areas over the next five years (2025-2029) at the following projected rates:

City	Power	Seawater Cooling	Water	Industrial Water Treatment	Wastewater	Gas
Jubail		0.7%	1.8%	1.8%	1.4%	
Yanbu	2.8%	0.7%	1.5%	1.1%	0.6%	0.8%
Jazan	0.4%		6.3%			
Ras Al-Khair		0.8%	6.0%			


Source: Approved Demand Forecast in 2025-2029 Business Plan.

Building on its ambitious strategy, Marafiq has identified key priorities and strategic initiatives to be achieved in the coming years. These include several programs such as:




**Commitment to the highest standards of safety and occupational health**

As a fundamental pillar of our operations, asset management and process optimization will enhance the preservation of asset value and efficiency, ensuring their seamless functionality.




**Carbon Emissions Reduction**

Enhancing the optimal use of treated wastewater in industrial applications, contributing to the company's role in achieving the Kingdom's power and water strategic goals.



**Digital Transformation Program**

Adopting modern technologies to enhance efficiency and achieve cost savings in operations.



**Increasing Future Growth Opportunities**

In business, to ensure the continued strength of our financial position.

# Corporate Risk Management

At Marafiq, we recognize that the business landscape is rapidly evolving. Strengthening the culture of corporate risk management is an essential process that ensures business continuity and the achievement of strategic goals, especially in vital sectors where Marafiq plays a key role. The integrated risk management system at Marafiq operates with a consistent and comprehensive methodology to ensure the effectiveness of risk management in achieving its goals and aspirations, while adhering to all requirements and regulations. It ensures the implementation of the latest systems and practices across all areas. The Board of Directors (Board) has Executive & Risk Committee (ERC) to identify, understand, and manage potential risks effectively. The company's management prepares detailed reports on the risks the company faces, which are presented to the ERC periodically. The

committee then provides its recommendations to the Board, either to continue with the current measures or to take additional actions to mitigate the impact of these risks.

Amid the daily challenges and diverse risks that may affect operations, risk management is a crucial and proactive tool in mitigating these impacts, thereby safeguarding the sustainability of the services provided by the company.

At Marafiq, we are committed to providing reliable and secure services to our customers, with our top priority always being to ensure the continuity and quality of services. By following global best practices in risk management, we strive to maintain the trust our customers place in us and work towards improving performance in line with the highest professional standards.

## Objectives of Corporate Risk Management

The company's corporate risk management aims to achieve a set of key objectives that ensure business continuity despite various challenges. These objectives include:

### Protecting Assets and Resources:

Risk management aims to safeguard physical and human assets, as well as critical technological systems, from any threats that may impact operations or service quality.

### Service Continuity:

Ensuring Marafiq's commitment to providing reliable and secure services to customers at all times, enhancing resilience in crises and emergencies without compromising quality or service continuity.

### Compliance with Laws and Regulations:

Maintaining the company's adherence to local and international legal and regulatory standards, ensuring it avoids any legal or regulatory issues that could impact its ability to provide services.

### Achieving Strategic Objectives:

Supporting the company's strategic goals by minimizing risks that may impact financial and operational performance, thereby enhancing service quality and ensuring sustainable growth.

### Enhancing Sustainable Growth:

Risk management helps identify potential risks and analyze their impacts, allowing the company to plan sustainable growth strategies while minimizing exposure to major risks.



We at Marafiq are committed to providing reliable and secure services to our customers, with our top priority always being to ensure service continuity and quality.



## Risk Management Framework

Marafiq's risk management framework is based on a comprehensive and well-structured methodology aligned with international best practices. It includes a set of key steps to ensure the effective identification, assessment, mitigation, and monitoring of risks:

### Risk Identification:

The first phase involves identifying all potential risks that may impact the company. This includes assessing operational, environmental, financial, legal, and other types of risks. These risks are identified through an analysis of the business environment and factors that may affect the company's performance in both the short and long term.

### Risk Assessment:

Risks are assessed based on the likelihood of their occurrence and their potential impact on operations and services. Risks are classified according to priority and impact, which helps in determining the necessary actions to address them.

### Risk Mitigation:

This stage involves identifying and assessing potential risks that could impact goals or activities, and then taking the necessary actions to reduce,

avoid, or adapt to these risks. Strategies such as prevention, hedging, transfer, or acceptance are employed. The aim is to protect resources, minimize potential damage, ensure business continuity, and achieve strategic objectives.

### Risk Monitoring:

Risk management requires an ongoing monitoring process to ensure that the measures taken are effective. Performance is measured periodically, and policies and strategies are updated based on continuous reviews of new or changing risks.

### Reporting and Performance Review:

Periodic reviews of risks are conducted, and accurate reports are provided to senior management. These reports help in making strategic decisions and ensuring the effectiveness of the measures taken to guarantee service continuity and protect assets.

## Decision-Making in Risk Management

The decision-making process regarding risks is based on a comprehensive analysis of the available data and information about the risks and their potential impacts. These decisions rely on:



### Transparency:

Ensuring that all information related to risks is available to all stakeholders involved in the decision-making process.



### Collaboration:

Involving different teams from all departments of the company to ensure well-rounded and informed decisions.



### Balance between Risks and Rewards:

Making decisions that align with the level of risks and potential returns, enhancing business stability and ensuring continuous service delivery to customers.

## Risk Culture and Awareness

Promoting a risk culture within the company is one of the fundamental pillars of successful enterprise risk management. This includes:

**Ongoing Training:** Providing training programs aimed at raising employee awareness about the importance of risk management and how to identify and handle risks effectively.

**Encouraging Participation:** Activating employee involvement in identifying risks and proposing innovative solutions to avoid or mitigate these risks.

**Effective Communication:** Ensuring there are open and effective communication channels between all employees and management to promptly and accurately report risks.

Increasing employee awareness of risks contributes to improving the ability to adapt to challenges more quickly and effectively, which enhances the reliability and quality of the service provided to customers.

### Operational risks related to the group's activities include:

Risks related to breakdowns and interruptions that may affect the group's industrial facilities.

Risks concerning the handling, storage, or disposal of hazardous materials.

Risks related to information technology and cybersecurity.

Risks concerning the lifespan of the group's industrial facilities.

### Financial risks related to the group's activities

Risks related to insurance coverage.

Risks related to interest rate fluctuations and hedging to offset price volatility.

### Risks related to the market, sector, and regulatory environment:

Risks related to environmental standards and requirements.

Risks related to licenses, permits, and company registration requirements.

Risks related to contracts and agreements with related parties.

Risks related to legal disputes.

Risks related to the local and regional economy.

Risks related to the impact of political risks on the group's operations.

Below is a detailed description of the key risks associated with Marafiq's areas of operation.

Disclaimer: The risks listed below are presented in no particular order and do not reflect their relative importance or potential impact on the company.



Raising employee awareness of risks enhances adaptability to challenges more quickly and effectively, thereby improving the reliability and quality of services provided to customers.



## 1 - Operational Risks Related to the Group's Activities

### 1.1 Risks Related to Failures and Disruptions in the Group's Industrial Facilities

#### Category

Due to the nature of the Group's operations, which rely on the operation of industrial facilities specialized in providing water, power and gas services, these facilities may experience technical failures, incidents, and risks including, but not limited to, unexpected, unplanned, and uncontrollable shutdowns of some of the Group's facilities. The Group may be exposed to the risk of operating its industrial facilities below the expected level required to meet beneficiaries' needs in terms of production, efficiency, or effectiveness. It may also operate below full capacity, among other risks, which, if realized, could lead to a decline in the Group's revenues and profitability, unexpected maintenance and operational costs, or an inability to fulfill its obligations to third parties. Additionally, the Group's water distribution systems may be affected by water leakage during delivery to beneficiaries, potentially resulting in business interruptions until the issue is resolved.

#### Risks

- These risks include the potential failure of the company's essential equipment, such as power generation plants or water treatment facilities, which could result in service interruptions and disruptions to productivity.

#### Factors

- Lack of preventive maintenance or the use of outdated equipment.
- Unavailability of critical spare parts or alternative equipment.

#### Potential Impact

- Service interruptions, impacting customer trust and leading to direct financial losses.
- Exposure to negative reputation, which may affect the company's market position.

#### Response Plans

- Implement regular maintenance schedules and update equipment according to quality standards.
- Ensure the supply of critical spare parts in adequate quantities and types to prevent interruptions.

### 1.2 Risks Related to Handling, Storing, or Disposing of Hazardous materials

#### Category

The group's commercial activities, including wastewater treatment operations, involve the use, handling, storage, transportation, and/or disposal of hazardous materials, chemicals, and waste. These activities pose risks related to environmental liabilities and potential damage to the group's reputation in the event of an incident. Environmental risks, such as pollution and the emission of hazardous substances, are common in the energy and water sectors. The group is subject to various environmental standards enforced by the Royal Commission and government regulators in the industrial cities and projects where it operates, aiming to reduce pollution levels and mitigate environmental risks. These laws, regulations, and requirements govern the production, processing, storage, handling, use, disposal, and transportation of hazardous materials, as well as the emission and discharge of hazardous substances into the ground, air, or water. If any of these risks materialize, the company may face fines or penalties from regulatory authorities, which could negatively impact the group's operations, financial position, business results, and future outlook.

#### Risks

- This includes risks associated with hazardous material leaks, which may impact environmental safety and public health.

#### Factors

- Failure to follow appropriate precautionary measures.
- Weak storage systems or improper disposal of waste.

#### Potential Impact

- Environmental damage.
- Potential financial costs due to environmental damage repairs.

#### Response Plans

- Improving storage mechanisms and developing a continuous monitoring system for hazardous materials.
- Training employees on safety protocols related to hazardous materials.

### 1.3 Risks related to Information Technology and Cybersecurity

#### Category

The group relies heavily on uninterrupted operation of its IT infrastructure, which consists of a complex and advanced set of computer systems, communication networks, supervisory control and data acquisition systems, data processing systems, and monitoring and data acquisition systems. If a failure occurs in the group's IT infrastructure, such as malfunction, disruption, or outage could result in a significant increase in costs (e.g., repair costs) along with a noticeable reduction in available production capacity, actual output, and critical data within the group or its subsidiaries. This, in turn, could lead to financial losses for the group and its subsidiaries.

Systems and electronically stored information may be vulnerable to viruses, cyberattacks, cybercrimes, and other similar disruptions. The group may not have sufficient resources to invest in technology that would enable it to compete with its rivals and effectively protect its information systems and operational systems. This could have a material adverse effect on the group's business, operational results, financial position, or future outlook.

#### Risks

- The company's technological systems are vulnerable to cyberattacks or cyber damage, which could disrupt its operations that rely on its information technology infrastructure.

#### Factors

- The advancement of cyberattack methods and techniques.
- The quick and ongoing progress in the technology field.

#### Potential Impact

- Operational system outages and leakage of sensitive data, impacting the provided service and affecting the company's reputation.
- Financial losses related to system repairs and compliance with cybersecurity requirements.

#### Response Plans

- Develop strong cybersecurity strategies that include advanced protection technologies.
- Conduct regular system tests and update them frequently to reduce the likelihood of breaches.
- Ensure the group's compliance with all requirements set by the National Cybersecurity Authority.

### 1.4 Risks related to the Lifespan of the Group's Industrial Facilities

#### Category

The lifespan of the group's industrial facilities and assets are negatively affected over time. There is no guarantee that the industrial facilities and assets of the group will continue to operate efficiently as required by the group's operational activities. Additionally, the lifespan of the group's industrial facilities and assets may be shorter than previously expected, leading to a reassessment of their lifespan. This could result in higher depreciation rates or an increased impairment rate, bringing them closer to the end of their lifespan more quickly. Consequently, this may have a material negative impact on the group's operations, financial position, future projections, and potentially on the company's stock price.

#### Risks

- Increased operational failures due to equipment reaching the end of its lifespan or being very close to it.

#### Factors

- Use of outdated facilities without replacement or renewal.
- Lack of essential preventive maintenance.

#### Potential Impact

- Frequent breakdowns, increasing repair costs and leading to repeated outages.
- Decline in the operational performance of outdated equipment.

#### Response Plans

- Continuous review of operational assets and updating them as necessary.

## 2- Financial risks related to the group's activities.

### 2.1 Risks related to insurance coverage

#### Category

The group manages several insurance policies in collaboration with Marafiq Insurance Limited Co. (MIL) to cover incidents arising from its operations, as well as employee health insurance and property insurance. However, the group's operations may face incidents that are not sufficiently covered by insurance such as business interruption insurance, which the company decided not to obtain after assessing its necessity and finding no interruptions in previous years to warrant this coverage or incidents that cannot be fully insured against or cannot be insured at commercially reasonable rates. The group cannot guarantee that its current insurance coverage is adequate to protect it from these risks and incidents, which could result in significant financial losses or damage to its property. The group has initiated a comprehensive program to reassess its insurance coverage with partners to ensure it has appropriate protection.

#### Risks

- High insurance costs for the company.
- Inadequate insurance coverage for the various aspects of the group's operations.

#### Factors

- Inability to obtain business interruption insurance coverage at reasonable commercial rates.
- Changes in insurance premiums due to market fluctuations.

#### Potential Impact

- Incurring high repair costs without insurance support.
- Decreased profitability and difficulty in financial recovery after incidents.

#### Response Plans

- Expanding insurance coverage as needed and based on economic feasibility.
- Regularly reviewing insurance policies to align them with changes in operations.
- Marafiq Insurance Limited Co. (MIL) was established in 2005 to provide alternative insurance solutions aimed at reducing reliance on traditional insurance products available in the market.

### 2.2 Risks related to Interest Rate Fluctuations and Hedging to offset Price Volatility

#### Category

The group pays interest based on interbank rates, such as Saudi Interbank Offered Rate (SAIBOR) plus a profit margin. According to most of the group's financing arrangements, the group or its subsidiaries must hedge their exposure to interest rate fluctuations during the operational period, either partially or fully. The group and its subsidiaries are exposed to interest rate fluctuations in relation to their financing arrangements when their hedging arrangements expire, or if the group and its subsidiaries are not protected from this volatility, or if they fail to successfully implement their strategies to mitigate interest rate risks. If the group decides in the future to obtain hedging arrangements, it may become more costly for the group, impacting on its operations, financial position, or future projections.

#### Risks

- Fluctuations in interest rates can impact loans and financing costs, putting pressure on cash flows.

#### Factors

- Dependence on variable interest rate loans.
- Lack of a financial hedging plan to mitigate price fluctuations.

#### Potential Impact

- Impact on cash flows.
- Increased cost of banking transactions.

#### Response Plans

- Develop strategies for interest rate hedging and reduce reliance on variable debt.
- Build strategies to address any price fluctuations.

### 2.3 Risks related to fluctuations in the prices of Raw Materials and Power costs on the Group's expenses

#### Category

The group is exposed to significant risks related to fluctuations in the prices and availability of certain goods, such as chemicals, spare parts, fuel and gas, which are supplied by approved vendors. These fluctuations have a direct impact on the group's capital expenditures and operating costs. If the group is unable to manage price volatility by negotiating product prices to mitigate additional costs or through continuous improvements in production processes, these fluctuations may negatively affect the group's costs. As a result, they could have a material adverse effect on the group's operations, financial position, future outlook, and consequently, its stock price.

#### Risks

- The impact of rising raw material costs, which affects operating expenses.

#### Factors

- Inability to control power resource prices.

#### Potential Impact

- Reduced profitability due to rising operating costs.

#### Response Plans

- Coordination with energy suppliers regarding future price changes.
- Efforts to compensate for energy price fluctuations with regulators, based on service tariffs.

### 2.4 Risks related to the Application of Financial Reporting Standards

#### Category

In line with the decision of the Saudi Organization for Certified Public Accountants (SOCPA), the company has prepared its financial statements in accordance with the International Financial Reporting Standards (IFRS) adopted in the Kingdom of Saudi Arabia, along with other standards and updates approved by SOCPA since 2017. Since these accounting standards are issued or updated by the International Accounting Standards Board (IASB) or the Board of Directors of SOCPA, some of these releases or updates may have a significant adverse impact on the group's operational results and financial position, in addition to potential regulatory and legal risks in the event of non-compliance and failure to adhere to them.

#### Risks

- The mandatory changes and their implications regarding financial reporting standards and systems, which negatively affect the company's financial performance.

#### Factors

- Failure to keep up with updates or new releases of the adopted standards.

#### Potential Impact

- A significant negative impact on the group's operational results and financial position.
- Potential regulatory or legal penalties.

#### Response Plans

- Ongoing training and development for the specialized team.
- Ensuring all relevant employees obtain accredited certifications and memberships.
- Continuous evaluation of internal performance.
- Engaging one of the Big Four auditing firms for external audits.

## 3 - Market, sector, and regulatory environment risks related to the group's activities.

### 3.1 Risks Related to Environmental Standards and Requirements

#### Category

The group operates under various regulations and laws in the Kingdom, enforced by different government bodies in line with official policies and directives. These include rules and standards related to electricity and water services, which the group is required to comply with.

Since regulations in the Kingdom may change or be updated, ensuring compliance could lead to additional costs or expose the group to fines and penalties. In some cases, non-compliance could even result in the revocation of its operating license. If the group needs to adjust its operations or services to meet new requirements, it may face unexpected financial burdens, which could significantly impact its business, financial performance, and future outlook.

#### Risks

- Failure to comply with environmental standards exposes the company to legal and financial penalties that could impact its reputation.

#### Factors

- Continuous regulatory changes.
- Failure to update operations in line with new environmental requirements.

#### Potential Impact

- Incurring financial penalties and losing operating licenses.
- Negative impact on the company's reputation and customer trust.

#### Response Plans

- Develop a system to monitor environmental compliance and update procedures.
- Conduct regular reviews to ensure alignment with environmental standards.

### 3.2 Risks Related to Licenses, Permits, and Company Registration requirements

#### Category

The group holds a number of necessary permits and licenses to operate its business, including services in water, energy, and gas, issued by the relevant regulatory authorities such as the Electricity and Water Regulatory Authority, the Royal Commission, the Ministry of Energy, the Ministry of Environment, Water, and Agriculture, and the Ministry of Commerce. These permits and licenses are generally subject to regular renewal. Additionally, most licenses specify that the company could face financial penalties, or its licenses may be suspended or revoked if it fails to meet the license's requirements. When requesting a renewal or modification of a license, there is no guarantee that the relevant authority will approve the renewal or allow the same scope of operations.

#### Risks

- Delays or non-compliance with licensing and permit requirements could expose the company to legal accountability and impact on the continuity of its operations.

#### Factors

- Changes in licensing and permit requirements.
- Impact on routine contracts due to changes related to or resulting from licenses and permits.

#### Potential Impact

- License suspension or revocation, impacting service continuity.
- Legal fines and regulatory accountability.

#### Response Plans

- Appointing a specialized team to manage licensing and permit requirements.
- Developing a precise monitoring system for timely renewals.

### 3.3 Risks Related to Contracts and Agreements with related parties

#### Category

The company engages in its regular business dealings with various related parties, including its shareholders and affiliates such as the Royal Commission, Saudi Aramco and its subsidiaries, the Public Investment Fund and its subsidiaries, SABIC, Tawreed, JWAP, and MaSa. These transactions are conducted strictly on a commercial basis. Key agreements include real estate and asset lease agreements with the Royal Commission, gas and fuel supply agreements with Saudi Aramco, operation and maintenance agreements with MaSa, water supply agreements with JWAP, power and water sales agreements with Tawreed, and facility utilization agreements with Saudi Aramco. The group's success heavily depends on maintaining these commercial relationships. Given that the Royal Commission is the sole lessor in the four industrial cities where the company operates (Jubail, Yanbu, Ras Al-Khair and Jazan Industrial City), the termination or expiration of any major contracts or relationships could have a significant negative impact on the company's operations, financial performance, and future outlook.

#### Risks

- Legal disputes arising from contractual agreements during routine business operations.
- Non-renewal of critical contracts that are vital for the company's business continuity.

#### Factors

- Changes in the economic situation and financial position of certain contractual counterparties.
- Shifts in the objectives and strategies of some contractual counterparties.

#### Potential Impact

- Legal disputes that may result in financial losses.
- Deterioration of relationships with key partners and suppliers.
- Potential impact on the company's image and reputation due to legal disputes.

#### Response Plans

- Regular review of contracts by the legal department and adherence to their terms.

### 3.4 Risks related to Legal disputes

#### Category

The group's operations carry potential risks of becoming involved in legal proceedings. It could face lawsuits from third parties, partners in subsidiaries and affiliates, suppliers, employees, or regulatory bodies. The final outcomes of these cases, as well as any financial costs incurred, are uncertain. As a result, any negative outcomes from such legal actions could significantly impact the group's business, financial position, operational results, and future prospects.

#### Risks

- Legal disputes with clients or suppliers could lead to delays in operations and additional costs.

#### Factors

- Failure to settle complaints and disputes in an amicable or timely manner.
- Poor management of relationships with stakeholders.

#### Potential Impact

- Legal costs and financial losses due to disputes.
- Impact on the company's reputation and market position.

#### Response Plans

- Develop policies for resolving disputes amicably and quickly.
- Establish a department for managing relationships and preventing legal disputes.

### 3.5 Risks related to the Local and Regional Economy

#### Category

The group's performance is influenced by several factors, including changes in the local and regional economy. These changes may lead to risks that impact the group's performance directly or indirectly, affecting plans, contracts, and costs associated with these changes.

#### Risks

- Local and regional economic fluctuations could impact both direct and indirect operating costs.

#### Factors

- Heavy reliance on the economies of industrial areas only.
- Weak periodic analysis of regional economic trends.

#### Potential Impact

- A significant increase in expenses and a direct impact on revenues.
- Difficulty in executing projects.

#### Response Plans

- Develop a strategy to diversify target markets and reduce dependence on a single economic region.
- Keep track of local and regional economic trends and update policies as necessary.

### 3.6 Risks related to the impact of political risks on the group's operations

#### Category

Political unrest, conflicts, and geopolitical conditions can impact global supply chains and energy prices. There is no guarantee that political developments or economic conditions in surrounding countries will negatively affect Saudi Arabia's economy, foreign direct investment, or financial markets in the Kingdom in general. Furthermore, there is no guarantee that these factors will not have a significant adverse effect on the group's operations, financial position, operational results, or future outlook.

#### Risks

- Increased insurance costs
- Disruption of global supply chains and rising costs

#### Factors

- Political instability in surrounding regions.

#### Potential Impact

- A significant negative impact on the group's operations, financial position, results, or future projections.

#### Response Plans

- Geopolitical instability is continuously monitored, with risks impacting the company's activities and operations being tracked. Strategies are developed to address these risks and are regularly reviewed with the Board of Directors and executive management to provide the best solutions in this regard.

### Emerging Risks

By continuously monitoring the operating environment, emerging risks that could impact the company are identified. Some of these risks include:



#### Technological Risks:

As the reliance on smart systems and modern technology grows, threats such as cyberattacks or system failures may arise, which could disrupt service continuity.

#### Environmental Risks:

Climate change and natural disasters like floods or earthquakes could destabilize infrastructure and affect the company's ability to provide services.

#### Economic Risks:

Fluctuations in financial markets or the cost of raw materials may increase operational expenses, which can impact service quality.

#### Regulatory Risks:

Changes in laws or government policies may require the company to adapt to new regulations, potentially leading to updates in company policies or additional investments.

#### Social Risks:

Shifts in consumer behavior or expectations could alter service demands, forcing the company to adjust in order to meet customer needs.



These emerging risks are identified through ongoing monitoring of the operating environment.



## Enhancing the Risk Management Culture

We are committed to embedding risk awareness at all levels across Marafiq and its subsidiaries. This begins with our leadership, which sets the tone by prioritizing risk management in decision-making processes. Our executives actively foster this culture, reinforcing the idea that identifying and managing risks is a shared responsibility, ensuring that our employees are well-equipped to navigate potential challenges with agility and confidence.

Marafiq continuously invests in training and reinforcing risk management principles. Through workshops, seminars, and learning resources, we empower our employees to recognize risks in their daily operations and proactively contribute to mitigation strategies. As part of our ongoing efforts to enhance performance and drive continuous improvement, Marafiq celebrated a key milestone in its commitment to strengthening risk awareness and shared responsibility through the Deep Risk Engineering Project, in collaboration with the global Marsh team. Launched earlier this year, the project has been steadily gaining momentum, featuring biannual review meetings and intensive follow-up workshops held in Jubail and Yanbu industrial cities. This reflects a proactive approach to refining risk management processes and operational resilience.

Each event commenced with a biannual review meeting, during which Marsh and Marafiq's Risk Management teams delivered detailed presentations, attended by executive management, key officials, and specialized experts. These discussions provided a platform to assess the project's overall performance, ensure adherence to the established timeline, and address any new challenges or recommendations that had emerged since the previous review.

The workshops offered a deep dive into operational risk assessment processes, allowing participants to analyze data comprehensively, identify patterns, and uncover key insights. They also focused on pinpointing areas for optimization and streamlining, with the goal of enhancing the effectiveness and resilience of Marafiq's risk management policies and procedures.

The Deep Risk Engineering Project underscores Marafiq's unwavering commitment to continuous improvement and excellence in operational risk management. By leveraging global expertise and engaging key stakeholders through structured meetings and workshops, Marafiq is refining its strategies to ensure business continuity, achieve strategic objectives, and drive sustainability, paving the way for a future built on excellence and innovation.



We are constantly evaluating and refining our risk management practices. Regular policy and procedural reviews help us adapt to evolving market dynamics and seize new opportunities. We believe that learning from past experiences strengthens our preparedness for future uncertainties. At Marafiq, we recognize that effective communication is fundamental to fostering a strong risk management culture. We encourage our employees to voice their concerns and share insights about potential risks without hesitation.

This transparency fosters an environment where risks can be openly discussed, leading to well-informed decision-making at Marafiq. Our commitment to an effective risk management culture remains unwavering. By raising awareness, encouraging open dialogue, and prioritizing continuous improvement, we are better equipped to navigate the complexities of our industry and capitalize on growth opportunities. As we move forward, we remain dedicated to strengthening our risk management culture, ensuring it remains an integral part of our operations and a key driver of our success. We look ahead to another year of resilience and achievement, guided by our commitment to effective risk management principles.



The workshops provided a platform for in-depth analysis of the operational risk assessment process, enabling participants to deeply analyze the data, identify patterns, and uncover key insights.





**We contribute to advancing our country's journey forward by continuously developing green technologies, improving water quality, and innovating systems for its treatment.**



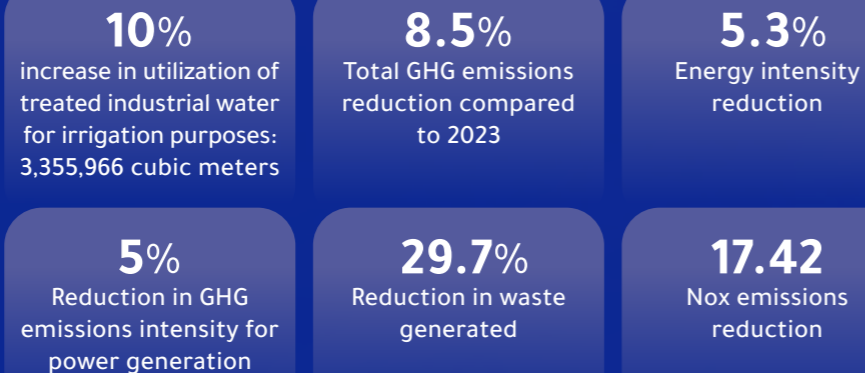
# Environmental, Social and Governance

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## ESG Highlights for the year 2024

### Environmental Highlights



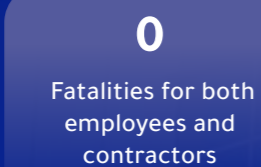
### Social Highlights



### Operational Highlights



### Safety Highlights



# Sustainability Approach

Marafiq's sustainability framework, aligned with Saudi Vision 2030 and the UN SDGs, reflects the company's commitment to driving environmental stewardship, social responsibility, and governance excellence. This framework ensures that Marafiq's operations contribute to a sustainable and resilient future for the Kingdom by addressing key ESG priorities and integrating them into its strategic objectives.

The company's approach emphasizes climate and emissions management by implementing innovative initiatives to reduce energy consumption and greenhouse gas emissions. Through these efforts, Marafiq supports the Kingdom's transition toward a low-carbon economy. Water resource optimization is another critical focus area, with initiatives aimed at minimizing water loss, enhancing wastewater reuse to preserve natural resources and promote sustainable water management.

Marafiq is equally committed to fostering a safe and healthy work environment, guided by comprehensive health, safety, and environmental programs designed to protect employees and communities. Human

capital development is another cornerstone of the company's strategy, with a focus on empowering employees through training and professional development, promoting workforce diversity, and ensuring high levels of engagement and retention.

By integrating circular economy practices into its operations, Marafiq actively advances waste minimization and resource efficiency. This includes initiatives such as recycling hazardous materials and reusing byproducts to align with international environmental standards and promote sustainable practices.

Marafiq's long-term goals are designed to enhance operational excellence and service reliability. These goals include improving safety, reducing service interruptions for customers, and optimizing the utilization of resources across its operations. By embedding sustainability into every aspect of its business, Marafiq demonstrates its dedication to addressing ESG challenges, creating long-term value for stakeholders, and contributing to the Kingdom's vision for a sustainable future.

## Stakeholder Engagement and Materiality

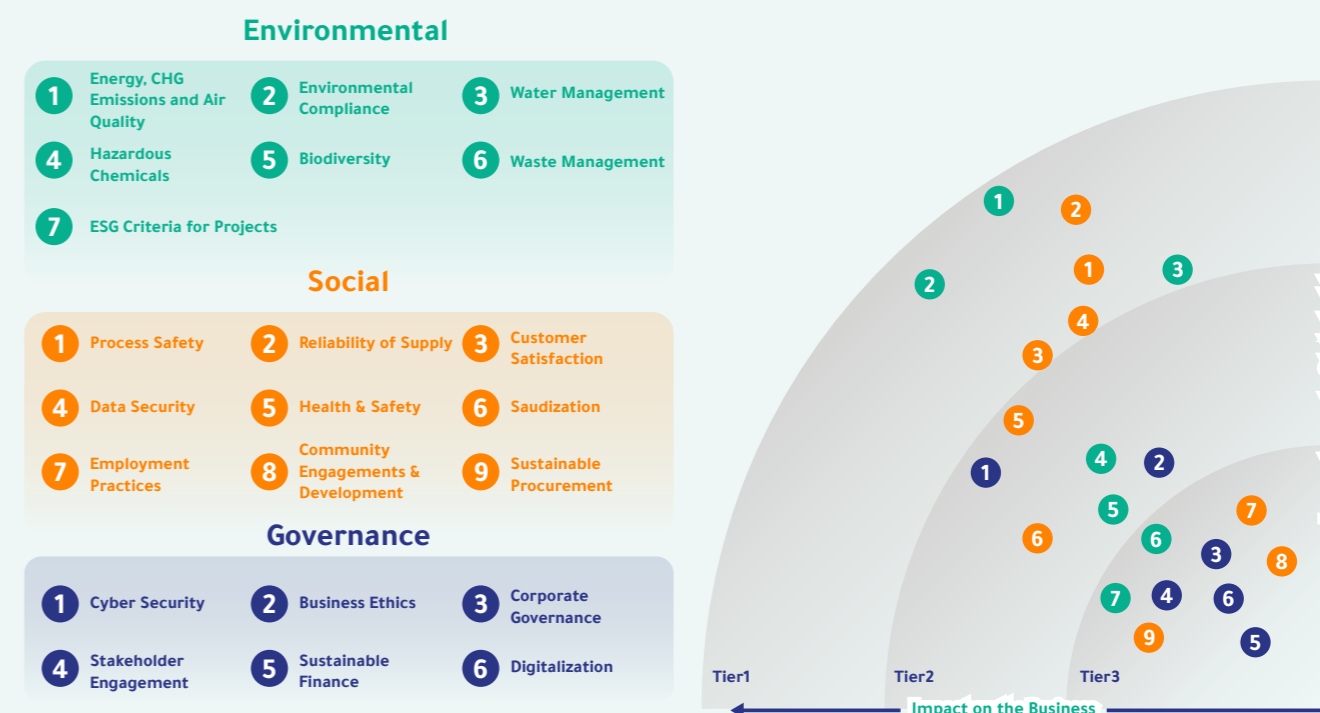
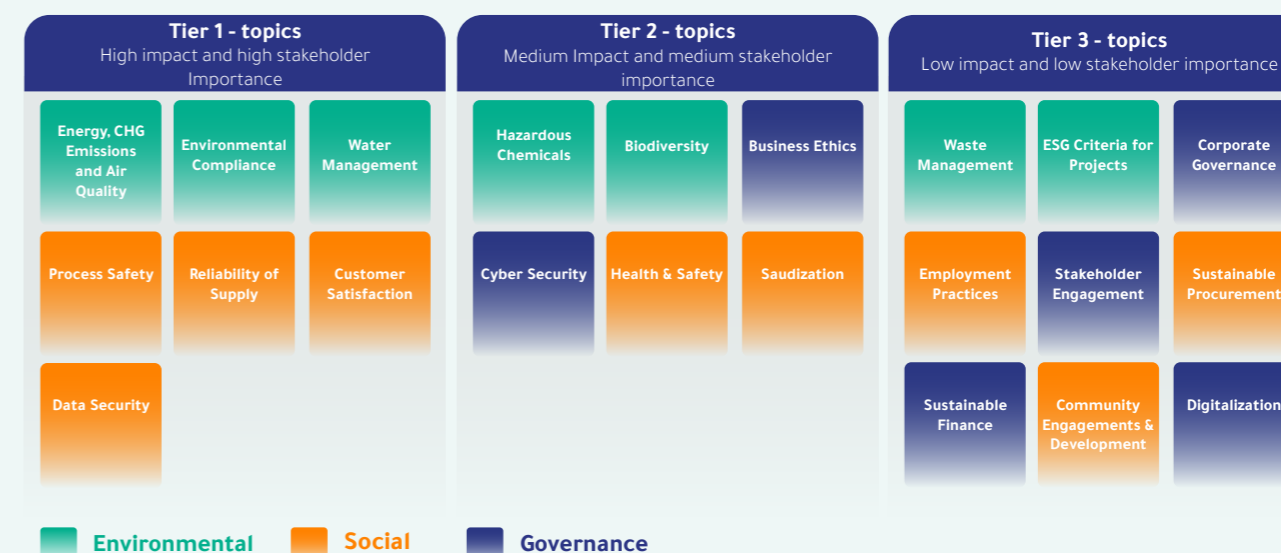
### Methodology and Approach

In 2024, Marafiq conducted a materiality assessment process to ensure a focused and inclusive approach to identifying and addressing the ESG areas most material to its operations. This robust methodology provided valuable insights into the topics that influence Marafiq's stakeholders and shape the sustainability strategy.

The materiality assessment was conducted through a comprehensive and thorough process, resulting in the development of a structured four-step approach:

### Materiality Approach

Step 1. Identifying Stakeholders:	Engagement spanned across 13 internal divisions, reflecting a broad spectrum of perspectives and interests.
Step 2. Stakeholder Engagement:	There were 12 discovery sessions conducted with key stakeholders, facilitating open discussions to identify critical ESG issues. Meeting minutes were documented after each session to validate the insights gathered, ensuring a reliable and comprehensive process.
Step 3. Identifying Material Topics:	Key material topics were identified through stakeholder engagements and reviewed against industry peers, international ESG standards, and Marafiq's internal ESG documents and strategy.
Step 4. Designing and Applying Scoring Methodology:	Topics were scored based on their business and stakeholder impact, informed by stakeholder input and peer analysis. Each criterion was rated on a scale of 1 to 5, enabling a quantitative evaluation of material topics.



## Alignment with National and International Standards

Marafiq integrates both the goals of the UN SDGs and Saudi Vision 2030 into its operations, highlighting its commitment to driving global sustainability efforts. By aligning its material topics and initiatives with the UN SDGs and Saudi Arabia's Vision 2030, Marafiq contributes to the realization of both global and national sustainability objectives. The company's efforts to advance these goals are reflected in the following initiatives:

UN SDGs	Saudi Vision 2030	Marafiq's Contribution	Material Topic Mapping
<b>1 No Poverty</b>		<b>A more impactful non-profit sector</b>	
<ul style="list-style-type: none"> <li>Marafiq collaborates with organizations such as the Nabiyah Charity Association, the Orphan Care Association in the Eastern Region (Benea), the Orphan Association in Jubail, the Radwa Women's Association, and the Humanitarian Services Association in Al-Sharjah in Yanbu Governorate to address social challenges. Through these collaborations, Marafiq supports initiatives aimed at reducing poverty, empowering widows, caring for orphans, and economically rehabilitating marginalized groups.</li> </ul>			8
<b>3 Good Health and Well-Being</b>		<b>Living healthy, being healthy:</b> Intend to encourage widespread and regular participation in sports and athletic activities, working in partnership with the private sector to establish additional dedicated facilities and programs.	
<ul style="list-style-type: none"> <li>Over 12 million safe man-hours without incidents and below 0.03 incident rate.</li> <li>Committed to maintain a safer and more stable operational level with limit &lt; 0.03 of process safety incidents rate, and 0.0 incident rate for employees.</li> <li>Awareness sessions on blood sugar management, promoting physical activity.</li> <li>Offering seasonal flu vaccinations.</li> <li>A comprehensive medical insurance for employees.</li> <li>Safety Awareness Committee develops educational content and courses for employee safety and evaluates the effectiveness of interventions with surveys.</li> </ul>			5
<b>4 Quality Education</b>		<b>Vibrant society with strong foundations:</b> Provide the education that builds KSA's children's fundamental characters and establish empowering health and social care systems.	
<ul style="list-style-type: none"> <li>Training programs for 93% of employees, delivering 1,452 training sessions.</li> <li>14,000 training hours through e-learning.</li> <li>Promising path program in partnership with the Custodian of the Two Holy Mosques Scholarship Program.</li> <li>Marafiq interacts with local schools and provides an encouraging environment for students to learn more about STEM.</li> <li>Provide Professional Development Program for university graduates and On the Job Training Program for school graduates.</li> </ul>			7 8
<b>5 Gender Equality</b>		<b>Providing equal opportunities:</b> Provide opportunities for everyone – men and women, young and old, so they may contribute to the best of their abilities.	
<ul style="list-style-type: none"> <li>Commitment to employ more female employees.</li> <li>Collaborate with Radwa Women's Association in Yanbu Governorate to support women in need including, widows, elderly and divorced women providing them with employment in Marafiq's sustainable project (Sweets Factory).</li> <li>Committed to providing equal opportunities and promoting the role of women at all levels of the company.</li> </ul>			8 7
<b>6 Clean Water and Sanitation</b>			
<ul style="list-style-type: none"> <li>Aim to reach the kingdom's goal of 100% wastewater recycling.</li> <li>Desalination plants in JWAP and Al-Fatah for reusable water to Jubail Industrial City and surrounding areas.</li> </ul>			2 3
<b>7 Affordable and Clean Energy</b>		<b>Committed to have 50% of KSA's power generated from renewable sources by 2030. Net-zero emissions by 2060.</b>	
<ul style="list-style-type: none"> <li>Implementing energy conservation measures resulting in a total savings of 655,376 in energy conservation.</li> <li>Marafiq focuses on energy intensity reduction.</li> <li>Redirecting thermal energy to steam generators for heat recovery to produce power.</li> <li>2,745 MW of electricity with zero energy loss.</li> <li>Reducing emissions by 20% by 2030.</li> <li>Commitment to the National net-zero pledge of KSA.</li> </ul>			1

<b>8 Decent Work and Economic Growth</b>		<b>Improving the business environment:</b> Apply international legal and commercial regulations strictly and create a business environment conducive to long-term investment.	
<ul style="list-style-type: none"> <li>Securing diverse revenue sources while tracking economic value, infrastructure investments, and spending on local suppliers.</li> <li>Providing a good workplace with a very low turnover rate.</li> <li>Focus on local content to enhance local economy.</li> </ul>			6 9 8 7
<b>9 Industry, Innovation and Infrastructure</b>		<b>Developing our cities:</b> Continue to ensure high quality services such as water and electricity are properly provided.	
<ul style="list-style-type: none"> <li>Marafiq provides essential water, wastewater, and electricity services to industrial, commercial, residential, and governmental clients in Jubail and Yanbu. By ensuring reliable access to clean water and stable electricity supply, Marafiq supports the sustainable development of industries and communities. This commitment to efficient water and electricity management fosters innovation and economic growth, creating a resilient and sustainable environment for all clients.</li> </ul>			3
<b>10 Reduced Inequality</b>		<b>Providing equal opportunities:</b> Provide people with disabilities the education and job opportunities that will ensure their independence and integration as effective members of society.	
<ul style="list-style-type: none"> <li>Marafiq ensures that there are no pay discrepancies between males and females within the same role.</li> <li>Marafiq focuses on recruiting and retaining a diverse workforce to uphold inclusive culture.</li> <li>Offering Saudi employees who meet a certain criteria the chance to own Houses for accommodation.</li> </ul>			7
<b>11 Sustainable Cities and Communities</b>		<b>Enjoy a good quality of life, a healthy lifestyle and an attractive living environment achieving environmental sustainability.</b>	
<ul style="list-style-type: none"> <li>Recycled water used in Firefighters stations.</li> </ul>			1
<b>12 Responsible Consumption and Production</b>		<b>Being responsible in business</b>	
<ul style="list-style-type: none"> <li>Significantly reducing water losses to 8.16%.</li> <li>Investing over one million annually for the proper disposal and recycling of more than 12,687 tons of waste oil.</li> <li>Reuse of fly ash as an alternative power and energy source for local cement kilns which reduced local costs from 10 million to 2.8 million.</li> </ul>			7 1 2
<b>13 Climate Action</b>		<b>Committed to have 50% of KSA's power generated from renewable sources by 2030. Net-zero emissions by 2060.</b>	
<ul style="list-style-type: none"> <li>Reducing emissions by 11% by 2030 through 100% liquid fuel displacement at Yanbu.</li> <li>Commitment to the National net-zero pledge of KSA.</li> </ul>			2 1
<b>14 Life Below Water</b>			
<ul style="list-style-type: none"> <li>Marafiq ensures that all processed water of the industrial cities in Yanbu and Jubail are properly treated and are compliant with the national standards before discharge.</li> <li>Working towards water loss reductions and complete waste water reuse.</li> <li>Marafiq is working towards the treatment and re-use of industrial process water. In 2024, 10% of process water volume was reused.</li> </ul>			5 2
<b>15 Life on Land</b>		<b>Protecting KSA's vital resources:</b> Establish secure food reserves, promote aquaculture, and foster partnerships with resource-rich nations.	
<ul style="list-style-type: none"> <li>Providing treated sewage effluents for irrigation purposes and thus contributing to maintaining and increasing the green areas in Yanbu and Jubail.</li> </ul>			8 1
<b>17 Partnerships for the Goals</b>		<b>A more impactful non-profit sector.</b>	
<ul style="list-style-type: none"> <li>Working on innovative projects such as water recycling, which emphasizes resource efficiency and environmental stewardship.</li> <li>Actively supporting the Ministry of Energy's Liquid Displacement Program, contributing to the national goal of carbon neutrality by transitioning to cleaner energy sources.</li> <li>Collaborating with following NGOs on various CSR initiatives:                             <ul style="list-style-type: none"> <li>Al-Nabiya Charity Association in the Eastern Province.</li> <li>Orphan Care in the Eastern Region - Benna.</li> <li>Jubail Orphan Association.</li> <li>Imam Asim Intermediate School for Quran Memorization in Jubail.</li> <li>Radwa Women's Association.</li> <li>Human Services Association in Al-Sharjah, Yanbu.</li> </ul> </li> </ul>			4

# ESG Governance and Compliance

## ESG Steering Committee

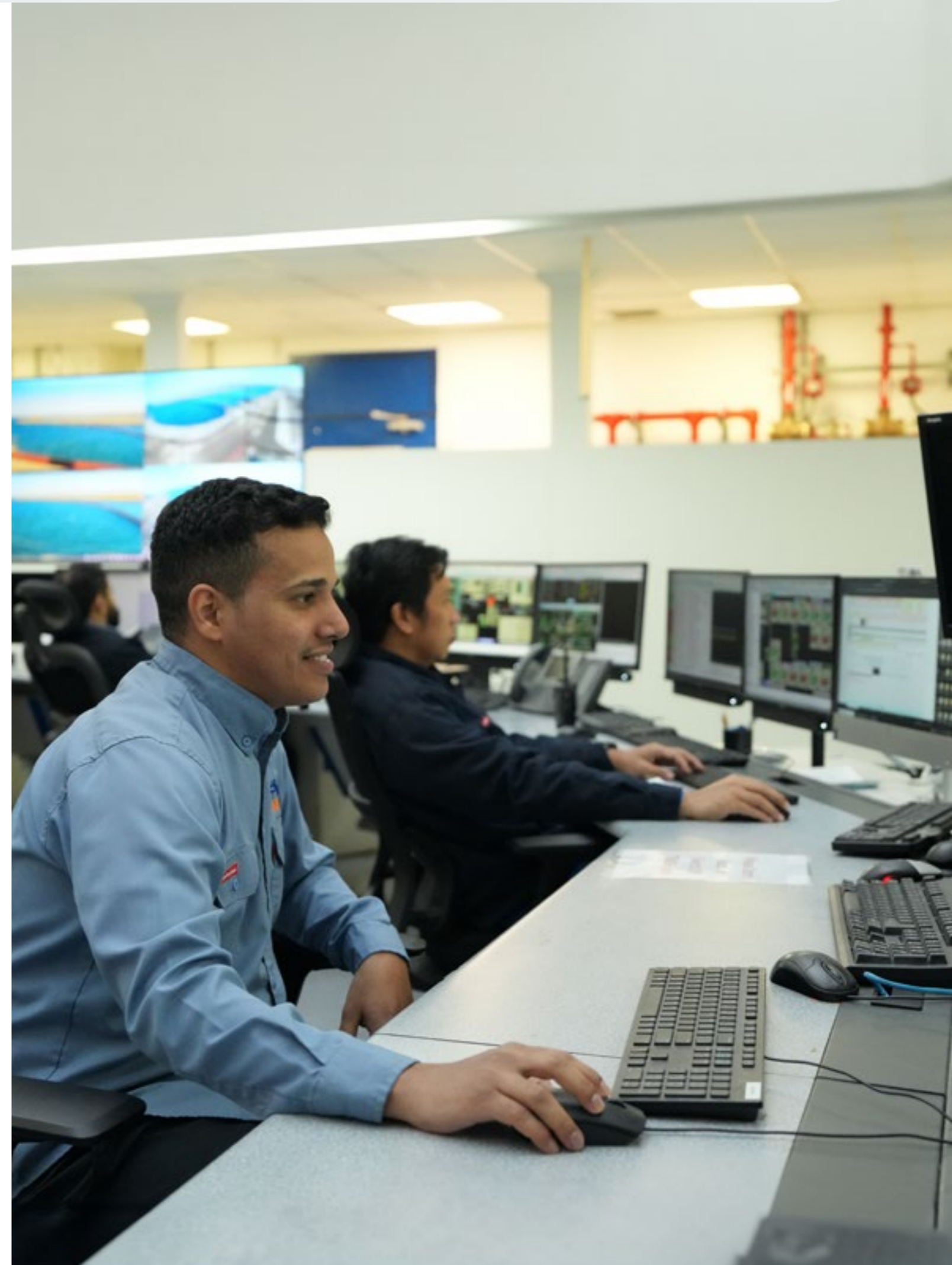
Marafiq's senior management plays a pivotal role in driving Marafiq's ESG initiatives, ensuring alignment with both corporate objectives and regulatory expectations. The executive leadership team is actively involved in the ESG Steering Committee, providing strategic direction and oversight. Through their commitment to embedding ESG principles into Marafiq's operations, the leadership team ensures that sustainability is integrated into decision-making processes, resource allocation, and long-term goals. By fostering a culture of responsibility and transparency, Marafiq's senior leadership not only meets compliance requirements but also drives sustainable growth and creates long-term value for its stakeholders.

### Committee Responsibilities:

- Study matters related to the environmental and social sectors and propose strategies for their development.
- Review legislation affecting the environmental sector or relevant categories, provide recommendations, and establish and evaluate policies, procedures, programs, and key performance indicators.
- Identify and address issues affecting environmental and community sectors by formulating solutions, actions, or events to mitigate these challenges.
- Assess the impact of local, regional, and international economic changes on the performance of the environmental and community sectors and recommend necessary actions.
- Review and approve studies, strategies, and governance plans related to environmental and community activities prepared by relevant departments.
- Commit to sustainability and continuous improvement in environmental and social activities that benefit the local community and enhance governance and business performance.
- Evaluate ESG risk standards that may impact the company's activities.
- Conduct field visits to inspect the implementation of committee outputs and review key elements of environmental, community, and governance activities across all areas.

### Committee members:

The committee is chaired by the CEO and includes other senior leadership members.



## ESG Risk Management

Effective risk management is integral to Marafiq's commitment to operational resilience and long-term sustainability. In a dynamic operating environment, Marafiq identifies, evaluates, and mitigates risks that could impact its strategic objectives, service reliability, and stakeholder trust. By adopting a structured risk management framework, Marafiq ensures preparedness against financial, operational, compliance, and strategic challenges. This approach enables the company to safeguard its assets, maintain regulatory compliance, and consistently deliver value to its customers and partners.

Marafiq has established a comprehensive risk management system that identifies, assesses, and mitigates potential risks across its operations. This robust framework ensures the company is prepared to address both existing and emerging risks, supporting its long-term sustainability and operational resilience. A central part of the company's risk management is the Risk Register which is continuously reviewed, audited, and

updated to reflect emerging challenges, evolving regulatory landscapes, and newly identified risks, including those associated with ESG and climate change. Recognizing the growing importance of climate-related risks, Marafiq is dedicated to integrating these risks into its Risk Register and allocating focused attention to their mitigation.

This structured governance framework ensures transparency and accountability, fostering resilience in addressing complex ESG challenges. Marafiq's approach to risk management enables it to capture a wide spectrum of ESG risks that could impact its operations, financial stability, and stakeholder relationships, including Energy Risks, Waste Management risks, Water Management risks, Customer Satisfaction risks, Hazardous Chemicals risks, Environmental Compliance risks, Health and Safety risks, Employment Practices risks, Data security risks, Process Safety risks, Reliability of Supply risks, Stakeholder Engagement risks, Digitalization risks, and Cyber Security risks.



Employees are equipped to navigate potential ethical challenges, ensuring transparency, fairness, and accountability across all business dealings.



### Environmental Compliance

Environmental compliance is a critical aspect of Marafiq's operations, ensuring adherence to regulatory standards and mitigating potential risks. Compliance with all regulatory requirements is a top priority for Marafiq. The company is dedicated to maintaining the highest standards of environmental responsibility, ensuring its operations meet or exceed these regulatory expectations to safeguard its Environmental Permit (EPO) and

support sustainable development. Marafiq has established an action plan to ensure compliance with all regulations, with specific tasks assigned to the Risk Committee for oversight. Marafiq is conducting a gap assessment on non-compliance risks, and developing an action plan to address the issues such as the completion of the new IWTP Stage 4 project and decommissioning older stages.

### Business Ethics

Marafiq is committed to maintaining the highest standards of business ethics and integrity in all its operations. The company's policies are applied across the organization and regularly reviewed to ensure alignment with industry standards.

The Company ensures that all commercial information is safeguarded, and employees are expected to conduct business impartially, providing equal courtesy and consideration to all vendors.

Employees at Marafiq are required to adhere to all relevant laws and regulations, avoiding conflicts of interest and refraining from using their positions for personal gain. The Company prohibits employees and Board Members from participating in bids for Marafiq contracts or supplies. Any employee or Board Member with a personal or family interest in a company that Marafiq plans to contract with must disclose this information to their superior or the Board for review and approval.

Marafiq emphasizes the importance of ethical awareness among its employees. Through clearly outlined policies and guidelines, employees are equipped to navigate potential ethical challenges, ensuring transparency, fairness, and accountability across all business dealings. This commitment reinforces Marafiq's dedication to fostering a culture of trust and integrity throughout its organization.

### Whistleblowing

Marafiq has established a comprehensive "Reporting Illegal Violations and Abuses" policy to promote transparency and integrity within the company. Aligned with the Corporate Governance Regulations issued by the Capital Market Authority in Saudi Arabia, this policy encourages the reporting of illegal activities or violations, creating a safe environment for employees and stakeholders to disclose concerns. It applies to all employees, shareholders, consultants, suppliers, contractors, and anyone with a business relationship with Marafiq. The policy covers issues such as fraud, corruption, and unethical behaviour, and ensures the confidentiality and protection of whistleblowers' personal data.

Marafiq is dedicated to detecting and reducing fraud, embezzlement, corruption, and abuse of power through this policy. The company has developed procedures for appropriate action in case of suspected incidents and urges all stakeholders to report harmful behavior that could lead to financial loss or reputational damage. This policy fosters a culture of accountability and ethical conduct, focusing on preventative measures and control actions to combat corruption and ensure the integrity of the company's operations.

These policies ensure Marafiq conducts its business ethically, maintaining transparency and fostering trust with all stakeholders.

### Cyber Security

Marafiq places a high priority on cybersecurity and data security to protect its IT systems from potential cyberattacks. The company has taken significant steps to safeguard its infrastructure and ensure compliance with national cybersecurity regulations. Marafiq has achieved 98.23% compliance with National Cybersecurity Authority (NCA) regulations, based on the 2023 audit, and has fully met the NCA's cybersecurity controls for cloud services, telework, and social media accounts. These achievements reflect Marafiq's commitment to maintaining robust cybersecurity standards. Additionally, Marafiq's cybersecurity framework covers Governance, Risk Management, and Compliance (GRC), security operations center, penetration testing, and standardization.

training is provided to executives, and tailored training is conducted for the C-suite to ensure high-level awareness and action. A Cybersecurity Steering Committee, led by the CEO and comprising function heads, is in place to oversee the company's cybersecurity efforts, with a total of 10 members. The cybersecurity function reports directly to the CEO, ensuring executive-level focus on safeguarding Marafiq's systems.

Additionally, the company applies approved cybersecurity standards and policies and ensures comprehensive IT business continuity and disaster recovery plans are in place. Marafiq also operates an isolated OT network and a 24/7 Security Operations Center (SOC) to monitor potential threats in real-time. Notable 2024 achievements include the successful segregation of duties and full NCA compliance. Moving forward, Marafiq is dedicated to running, maintaining, and continuously enhancing its cybersecurity technologies, processes, and personnel to protect its systems and ensure resilience against evolving threats.

To further enhance its cybersecurity posture, Marafiq implements a range of proactive measures, including continuous cybersecurity awareness programs for employees. This includes regular training, monthly phishing email simulations, and ongoing awareness campaigns featuring articles, videos, and other media. Specific cybersecurity

Indicator	2022	2023	2024
Number of Major & Critical Cybersecurity Incidents	0	0	0
Number of Cybersecurity Non-Compliance With National Regulations Resulting In A Fine Or Warning	0	0	0



### Certifications

Marafiq's commitment to operational excellence and adherence to international standards is reflected in the certifications it has achieved. These certifications underscore the Company's dedication to quality, safety, environmental sustainability, and continuous improvement across all its operations.

<p><b>ISO 9001:2015</b> for Quality Management</p>	<p><b>ISO 14001:2015</b> for Environmental Management</p>	<p><b>ISO 45001:2018</b> for Occupational Health and Safety Management</p>	<p><b>ISO 50001:2018</b> for Energy Management Systems</p>	<p><b>ISO/IEC 17025:2017</b> for General Requirements for the Competence of Testing and Calibration Laboratories</p>
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### Sustainable Finance

Sustainable finance plays a pivotal role in Marafiq's strategy to ensure long-term growth while meeting ESG objectives. As the global focus on ESG intensifies, banks and investors are increasingly prioritizing companies that align with sustainable practices.

By embedding ESG factors into its future financial decisions and risk management processes, Marafiq aims to enhance its appeal to sustainable investors and lenders. This forward-looking approach positions the Company to secure funding for projects that deliver both financial returns and positive societal impact, supporting the global transition to a more sustainable and responsible economy.

Looking ahead, Marafiq is committed to aligning its operations with the evolving expectations of banks, investors, and regulatory bodies to ensure continued access to funds. The Company plans to proactively assess and report on its ESG initiatives, ensuring its projects and investments align with global sustainability goals and investor

# Nurturing Our Planet, One Step Closer

## Energy Management

Marafiq's commitment to operational excellence and sustainability prioritizes energy efficiency through continuous monitoring and targeted initiatives aimed at optimizing energy use across all its facilities. Marafiq tracks energy consumption monthly, benchmarking its performance against industry standards. These reports provide valuable insights into energy use trends and help align operations with best practices.

Marafiq bases its energy KPIs on international standards, ensuring a globally competitive approach to efficiency. By continuously evaluating energy consumption and adjusting targets accordingly, the Company aims to reduce energy intensity while maintaining high levels of production and service delivery. This proactive approach underscores Marafiq's dedication to integrating energy efficiency into its broader sustainability strategy, minimizing environmental impact, and supporting the Kingdom's Vision 2030 objectives.

Indicator	2022	2023	2024
Total energy consumption during the year (GJ)	122,269,670	115,939,623	109,733,566
Energy Intensity Ratio (GJ/Ton)	0.0111	0.0115	0.0109
Total energy produced from use of non-renewable fuels (e.g. gasoline, diesel, jet fuel, natural gas, LPG, etc.) (GJ)	0	0	0
Energy produced from use other fuels (HFO-380,ALCO,LFO & Sales gas) (Ton)	1,697,656	1,577,744	1,637,282
Energy purchased as electricity (GJ)	0	0	0
Energy purchased as Heating or Cooling (GJ)	122,269,670	115,939,623	109,733,566

Marafiq has successfully reduced its total energy consumption over the past three years, showcasing a strong commitment to sustainability. In 2022, the company's energy usage was 122,269,670 GJ, which decreased to 109,733,566 GJ by 2024, representing a 10.3% reduction. Marafiq also managed to a 5% reduction in GHG emissions intensity for power generation. These decreases highlight the effectiveness of Marafiq's energy efficiency initiatives, including the adoption of advanced technologies and optimized operational practices. These efforts have significantly minimized energy waste, contributing to the company's broader environmental goals.



## GHG Emissions and Air Quality

Marafiq is committed to combating climate change, charting a clear path toward reducing its greenhouse gas (GHG) emissions by 20% by 2030 and achieving net-zero emissions by 2060. This journey reflects not only the Company's dedication to sustainability but also its role in supporting Saudi Vision 2030 and global climate initiatives. Over the past year, the company has improved electricity generation while maintaining operational efficiency. Despite a rise in greenhouse gas emissions due to increased production, Marafiq successfully reduced the intensity of CO<sub>2</sub> emissions per kilowatt-hour, showcasing its dedication to minimizing environmental impact. Through strategic adjustments in fuel usage, including a significant reduction in ALCO fuel consumption, Marafiq continues to demonstrate its efforts to lower GHG emissions and support global climate goals. As part of this commitment, Marafiq has implemented a Liquid Displacement Program, specifically designed to reduce CO<sub>2</sub> emissions by 11% by 2030. To further these goals, the company emphasizes reducing total GHG emissions per annual revenue and prioritizes the reduction of CO<sub>2</sub> emission intensity and energy intensity as key performance indicators of its environmental strategy.

This commitment is bolstered by Marafiq's robust emissions monitoring and reporting practices. The Company adheres to rigorous testing protocols for emissions, including CO<sub>2</sub>, NO<sub>x</sub>, SO<sub>2</sub>, and particulate matter (PM), across its facilities in compliance with Royal Commission environmental standards. Recent stack emission reports confirm compliance with these standards, demonstrating that emissions consistently remain within regulatory limits. Marafiq's adoption of advanced Continuous Emissions

Monitoring Systems (CEMS) and adherence to U.S. EPA-approved testing methodologies reflect its commitment to transparency and accountability in environmental stewardship.

The 2060 vision for net-zero emissions is an ambitious goal requiring collaboration, innovation, and a comprehensive Net-Zero Plan. Marafiq continues to explore advanced technologies like carbon capture and utilization (CCS/CCU) and is actively working with stakeholders to refine and implement detailed action plans. Through these efforts, the Company not only upholds its environmental commitments but also strengthens its leadership in driving sustainable practices across the utilities sector.

Marafiq's commitment to transparency and accountability is evident in its approach to emissions reporting. The Company provides detailed data on both Scope 1 and Scope 2 emissions.

When evaluating greenhouse gas emissions from the power generation sector, Marafiq closely monitors the concentrations of emissions from both Scope 1 and Scope 2.

Over the past three years, Marafiq has made significant progress in reducing its Scope 1 and Scope 2 GHG emissions, achieving year-on-year improvements that have culminated in a nearly 8.5% decrease in total emissions between 2022 and 2024. These consistent reductions highlight Marafiq's unwavering commitment to enhancing operational efficiency, lowering its carbon footprint, and driving sustainability in alignment with its broader environmental objectives.

The company's GHG Emission and Air Quality indicators are shown in the table below:

Indicator	2022	2023	2024
GHG Scope 1 (tCO <sub>2</sub> e)	7,910,407	7,210,453	7,303,754
GHG Scope 2 (tCO <sub>2</sub> e)	342,851	318,634	330,658
Total GHG Emissions (tCO <sub>2</sub> e)	8,253,258	7,529,087	7,634,412
GHG emissions intensity for power generation ratio (KgCO <sub>2</sub> e/KWH)	0.725	0.7247	0.7198
Nitrogen Oxides (NOx)	2,901	2,443	2,858
Sulfur Oxides (SOx)	45,460	49,520	47,723

To maintain air quality in the areas where the Company operates, Marafiq has adopted the latest environmental technologies and methods to reduce air emissions and toxic gases. This includes the installation of low nitrogen oxide emission burners, Selective Catalytic Reduction (SCR) systems, Flue Gas Desulfurization (FGD) using seawater, the implementation of a Continuous Emissions Monitoring System (CEMS), Electrostatic Precipitators (ESP), and particulate matter reduction systems. These systems work to reduce harmful air emissions, such as Sulfur Dioxide (SO<sub>2</sub>) and nitrogen oxides (NOx), to levels permitted by applicable environmental regulations.

As part of the Kingdom's Liquid Fuel Displacement Program, Marafiq is working to replace liquid fuel with natural gas, which will contribute to reducing greenhouse gas emissions and toxic gases from the combustion of liquid fuels. This initiative is part of Marafiq's environmental preservation goals. If implemented across all power generation units, this shift could reduce emissions by over 20%, with a reduction of more than 14% in the Yanbu 2 units alone. The company is actively developing a plan, with the initial phase of fuel replacement set to positively impact climate change efforts by reducing the carbon footprint across all operations.



## Water Management

Marafiq is committed to sustainable water management practices, ensuring efficient use and responsible discharge of water resources. The company tracks key water management indicators such as Total Water Withdrawn, Water Discharged to the Sea, and Water Consumed.

In 2022, Marafiq withdrew a total of 10,830 million cubic meters (m<sup>3</sup>) of water. This figure decreased to 10,225 million m<sup>3</sup> in 2024, demonstrating a remarkable reduction and Marafiq's efforts to optimize water usage and improve efficiency in its operations over the years.

Water discharged to the sea showed a consistent decrease, from 2,568 m<sup>3</sup> in 2022 to 2,508 m<sup>3</sup> in 2024. This reduction reflects the company's commitment to minimizing its environmental impact.

Water consumption, which is the total water used in operations, was 8,262 million m<sup>3</sup> in 2022 and decreased to 62.83 million m<sup>3</sup> in 2024. This demonstrates Marafiq's ongoing efforts to manage water consumption effectively and shows a continued trend of improvement.

By closely monitoring these indicators, Marafiq is able to identify areas for improvement, implement water-saving initiatives, and ensure sustainable water management practices across its operations.

Indicator (Million M <sup>3</sup> )	2022	2023	2024
Water Withdrawn from the Sea	10,830	10,805	10,225
Water Discharged to the Sea	2,568	2,708	2,508
Water Consumed	8,262	8,097	7,717

## Seawater Cooling

Marafiq's seawater cooling systems are integral to its operations, providing efficient thermal management for industrial processes. In Jubail, the seawater cooling system operates at a capacity of 29,894,000 cubic meters per day, supported by a 164 km pipeline network, while in Yanbu, the system has an installed capacity of 26,700,000 cubic meters per day with a 91 km

pipeline. Seawater is chlorinated and cleaned before entering the cooling system and, after serving its purpose, is desalinated and distributed for use. Water is treated to produce drinking water for the community, while the second type of water produced is sent to factories for industrial production.

### Water Processes at Marafiq

The Company's water production and desalination processes are designed to meet the diverse needs of residential, commercial, industrial, and governmental users efficiently. The main source of water used in Marafiq's production processes is seawater, which is desalinated to produce both drinking water for communities and industrial water for factories. In Jubail and Yanbu, water production begins with daily capacities of 468,000 m<sup>3</sup> and 212,400 m<sup>3</sup>, respectively, utilizing advanced desalination and treatment technologies to ensure compliance with strict quality standards. After production, water is stored at industrial consumer sites for 1-2 days, allowing for buffer management before being distributed through extensive pipelines to end-users.

Marafiq also actively monitors the amount of water used in production, the energy consumed for desalination, and calculates its water footprint. This data helps the Company optimize its operations and improve efficiency, while also ensuring a more sustainable approach to water use.

Marafiq aligns its operations with the Ministry of Environment, Water, and Agriculture of Saudi Arabia's water laws, covering aspects such as water storage, use, and distribution. This compliance reinforces its dedication to sustainable water resource management, reflecting its role in supporting Saudi Vision 2030 and ensuring operational excellence in resource efficiency.

The volume of water treated by Marafiq is detailed below:

Facility	2022	2023	2024
Total Volume Of Water Treated (Millions M <sup>3</sup> )	119,355,323	120,102,155	122,434,096

Together, these integrated water management processes enable Marafiq to deliver reliable, efficient, and sustainable services while supporting the Kingdom's environmental and developmental goals.

### Wastewater Treatment

Wastewater treatment forms a cornerstone of Marafiq's resource conservation efforts, converting disposed water into a valuable resource for industrial, commercial, and irrigation applications. Sewage water is treated and repurposed for irrigation, reducing environmental impact and promoting circular water use. Water collected at industrial customer sites is stored for three days before entering state-of-the-art treatment facilities. In Jubail, the Industrial Wastewater (IWW) plant treats 138,000 m<sup>3</sup>/day, while the Sanitary Wastewater (SWW) plant processes 159,000 m<sup>3</sup>/day. Yanbu's capacities include 48,000 m<sup>3</sup>/day for IWW and 47,000 m<sup>3</sup>/day for SWW.

The company has shown year-on-year improvement in its water treatment volumes, with a significant increase in the total volume of water treated over the past three years. From 119,355,323 million m<sup>3</sup> in 2022, the total volume of water treated has increased to 122,434,096 million m<sup>3</sup> in 2024, representing a 2.6% increase. Marafiq has also enhanced the utilization of treated industrial water for irrigation purposes, with a 10% increase in the volume of treated water used for irrigation compared to 2023.

Treated water is redistributed for reuse, further supporting Marafiq's commitment to sustainability and resource conservation. Marafiq's investment in wastewater infrastructure, as shown in the table below, demonstrates its dedication to expanding resource recovery capabilities and driving sustainability in its operations.



### Waste Management

Marafiq is committed to effective waste management practices that minimize environmental impact and promote sustainability. Over the past three years, the company has focused on reducing waste generation and improving waste segregation, recycling, and safe disposal.

In 2022, Marafiq generated a total of 86,329 tons of waste. By 2024, this figure was significantly reduced to 72,630 tons, representing a 16% decrease in waste generation. This reduction highlights

Marafiq's dedication to optimizing resource use, enhancing operational performance, and minimizing the environmental impact of its waste.

Through initiatives such as increasing recycling efforts and reusing materials where possible, Marafiq continues to drive sustainability within its operations. The company's ongoing efforts are a clear reflection of its commitment to reducing waste sent to landfills and fostering a culture of environmental responsibility.

Marafiq's total waste generated can be found in the table below:

Indicator	2022	2023	2024
Total Waste Generated (Ton)	86,329	103,353	72,630

## Hazardous Waste

Marafiq is committed to the responsible handling, treatment, and disposal of hazardous waste generated during its operations, ensuring full compliance with environmental regulations and industry standards. To maintain transparency and uphold best practices, the Company conducts a semi-annual Industrial Waste Audit and Disposal Report, which monitors the generation and safe disposal of hazardous waste, including sludge.

For example, the audit tracks the disposal of primary sludge, chemical waste (such as pH 6 & above chemicals), and oil/water mixtures (including used oils from HFO/LFO). These audits provide critical insights into the volume and type of hazardous waste produced, ensuring that all materials are handled, treated, and disposed of in an environmentally responsible manner.

Marafiq ensures that all hazardous waste, including sludge, is stored in the correct environment and under specific conditions to guarantee safe storage. The waste is then collected by third-party contractors, approved by the Royal Commission and relevant authorities, who are responsible for its safe disposal.

Additionally, Marafiq reports on the total weight of hazardous waste prepared for reuse and the total weight of hazardous waste recycled, reflecting its dedication to resource optimization and sustainability. The table below highlights the total volume of hazardous waste, including sludge, and the volume of waste recycled annually, showcasing Marafiq's progress in promoting resource efficiency and reducing landfill dependency.

Type of Hazardous Waste Recycled	2022	2023	2024
Fly Ash (Ton)	6,172	7,333	7,081
Used oil recycled	7,222	19,374	13,311
<b>Total Recycled/Reused (Ton)</b>	<b>13,394</b>	<b>26,707</b>	<b>20,392</b>

By conducting regular audits and adhering to strict disposal protocols, Marafiq demonstrates its commitment to minimizing the environmental impact of hazardous waste, while ensuring the safety and sustainability of its operations. The Company remains focused on maintaining high standards for waste management and protecting the environment for future generations.

Regarding our commitment to implementing sustainable practices aimed at reducing waste and recycling it to minimize the carbon footprint of waste, we successfully reused 74.6% of the total volume of fly ash produced from power generation operations in 2022. This percentage increased to 100% in 2023, while in 2024, it reached 94%.

As for the recycling of used oils, we have successfully maintained a 100% recycling rate from 2022 to 2024.

To ensure responsible disposal, Marafiq spends more than one million Saudi Arabian Riyal per year on the disposal of generated waste oil, demonstrating its commitment to meeting

environmental obligations. In line with its waste strategy and the Water Use Master Plan, Marafiq aimed to recycle industrial waste, including hard/solid waste and water waste. This initiative aligns with governmental efforts such as the Saudi Green Initiative, reinforcing the Company's dedication to sustainability and environmental stewardship.

Marafiq is also working on a new initiative for recycling electronic waste. An agreement is currently under study to establish a structured recycling program for electronic waste, ensuring that these materials are handled in an environmentally responsible manner.

Through these efforts, Marafiq takes great pride in meeting its environmental obligations and continues to enhance its waste management practices, contributing to a more sustainable and circular economy while ensuring compliance with environmental regulations. The Company remains dedicated to playing its part in protecting the environment and reducing its overall environmental impact.

## Biodiversity

Treated industrial water is discharged into the sea in a manner that safeguards the marine environment and its biodiversity, reflecting Marafiq's commitment to preserving and enhancing ecological balance in the regions where it operates. The Company implements stringent measures to ensure that return water meets predetermined standards before being released into adjacent outfalls, minimizing any potential environmental impact.

Marafiq actively conducts periodic studies to monitor and mitigate any undesirable effects on nature, reinforcing its dedication to protecting biodiversity in its operational areas. These efforts contribute to the conservation of marine ecosystems and the broader natural environment. Currently, The Company is finalizing the results of its latest studies, which form part of its ongoing commitment to upholding environmental standards and promoting sustainability.



## Greening Our Offices

In its pursuit of greener solutions, the company has developed a comprehensive plan to transform its buildings into green facilities. This includes multiple initiatives such as fully automating HVAC and lighting systems to enhance energy efficiency and reduce electricity consumption. These initiatives, alongside major projects like the planned fuel conversion at Yanbu (Y2) to transition to cleaner natural gas by 2028, highlight Marafiq's dedication to integrating sustainability into its operational framework. Furthermore, The Company aims to enhance natural carbon sequestration through tree-planting partnerships with the Royal Commission's Forest Management Department, further reducing its environmental footprint by 2030.

## Recognition of Excellence

Marafiq was honored with the prestigious Aramco President's Award for Excellence in 2024 for its exceptional performance in environmental stewardship and climate change initiatives. This recognition highlights Marafiq's proactive approach to sustainability, including significant efforts to reduce greenhouse gas emissions, enhance operational efficiency, and implement innovative solutions that align with global climate goals. The award reflects Marafiq's dedication to integrating environmental governance into its operations, achieving tangible results through waste reduction, energy efficiency improvements, and its commitment to the principles of a circular economy. This achievement underscores the Company's leadership in advancing sustainable practices while maintaining reliable utility services for its partners and communities.



## Investing in Human Capital

# Supporting People, Shaping Tomorrow

At Marafiq, our people are our most valuable asset and the driving force behind our success. The Company is deeply committed to fostering a supportive and inclusive workplace that prioritizes the mental and physical well-being of every employee. Fostering a culture of care, and promoting work life balance, Marafiq ensures that its workforce remains healthy, motivated, and engaged. Additionally, Marafiq

invests in building the technical and soft skills of its employees through continuous learning and development opportunities, enabling them to grow professionally while contributing to the Company's long-term goals. By empowering its people and recognizing their critical role, Marafiq creates a thriving organizational culture that supports innovation, collaboration, and sustainable growth.

## Health & Safety

At Marafiq, ensuring the health and safety of employees, contractors, and stakeholders are a core priority. The Company strives to create a safe working environment through proactive measures, robust safety protocols, and a strong culture of accountability. By prioritizing safety at every level of the organization, Marafiq not only protects its people but also drives operational excellence and resilience.

Marafiq has established robust policies and procedures to uphold the highest standards of health and safety compliance across its operations. Central to this is the Safety Management System (SALEM), or "Safety Assurance, Leadership Engagement for Marafiq," based on OSHA 3132 PSM standards and enhanced by HCIS requirements. SALEM applies to all activities and areas under Marafiq's control, ensuring safe management of hazardous chemicals, equipment, and processes while minimizing risks to employees, the community, and the environment.

Marafiq adheres to the laws of the Kingdom of Saudi Arabia and complies with specific regulatory requirements, including GOSI, HCIS, MEWA, MoE, HRSD, NCEC, and OHSMS.

Key safety measures include a Stop Work Authority System, empowering all personnel to halt work if risks are identified, a Safety Inspection and Observation Procedure, and an Incident Investigation Procedure to prevent and address occupational injuries, illnesses, fatalities, and asset damage. Marafiq also follows a hierarchy of controls—elimination, substitution, engineering, administrative measures, and Personal Protective Equipment (PPE)—to manage safety effectively.

Marafiq prioritizes employee health with fully staffed clinics operating 24/7, periodic health campaigns in Jubail and Yanbu, and compliance with GOSI and HRSD health checkup requirements. Certified under ISO 45001, its employee engagement processes and comprehensive SALEM system reinforce Marafiq's commitment to health, safety, and sustainability excellence.

## Occupational Health and Safety (OHS) Management system

Marafiq prioritizes health and safety across its operations, a commitment exemplified by achieving the ISO 45001:2018 certification.

## Safety Policies and Procedures

Marafiq has established comprehensive policies and procedures to ensure the highest standards of health and safety compliance across its operations. These measures are documented and implemented to address the safe management of hazardous chemicals, equipment, and processes while minimizing risks to employees, the community, and the environment.



## Hazard Identification and Risk Assessment

Marafiq maintains a comprehensive risk register that is regularly audited and updated to address potential hazards effectively, including those related to health and safety. Occupational health and safety risks, such as hazards associated with the proximity to gas and operational conditions, can significantly impact workers' well-being if not properly managed.

To mitigate these risks, Marafiq implements robust controls, including a backup system for night shift operators, detailed risk assessments for handling hazardous chemical substances, and strict adherence to Marafiq ISD and TSD compliance standards. The company employs the Marafiq Integrated Risk Management Procedure (MIRA), based on the Unified Risk Assessment Criteria (URAC), which is applied across all departments to identify hazards, assess risks, and define necessary controls. Additionally, Marafiq has an Environment, Health, and Safety (EHS) Risk Management Standard that ensures a systematic approach to identifying, assessing, and mitigating Environment, Health, and Safety (EHS) risks, bringing them to an ALARP (As Low as Reasonably Practicable) level.

These measures are further supported by a Risk Assessment Procedure for specific activities, prepared by the execution team, reviewed by the coordinating and Loss Prevention departments, and approved by operations. Together, these comprehensive risk management practices reinforce Marafiq's commitment to ensuring a safe and secure working environment.

## Chemical Safety and Management

Marafiq provides regular training for employees on the proper handling of chemicals, particularly toxic and hazardous substances such as ammonia and sodium hydroxide. These chemicals are stored securely in dedicated facilities, including two specialized warehouses. One warehouse is air-conditioned to meet specific chemical storage requirements, while the other is un-air-conditioned. Toxic chemicals are stored in separate lab rooms, with weekly inspections to monitor their condition and usage. Strict safety regulations are enforced through periodic and random inspections to ensure compliance.

In case of accidents, such as spills or leaks, Marafiq has robust systems in place to contain and address incidents promptly. To date, no such incidents have occurred, reflecting the effectiveness of these systems. Additionally, Marafiq partners with an external contractor for the safe disposal of hazardous waste, ensuring full compliance with Royal Commission regulations. The company receives documented proof of proper disposal to maintain accountability and transparency.

## Inspections and Maintenance

Regular inspections and audits are conducted to ensure all risk management systems, such as fire extinguishers, fire protection systems, and leakage detectors, are fully operational. Inspections extend to vehicles and truck drivers entering Marafiq's facilities, ensuring adherence to the highest safety standards. All machinery, including forklifts, is operated by licensed personnel and undergoes routine maintenance to ensure process safety. Most consumable chemicals are utilized before their expiration dates, with oils being the exception. Expired oils are safely disposed of, as they cannot be reused. These practices align with Marafiq's commitment to sustainability and environmental protection.

## Incident Reporting and Safety Metrics

Marafiq places the highest priority on the health, safety, and well-being of its employees and stakeholders. The company tracks key safety metrics such as the Number of Fatalities, Total Recordable Injury Rate (TRIR), Lost Time Injury Rate (LTIR), and the Process Safety Incident Total Rate (PSITR). These metrics are essential tools for monitoring and improving safety performance across all operations.

Notably, Marafiq has achieved zero fatalities among both employees and contractors across 2022, 2023, and 2024, underscoring its unwavering commitment to safety excellence.

In terms of the Total Recordable Injury Rate (TRIR), Marafiq improved its performance significantly, reducing the TRIR for employees from 0.07 in 2022

to 0.04 in 2024. For contractors, the TRIR rate was recorded at 0.04 in 2024, reflecting outstanding safety performance.

The Lost Time Injury Rate (LTIR) for employees improved from 2 in 2022 (1 LTI + 1 MTC) to 1 (RWC) in 2024. For contractors, the low rate continued from 2022 to 2024.

Marafiq demonstrated an improvement in safety, with the PSITR for employees decreasing from 0.07 in 2022 to 0.04 in 2024. For contractors, the PSITR remained at 0.0 across all three years.

By carefully tracking incident reporting and safety statistics, Marafiq is able to identify trends, mitigate potential hazards, and ensure continuous improvement in its safety practices.

Number of Fatalities	2022	2023	2024
Employees	0	0	0
Contractors	0	0	0
Total Recordable Injury Rate (TRIR) (Per 200,000 work hours)	2022	2023	2024
Employees	0.07	0.00	0.04
Contractors	N/A	0.00	0.04
Lost Time Injury Rate (LTIR) (Per 200,000 work hours)	2022	2023	2024
Employees	2 (1 LTI+1 MTC)	0	1 (RWC)
Contractors	1 (LTI)	0	1 (RWC)
Process Safety Incident Total Rate (PSITR) (Per 200,000 work hours)	2022	2023	2024
Employees	0.07	0.15	0.04
Contractors	0.0	0.0	0.0

## Safety Training and Emergency Preparedness

Marafiq prioritizes preparedness through annual emergency drills designed to reinforce employee training and ingrain safety protocols. In addition, the company emphasizes staff safety training, equipping employees with the knowledge and skills necessary to handle potential hazards effectively and maintain a safe working environment. Marafiq also conducts regular inspections to ensure compliance with safety regulations and monitors risk management systems to maintain operational integrity. Marafiq highlights its commitment to Safety Training and Emergency Preparedness, having delivered over 90 training sessions every year since 2022.

	2022	2023	2024
Total Emergency Drills And Simulations	91	96	91

## Employment Practices

Marafiq's approach to employment is centered around creating a diverse, inclusive, and supportive environment where employees can thrive. The Company is committed to upholding human rights and fair labor practices, ensuring that all employees are treated with dignity, respect, and equality. Marafiq fosters an inclusive workplace by promoting diversity across all levels and encouraging a culture of collaboration, where individuals from different backgrounds can contribute their unique perspectives.

In addition, Marafiq places a strong emphasis on succession planning, ensuring that there is a continuous pipeline of talent prepared to take on leadership roles within the Company. By offering competitive benefits, professional development opportunities, and clear career progression pathways, Marafiq ensures that its workforce is not only well-supported but also equipped to grow within the organization. Through these initiatives, the Company attracts and retains top talent, while also reinforcing its commitment to employee well-being and organizational success.

### Employee Diversity and Inclusion

Marafiq recognizes the importance of diversity and inclusion within its workforce and is committed to fostering an environment where all employees can thrive. Currently, women represent 1.85% of the company's employees, with no women in leadership roles. However,

Marafiq is actively addressing this gap by dedicating energy and resources to recruit more women and developing talented female employees through its leadership program. This initiative is designed to empower women by providing the skills, training, and opportunities necessary to advance into leadership roles, fostering greater female representation at senior levels.

Marafiq is also dedicated to empowering youth by expanding its workforce of employees under the age of 30, acknowledging their vital role in driving innovation and shaping the company's future growth. By fostering opportunities for women and young talent alike, Marafiq is building a more inclusive, diverse, and dynamic workplace, which is essential for achieving sustainable growth and long-term organizational success.

### Saudization

Saudization is a key priority for Marafiq and aligns with the Kingdom's Vision 2030. In 2024, Marafiq achieved an impressive Saudization rate of 86.14%, which not only complies with the Kingdom's target but also exceeds the Vision 2030 aim of 75% Saudization for the energy sector. This achievement underscores Marafiq's commitment to supporting national employment and contributing to the Kingdom's broader economic goals.

Employees Break-down by Gender	2022	2023	2024
Males	99.23%	98.31%	98.15%
Females	0.77%	1.69%	1.85%

Employees Break-down by Nationality	2022	2023	2024
Saudi	83.50%	85.03%	86.14%
Non-Saudi	16.50%	14.97%	13.86%

Employees Break-down by Age (%)	2022	2023	2024
Under 30	4.07%	5.35%	6.1%
30- 50	76.76%	77.02%	77.60%
Above 50	19.17%	17.63%	16.30%

Ratio of basic salary and remuneration	2022	2023	2024
Women to Men	1:1	1:1	1:1

### Employment Benefits

At Marafiq, we believe that our employees are our greatest asset. To ensure their well-being and satisfaction, we offer a comprehensive range of benefits designed to support their professional and personal lives. These benefits reflect Marafiq's commitment to ensuring the well-being and satisfaction of its employees, creating a supportive and rewarding work environment. Our benefits include:

Housing Allowance	Transportation Allowance	Two Shift Allowances
Security Allowance	Medical Insurance Coverage for employees and their eligible family members	One-Time Employment Allowance
Continuous Service Award Every 5 years	Annual Bonus based on company performance	Merit Increase based on company budget and individual performance
Annual Vacation Ticket for expatriate employees	Education Cost Coverage for non-Arab expatriate employees	Home Ownership Program (HOP) for Saudi employees
Thrift Program	One-Time Furniture Allowance	Relocation Allowance
Recreation Centre	Escort Leave	Death Allowance & Disability

Indicator	2022	2023	2024
Total wages and benefits provided to employees (﷼)	321,459,831.44	341,920,915.35	329,804,837

The General Organization for Social Insurance (GOSI) has set the total Saudi contribution rate at 21.5%, with 9.75% contributed by the employee and 11.75% by the employer. Marafiq fully aligns with these requirements, ensuring compliance with all GOSI regulations. By adhering to this framework, the Company upholds its commitment to supporting employee welfare and contributing to the broader social insurance system in Saudi Arabia.

Percentage (%) of salary contributed by employee or employer to the pension fund.

Indicator	2022	2023	2024
Employer	11.75%	11.75%	11.75%
Employee	9.75%	9.75%	9.75%

### Continuous Learning and Development Programs

Marafiq is committed to fostering a culture of continuous learning and professional growth. The company's comprehensive training and development programs are designed to equip employees with the skills and knowledge necessary to excel in their roles and contribute to the company's success. In 2024, Marafiq successfully trained over 1,000 employees across various departments and business functions, covering more than 100 topics such as Malware Ransomware Training, Data Protection, LCGPA Workshop, Safer Web Browsing, Safe Research, Social Media Screening and Mobile Devices Security, among

others. Additionally, the e-learning programs in 2024 benefited over 700 employees, offering courses on a wide range of subjects including The Complete Course on IPO and Uninterruptible Power Supply System. By providing both in-person and e-learning training options, Marafiq ensures that employees have access to the resources they need to stay informed, skilled, and ready to meet the demands of their roles. Marafiq's commitment to training and development is a cornerstone of its ESG strategy, reflecting the company's dedication to the growth and well-being of its workforce.

#### Breakdown of average training by Gender

Gender	2022		2023		2024	
	Male	Female	Male	Female	Male	Female
Employees	4,158	34	3,395	50	2,446	153
Hours	52,359	617	48,983	1,265	47,006	2,924
Number of programs	439	39	502	53	263	47

#### Breakdown of average training by Senior Management


Management Level	2022		2023		2024	
	Middle	Senior	Middle	Senior	Middle	Senior
Employees	368	75	350	74	295	79
Hours	1,648	2,547	16,060	1,848	12,651	2,035
Number of programs	270	76	268	74	118	61



## Employee Engagement

Marafiq considers employee engagement a crucial element in building a successful culture. To monitor and enhance employee satisfaction, Marafiq conducts an annual survey that provides valuable insights into what the company is doing well and areas for improvement. For example, the 2024 survey revealed that 83% of respondents felt proud to work at Marafiq, and 82% felt part of a collaborative team supported by managers.

### STRENGTHS




**Pride and Clarity**  
83% Feel proud to work for Marafiq.



**Supportive Environment**  
82% Reported that your immediate managers are supportive and effective communicators, fostering a collaborative team environment.

### OPPORTUNITIES FOR IMPROVEMENT



**Innovation**  
While 48% of employees see Marafiq as innovative, there is room for improvement in encouraging continuous improvement and the use of new technologies.



**Development Opportunities**  
47% Reported having development opportunities, indicating a need for greater focus on personal development opportunities.

## Human Rights and Labor Practices

Marafiq is dedicated to fostering a workplace where human rights and fair labor practices are prioritized. The Company strives to create an environment where all employees and contractors are treated with dignity, respect, and fairness, promoting inclusivity and equity. This commitment ensures a safe, supportive, and non-discriminatory workplace for all.

Marafiq values diversity and inclusion, recognizing the unique perspectives and contributions of its workforce. The Company is committed to preventing any form of forced labor, child labor, or workplace discrimination, while maintaining a zero-tolerance approach to harassment.

## Succession Planning

Marafiq is committed to fostering a culture of leadership continuity and development to ensure the long-term sustainability of its operations. The company recognizes the importance of identifying and nurturing future leaders to maintain operational excellence and achieve strategic objectives.

Marafiq's succession plan is designed to systematically identify critical roles within the organization and establish a pipeline of skilled and capable employees ready to assume these positions. This involves regular talent assessments, employee development programs, and leadership training initiatives tailored to address both current and future organizational needs.

However, the survey also highlighted areas needing attention, with only 48% of employees viewing Marafiq as innovative and 47% being dissatisfied with the development opportunities they were receiving. Marafiq uses these insights to develop action plans and judge year on year progress. These efforts help Marafiq to continuously improve its workplace environment and ensure that all employees feel valued and supported.

By integrating succession planning into its broader human resources strategy, Marafiq ensures the seamless transfer of knowledge and expertise while aligning with its mission of operational reliability. The plan not only mitigates risks associated with workforce transitions but also empowers employees to grow within the organization, reinforcing a culture of continuous improvement and excellence.

## Competency framework

The competency framework at Marafiq is the foundation for employee development and achieving institutional excellence. It aims to identify the skills, knowledge, and behaviors necessary for success in various roles while aligning them with strategic objectives. Through this framework, employee performance can be evaluated, skill gaps identified, and targeted development plans implemented. It also supports recruitment, training, and professional growth, contributing to building a high-performing workforce that keeps pace with industry developments and drives innovation.

## Community Engagement & Development

### Improving Access to Clean Water and Reliable Energy

Marafiq's daily operations are deeply rooted in its mission to enhance access to clean water and reliable energy, essential resources for economic development and improved quality of life. By delivering high-quality water and power services to industrial and residential customers, Marafiq plays a pivotal role in supporting sustainable development across its operational areas.

The company continuously invests in advanced technologies and efficient infrastructure to meet growing demand while minimizing environmental impact. Its water production and treatment facilities ensure the provision of safe and clean water, while its energy solutions contribute to powering industries and communities alike.

Through partnerships with government entities and alignment with national sustainability initiatives, such as the Saudi Green Initiative, Marafiq is committed to driving innovation and ensuring the sustainable delivery of these essential services. This approach not only fulfills current needs but also secures resources for future generations, reinforcing Marafiq's position as a trusted enabler of sustainable progress.

### Support for Public Infrastructure Projects

Marafiq is committed to fostering community development by supporting key public infrastructure projects that improve the quality of life for underprivileged populations. A prime example of this dedication is Marafiq's partnership with the association in Al-Naba'a village to rehabilitate a housing unit granted by the King Abdullah Foundation for Developmental Housing. This initiative includes maintenance, furnishing, and establishing a complete office to provide essential services to orphans, widows, and unemployed individuals of both genders.

Additionally, Marafiq contributes to the association's financial sustainability by supporting the construction of its first investment endowment building, Ataa, which benefits 450 orphans. By enabling the completion of this building, Marafiq ensures that its proceeds will directly assist orphans, widows, and those in need.

Marafiq also actively supports the association's flagship housing program in Jazan City, which involves building and providing 112 housing units for the neediest families. This initiative not only addresses critical housing needs but also fosters the social development of beneficiaries.

Through these contributions, Marafiq underscores its commitment to empowering communities, promoting social equity, and driving sustainable development.

### Sustainable Wastewater and Sewage Solutions for Communities

Marafiq is dedicated to implementing sustainable wastewater and sewage management solutions that align with environmental best practices and support community well-being. In Jubail, wastewater sludge generated from the sanitary wastewater treatment plant is responsibly disposed of at Royal Commission (RC) approved sanitary landfills. Similarly, industrial wastewater sludge is managed through Bee'ah, an RC-approved waste management facility, ensuring compliance with stringent environmental standards.

Beyond specific operations, Marafiq's broader activities consistently emphasize sustainability and the responsible management of wastewater. By adhering to approved disposal practices and collaborating with trusted waste management partners, Marafiq contributes to creating cleaner, healthier communities while protecting vital ecosystems.

### Educational Initiatives and Partnerships

Marafiq is dedicated to empowering the next generation through education and career development initiatives. Through its "Promising Path" program, the company has identified 47 students who will be recruited, employed, and provided with scholarships in accordance with the program's structured procedures. This initiative underscores Marafiq's commitment to fostering talent, enhancing skills, and building a highly capable future workforce.



It is in line with environmental best practices and supports the well-being of the community.



## Customer Satisfaction

Customer satisfaction is a foundation of Marafiq’s operational philosophy and strategic objectives. The Company recognizes that delivering reliable, high-quality utility services is critical to building trust and fostering long-term relationships with its customers. By actively engaging with customer feedback and continuously enhancing its services, Marafiq strives to meet and exceed expectations. This commitment to customer-centric excellence not only enhances the overall customer experience but also reinforces Marafiq’s reputation as a dependable and innovative utility provider. By prioritizing customer satisfaction, Marafiq aligns its operations with the needs of its customers, driving mutual growth and success while contributing to the sustainable development of the communities it serves.

## Customer Experience Optimisation

### Consistency and Reliability of Power and Water Supply

At Marafiq, the consistency and reliability of power and water supply stand as core pillars of our operational philosophy. These essential services underpin the functioning of industries, communities, and public services, making it imperative for Marafiq to ensure uninterrupted and high-quality delivery.

Marafiq recognizes that the reliability of power and water supply is critical not only for meeting customer expectations but also for driving economic growth and maintaining public welfare. To this end, we have implemented robust systems and processes to monitor, evaluate, and enhance our service delivery. Key Performance Indicators (KPIs) are utilized annually to assess and ensure the efficiency, resilience, and reliability of our infrastructure. These KPIs include metrics such as available power percentage and available water percentage.

Indicator	2022	2023	2024
Availability Power (%)	86.4	85	87.8
Availability Water (%)	95	80.5	86.5

### Minimizing Service Interruptions and Outages

Marafiq prioritizes minimizing service interruptions and outages as part of its commitment to delivering seamless and reliable utility services to its customers. Recognizing the critical role that uninterrupted power and water supply plays in industrial and residential operations, Marafiq continuously invests in strategies and systems designed to enhance service reliability.

To ensure the highest levels of service, Marafiq monitors customer complaints in real time, tracking metrics such as complaints per minute and the average time it takes to resolve complaints. This approach allows the company to quickly identify and respond to potential issues, minimizing the duration and impact of any disruptions. Additionally, Marafiq sets yearly complaint limit targets to ensure that complaints are kept to a minimum, reinforcing its commitment to customer satisfaction.

Indicator	2022	2023	2024
Customer Water Interruptions (Min)	4.85	3.4	2.91
Average Days To Resolve Complaints (Days)	2.1	2.1	3.6

## Customer Satisfaction Survey

Marafiq places a strong emphasis on customer satisfaction, striving to ensure that its services meet the expectations of both industrial and residential customers. By actively engaging to customer feedback, Marafiq continuously enhances its operations and service delivery.

To measure and improve customer satisfaction, Marafiq conducts yearly surveys to gather insights into customer experiences. The feedback collected through these surveys helps the company identify areas for improvement.

address concerns proactively, and adapt its services to better serve its customers. Marafiq also sets annual improvement targets, aiming for year-on-year growth in customer satisfaction, reflecting its commitment to exceeding customer expectations and maintaining high standards of service excellence. Notably, Marafiq has achieved a customer satisfaction score of over 90% every year since 2022, a testament to its dedication to service excellence and customer-focused approach.

Indicator	2022	2023	2024
Customer Satisfaction (%)	92%	97%	94%

## Smart Meters

Marafiq’s installation of smart meters is a pivotal step in enhancing customer satisfaction by providing greater transparency, accuracy, and control. These advanced meters empower customers with real-time insights into their power and water usage, enabling them to make informed decisions and manage consumption more effectively.

By eliminating inaccuracies in billing and ensuring precise usage data, smart meters address a key area of customer concern, fostering trust and satisfaction. Additionally, the ability to detect and resolve issues promptly enhances service reliability, further reinforcing Marafiq’s commitment to exceeding customer expectations. Through this initiative, Marafiq continues to prioritize customer needs while driving innovation in its service delivery.

## Data Privacy

Marafiq is committed to upholding the highest standards of data privacy and security to protect the personal and confidential information of its customers, employees, and stakeholders. The Company implements robust data protection measures, adheres to applicable regulations, and continuously enhances its cybersecurity framework to safeguard sensitive information from unauthorized access or breaches. By fostering a culture of transparency and accountability, Marafiq ensures that privacy is a fundamental aspect of its operations, reinforcing trust and confidence among all those it serves.

## Sustainable Procurement

Marafiq’s procurement strategy is deeply rooted in supporting national development initiatives and enhancing local content. Monthly collaborations with key stakeholders, including the Public Investment Fund (PIF), the Local Content and Government Procurement Authority (LCGPA), and the Ministry of Energy, ensure alignment with evolving policies and priorities.

Local content has been an integral part of Marafiq’s procurement process since 2022, with the company embedding it as a mandatory criterion in its tendering procedures. This approach is reflected in Marafiq’s compliance with the LCGPA’s mandatory list for spare parts, a list the company had significant input in developing. By following this list and fostering partnerships with local manufacturers, Marafiq is advancing its long-term localization plan and ensuring consistent support for the Kingdom’s industrial ecosystem.

Marafiq’s local procurement performance is highlighted by its 47.23%, reflecting the company’s dedication to excellence in procurement practices and local content integration.



Marafiq has achieved a customer satisfaction score of over 90% every year since 2022, a testament to its dedication to service excellence and customer-focused approach.

# Operational Excellence

## Asset Integrity

Marafiq prioritizes asset integrity and performance to ensure reliable, efficient, and sustainable operations across its infrastructure. The Company has implemented a comprehensive asset management framework that focuses on maintaining operational efficiency, mitigating risks, and optimizing asset lifecycles.

Key responsibilities include maintaining the reliability of physical assets during the operational phase and conducting root cause analyses to address performance issues. Inspections are guided by a risk-based integrity approach to identify potential vulnerabilities and ensure proactive maintenance. Assets nearing the end of their useful life, defined as having less than five years of operational capacity, are flagged to enable timely rehabilitation, replacement, or disposal, minimizing disruptions and ensuring uninterrupted service delivery.

Marafiq also emphasizes reporting on emergency readiness to ensure operational resilience in the face of unforeseen events. By preparing comprehensive plans and continuously assessing plant readiness, the Company enhances its ability to respond effectively to emergencies. Additionally, plant age is closely monitored to identify assets that require upgrades or replacements, ensuring long-term reliability and operational efficiency.

Throughout the asset lifecycle, from operation to end of life, Marafiq employs rigorous processes to monitor, assess, and maintain asset conditions. This includes implementing quality control and assurance measures to ensure that all operations and maintenance activities adhere to established standards and scope of work.

By integrating these practices, Marafiq strengthens the reliability of its infrastructure, enhances operational performance, and supports its commitment to sustainable, efficient service delivery.



## System Average Interruption Duration Index (SAIDI)

Marafiq's commitment to ensuring asset integrity and delivering reliable services is exemplified through its reporting and monitoring of the System Average Interruption Duration Index (SAIDI). As a key performance indicator, SAIDI measures the average duration of unplanned service interruptions experienced by customers over a specific period, reflecting Marafiq's focus on operational excellence and customer satisfaction. Marafiq consistently maintains SAIDI levels well below set limits across its operations, demonstrating its proactive approach to minimizing service disruptions. For Power Transmission, SAIDI remained at 0 in 2022, 2023, and 2024, significantly outperforming the limit of 5.

In Power Distribution, SAIDI improved from 28.8 in 2022 to 19.22 in 2023, with a slight increase to 23.92 in 2024, all well below the limit of 60. Similarly, for SDGN Distribution, SAIDI was consistently at 0 in 2022, 2023, and 2024, outperforming limits of 45 in 2022 and 32.76 in 2023 and 2024.

For water services, Marafiq demonstrated a similar trend of maintaining service reliability. In Jubail, water interruptions decreased from 1.9 in 2022 to 1.5 in 2023, with a slight increase to 2.8 in 2024, all comfortably below the limit of 5. In Yanbu, interruptions dropped from 4 in 2022 to 2.4 in 2023, before increasing slightly to 3.6 in 2024, also below the limit of 5. By systematically tracking and analyzing SAIDI data, Marafiq identifies areas for improvement, implements proactive maintenance strategies, and enhances the resilience of its infrastructure. This steadfast focus on minimizing service interruptions underscores Marafiq's dedication to delivering reliable, efficient, and uninterrupted services while ensuring long-term asset reliability and customer satisfaction.

Indicator	2022		2023		2024	
	Actual	Limit	Actual	Limit	Actual	Limit
SAIDI Power Transmission	0	5	0	5	0	0
SAIDI Power Distribution	28.8	60	19.22	60	23.92	60
SAIDI SDGN Distribution	0	45	0	32.76	0	32.76
Water Interruption	1.9	5	1.5	5	2.8	5
SWC Interruptions	4	5	2.4	5	3.6	5

### Distribution Loss

Marafiq is committed to minimizing water and electricity distribution losses as part of its broader ESG strategy. To ensure accountability and progress, comprehensive KPIs for both water and electricity loss have been established, which are closely monitored against monthly and yearly targets. These metrics are regularly reviewed and reported to the Board of Directors, ensuring transparency and driving continuous improvement.

The Water Losses Network KPI measures the percentage of potable and process water lost from the system due to physical and commercial losses, relative to the total volume of potable water supplied to the network. By tracking this KPI, Marafiq identifies inefficiencies, uncovers opportunities to enhance operational performance, and develops targeted strategies to address challenges. Additionally, the Yearly Target Water Losses KPI, which aggregates data from Jubail and Yanbu, ensures a holistic approach to water loss reduction across Marafiq's key service areas.

Marafiq actively identifies and addresses water loss risks through its comprehensive risk register. Key risks include frequent HDPE pipeline breaks in the Jubail potable water network caused by design and construction issues, which disrupt supply and increase losses. The integrity of the potable water network in Yanbu and associated water loss risks are also closely monitored. To mitigate

these risks, Marafiq has implemented existing controls and action plans, ensuring challenges are promptly and effectively addressed.

Through diligent monitoring, risk management, and targeted initiatives, Marafiq demonstrates its unwavering commitment to optimizing resource efficiency, supporting sustainability objectives, and delivering reliable utility services to its stakeholders.

Marafiq is consistently working to reduce loss percentages across its operations by implementing efficiency driven measures and advanced monitoring systems. The year on year improvements, as demonstrated in the table, reflect the Company's commitment to enhancing operational performance and minimizing resource losses.

Marafiq is actively reducing water loss across its operations through efficiency-driven measures and advanced monitoring systems. As a result, water loss decreased from 9.57% in 2022 to 8.16% in 2023, and further to 7.34% in 2024, demonstrating a consistent commitment to minimizing water resource losses and enhancing sustainability.

This year-on-year improvement, as demonstrated in the table, reflects the Company's commitment to enhancing operational performance and minimizing water resource losses.

Indicator	2022	2023	2024
Water Loss	9.57%	8.16%	7.34%

Marafiq is dedicated to minimizing electricity losses throughout its operations by adopting innovative efficiency measures and leveraging advanced monitoring technologies. The continuous improvements observed year on year, as shown in the table, underscore the Company's ongoing efforts to optimize performance and reduce waste.



### Digitalization

Marafiq embraces digitalization as a key enabler of operational efficiency, innovation, and sustainable growth. By leveraging advanced technologies, the Company enhances its processes, optimizes resource utilization, and improves service delivery to meet evolving customer and stakeholder expectations. Digital transformation initiatives at Marafiq focus on automating workflows, integrating smart monitoring systems, and deploying data analytics to enable data driven decision making.

A pivotal component of Marafiq's digitalization strategy is the implementation of real time monitoring systems across its operations.

These systems provide valuable insights into asset performance, energy consumption, and network efficiency, enabling prompt and informed responses to challenges. Additionally, Marafiq employs predictive maintenance tools to reduce downtime, extend asset life cycles, and ensure uninterrupted service delivery.

To further enhance its digital capabilities, Marafiq utilizes its IT solution, SAP S/4HANA, to facilitate the efficient storage and reporting of ESG data. This integration supports the Company's commitment to transparency and accountability in achieving its sustainability goals.

Digitalisation also plays a vital role in enhancing customer experience. Through digital platforms, Marafiq offers seamless access to utility services, enabling customers to track consumption, pay bills, and access support with ease. Internally, the Company invests in upskilling its workforce to ensure employees are equipped with the technical expertise required to maximize the value of digital tools and systems.

By integrating digital technologies into every aspect of its operations, Marafiq strengthens its resilience, drives innovation, and supports its long term sustainability objectives while delivering high quality utility services to its stakeholders.

### ESG Selection Criteria for Projects

Marafiq prioritizes environmental considerations in its project planning and execution by conducting thorough environmental studies and ensuring strict compliance with national environmental regulations. The Company focuses on minimizing GHG emissions, optimizing resource efficiency, and adhering to stringent environmental standards as part of its commitment to responsible operations. While broader ESG integration as part of project selection and execution remains an area for further development, Marafiq's current emphasis on environmental compliance reflects its dedication to aligning with sustainability goals and supporting Saudi Vision 2030.

## Appendix Data Tables:

### Social Data Tables:

Percentage of Employees	2022	2023	2024
Percentage of under 30 years old employees	4.07%	5.35%	6.1%
Percentage of 30- 50 years old employees	76.76%	77.02%	77.60%
Percentage of over 50 years old employees	19.17%	17.63%	16.30%
Percentage of Female employees	0.77%	1.69%	1.85%
Percentage of Male employees	99.23%	98.31%	98.15%
Percentage of Saudi employees	83.50%	85.03%	86.14%
Percentage of Non-Saudi employees	16.50%	14.97%	13.86%

### New Employees Hires and Employee Turnover

Number of Employees	2022	2023	2024
Total number of new employees hired under 30 years old	38	29	14
Total number of new employees hires between 30-50 years old	38	47	38
Total number of hires over 50 years old	2	5	6
Total number female new hires	14	18	8
Total number of male new hires	64	62	49
Turnover rate	2.61%	3.23%	3.26%

### Workforce Demographics

Number of Employees	2022	2023	2024
Total number of employees	1,547	1,525	1,507
Total number of permanent employees	1,424	1,423	1,403
Total number of temporary employees	123	102	104
Total number of full-time employees	1,424	1,423	1,403
Total number of part-time employees	0	0	0
Total number of female employees	23	34	37
Total number of male employees	1,524	1,491	1,470
Total number of Saudi employees	1,189	1,210	1,208
Total number of Non-Saudi employees	235	213	195

### Defined Benefit Plan

Defined Benefit Plan	2022	2023	2024
Total wages and benefits provided to employees	321,459,831	341,920,915	329,804,837
Percentage (%) of salary contributed by employee or employer to the pension fund	Employer 11.75% Employee 9.75%	Employer 11.75% Employee 9.75%	Employer 11.75% Employee 9.75%

## Ratios of Standard Entry Level Wage by Gender Compared to Local Minimum Wage

Ratio/Number of Employees	2022	2023	2024
Ratio of employees entry level wage by gender at significant locations of operation to the minimum wage	1:1	1:1	1:1
Total female employees on entry level wage	7	13	5
Total male employees at entry level wage	37	38	33

## Ratio of Basic Salary

Ratio of Basic Salary	2022	2023	2024
Ratio of basic salary and remuneration of women to men	1:1	1:1	1:1
Ratio of basic salary and remuneration of women to men for Staff	1:1	1:1	1:1

## Employee Turnover

Number of Employees	2022	2023	2024
Total number of employees leaving employment during the reporting period	2	3	2
Total number of female employees leaving the employment during the reporting period	0	0	0
Total number of male employees leaving the employment during the reporting period	2	3	2
Total number of under 30 years old employees leaving employment during the reporting period	1	1	0
Total number of 30-50 years old employees leaving employment during the reporting period	1	2	2
Total number over 50 years old employees leaving employment during the reporting period	0	0	0

## Parental Leave

Number of Employees	2022	2023	2024
Total number of female employees that were entitled to a parental leave	6	9	10
Total number of male employees that were entitled to a parental leave	1,284	1,295	1,292
Total number of female employees that took parental leave	1	3	2
Total number of male employees that took parental leave	142	149	140
Total number of female employees that returned to work in the reporting period after parental leave ended	1	3	2
Total number of male employees that returned to work in the reporting period after parental leave ended	142	149	140
Total number of female employees that returned to work after parental leave ended that were still employed 12 months after their return to work	1	3	2
Total number of male employees that returned to work after parental leave ended that were still employed 12 months after their return to work	142	149	140
Return to work and retention rates of female employees that took parental leave	1	3	2
Return to work and retention rates of male employees that took parental leave	142	149	140

## Operations Assessed for Human Rights Reviews

Number of Operations	2022	2023	2024
Total number and percentage (%) of operations that have been subject to human rights reviews or human rights impact assessments	0	0	0

## Corporate Social Responsibility

Marafiq is committed to upholding its core values by fostering a sustainable and mutually beneficial relationship with the surrounding community. Since its inception, Marafiq has been committed to providing assistance and initiatives that contribute to the development of the community and raise the level of knowledge in various fields. The company has continued to support many community and humanitarian programs.

The company achieves these goals by playing a prominent role in community services, supporting social activities, and sponsoring charitable works at the local level through various initiatives, including the following:

### Global and Local involvements

#### Marafiq's participation in the Public Investment Fund and Private Sector Forum

Marafiq took part in the Public Investment Fund and Private Sector Forum, which aims to strengthen collaboration between the public and private sectors and support Saudi Arabia's Vision 2030 for economic development.

#### Marafiq at the World Energy Congress in Rotterdam

Marafiq was present at the World Energy Congress in Rotterdam, where it highlighted its efforts in clean energy research and innovation, along with its role in reducing emissions, advancing sustainable water technologies, and recycling treated water.

#### Recognition of Marafiq by the Ministry of Industry and Mineral Resources

Marafiq was honored by the Ministry of Industry and Mineral Resources for achieving an advanced level in the "Future Factories" program, recognizing its active contribution to embracing modern technologies and digital transformation. The award was accepted on behalf of the President and CEO by the Vice President for Operations and Maintenance, Engineer Jamal Omar.



Marafiq is committed to upholding its core values by fostering a sustainable and mutually beneficial relationship with the surrounding community.

### Charitable Initiatives

#### Support for the Bena'a and Efaa Associations

His Royal Highness Prince Saud bin Nayef bin Abdulaziz, Governor of the Eastern Province, honored Marafiq's President and CEO Mohammed Berki Al Zuabi for his ongoing support of the "Bena'a" Association for Orphan Care and the "Efaa" Association for the Care of Individuals with Disabilities, in the presence of His Royal Highness Prince Saud bin Bandar bin Abdulaziz.

#### Honoring Creative Students at ITEX 2024

As part of Marafiq's corporate social responsibility program, Marafiq's President and CEO Mohammed Berki Al Zuabi honored four students from the Royal Commission for Jubail Education, who won three medals (two gold and one silver) during the International Inventions and Innovations Exhibition "ITEX 2024" in Malaysia, in recognition of their achievements that raised the nation's name high.

#### Support for the "Misbar 8" Scientific Camp for Orphans in the Kingdom

The Chief Human Resources and Services Officer, Ahmed Khleawi Al Khleawi, was honored for sponsoring the "Misbar 8" scientific camp for orphans in the Kingdom, organized by the Bena'a Association for Orphan Care in partnership with King Fahd University of Petroleum and Minerals.



### Environmental Initiatives

#### Marafiq wins "Most Improved in Environment and Climate" Award

In recognition of its ongoing efforts to enhance environmental performance, Marafiq won the "Most Improved in Environment and Climate" award at the 2024 CEO Excellence Awards of Aramco. The award was presented to Marafiq's President and CEO Mohammed Berki Al Zuabi by Aramco's President and CEO, Amin Nasser.

#### Beach Cleanup Campaign at Abu Ali Island

As part of its corporate social responsibility programs, Marafiq organized a voluntary beach cleanup campaign at Abu Ali Island in collaboration with the National Center for Wildlife Development. The initiative removed 1,000 kilograms of solid waste, reflecting the company's commitment to preserving the environment.



### Social Initiatives

#### Marafiq Celebrates International Women's Day

Marafiq celebrated International Women's Day in alignment with its diversity and inclusion strategy. The event highlighted the role of outstanding female employees in the workplace as part of the company's commitment to achieving Vision 2030.

#### Hosting the Lecture "Relationships in the Workplace" by Mr. Yasser Alhozimey

Marafiq hosted Mr. Yasser Alhozimey, a specialist in relationships and self-development, to give a lecture titled "Relationships in the Workplace." The lecture aimed at enhancing social and professional skills within the work environment.

#### Hosting the Lecture "Self-Development" by Dr. Khaled Al-Muneef

Marafiq invited Dr. Khaled Al-Muneef to give a lecture to its employees in Jubail and Yanbu on "Self-Development." The lecture aimed at improving the personal and mental well-being of employees and enhancing their skills in personal and professional growth.

#### Organizing the "Compass of Relationships" Seminar at King Abdullah Cultural Center

Marafiq, in collaboration with the Royal Commission in Jubail, organized an open seminar for the public titled "Compass of Relationships" at the King Abdullah Cultural Center. The seminar aimed to strengthen personal and professional relationships within the work environment.



### Corporate Social Responsibility Initiatives

#### Sponsorship of the 6<sup>th</sup> International Learning Conference:

Silver sponsorship of the 6<sup>th</sup> International Learning Conference, hosted by the Royal Commission in Jubail Industrial City under the patronage of the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, May God Protect Him, in December 2024. With the presence of prominent global figures, including mayors of learning cities, experts, and decision-makers from around the world, the conference aims to highlight the pivotal role of education as an effective tool for addressing climate challenges and achieving advanced levels of quality of life.

#### Promising Path Program:

A program linked to the Custodian of the Two Holy Mosques Scholarship Program, implemented in partnership with the Ministry of Education and the Ministry of Industry and Mineral Resources. It aims to support 47 students through employment and scholarship opportunities in collaboration with the private sector.

#### “You Are Not Alone” Program:

An initiative by the Eradah Charity Association to support children with Down Syndrome in Jubail Industrial City from birth to 12 years old.

#### Anti-Drug Awareness Campaign:

Conducted in collaboration with the General Directorate of Narcotics Control in Yanbu.

#### Blood Donation Campaign:

Organized in cooperation with medical institutions and hospitals in Jubail and Yanbu.

#### Blood Pressure Screening:

Aimed at raising awareness of health risks associated with high or low blood pressure.

#### Education on Blood Sugar Levels:

Providing insights into the health effects of high and low blood sugar levels.

#### Dental Health Awareness:

With guidelines for dental care.

Charitable Organization	Description
Bena Association for Orphans Care in the Eastern Province	Supporting the taxi car project by providing 18 out of 240 cars to create a source of income for orphans.
Efaa Charity Association for the Care of People with Disabilities in the Eastern Province	Supporting the rehabilitation sessions project by providing 2,000 therapy sessions for people with disabilities.
Jubail Orphans Association	Supporting the care of 500 orphans and 200 widows, providing social and economic rehabilitation programs, and supporting the endowment building.
Esaad Association for the Care of Widows and Divorced Women in the Eastern Province	Supporting the Esaad Endowment Project to contribute to rent assistance programs.
Imam Asim School for Quran Memorization in Jubail	Golden sponsorship of the graduation ceremony for 26 Quran memorizers.
Radwa Women's Association in Yanbu	Supporting sustainable projects such as a confectionery factory to aid productive families.
Humanitarian Services Association in Yanbu	Supporting the renovation program for 17 homes for families in need.
King Salman Library Project in the Eastern Province	Contributing to the library project as a cultural landmark.
Al-Ber Charity Association in the Eastern Province	Supporting the sustainable Ikram Center project, including a mosque and other facilities such as a mortuary.
Quran Memorization Association in Jubail	Supporting the Al-Nibras Endowment Project.
Prince Mohammed bin Nasser Developmental Housing Association in Jazan	Supporting the construction of housing for families in need.
Al-Nbahh Humanitarian Services Association in Yanbu	Renovating and furnishing a residential unit to serve orphans and widows.
Jubail Orphans Association	Supporting the construction of an investment endowment to serve 450 orphans.
Al-Nabia Charity Association in the Eastern Province	Completing the construction of the first endowment to serve orphans, widows, and the poor.



Since its establishment, Marafiq has been committed to providing assistance and initiatives that contribute to community development and enhance knowledge across various fields.



361

Volunteer Hours  
Total Corporate Social Responsibility Hours

Health Program

16 hours

(2 hours with 8 employees in Jubail)

Tree Planting

60 hours

(2 hours with 30 employees in Jubail)

Beach Volunteer Program

200 hours

(4 hours with 50 employees and their families)

Hospital Visit

8 hours

(2 hours with 8 employees in Yanbu)

Student Awareness Program  
Through Marafiq visits

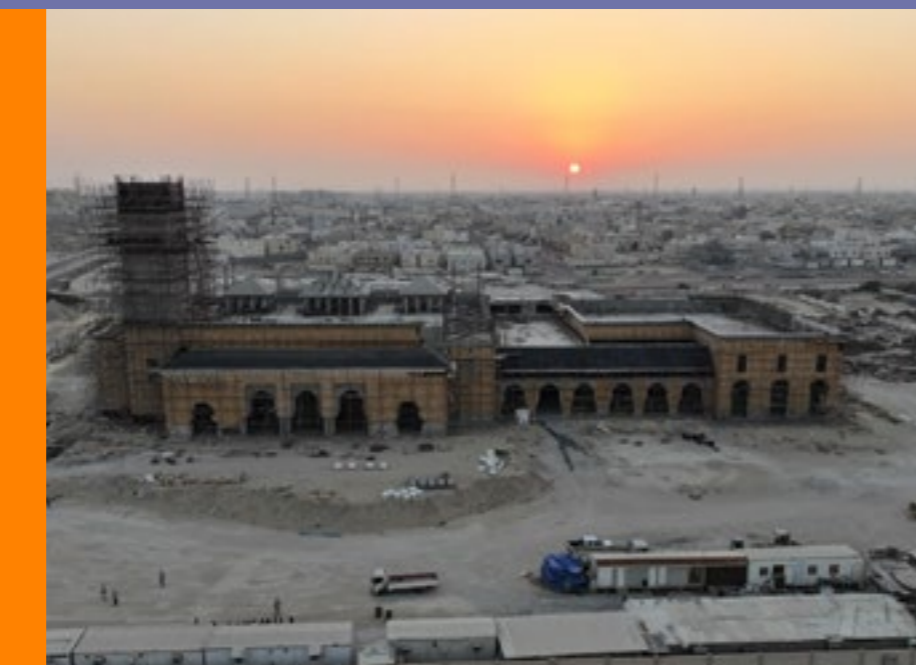
40 hours

(2 hours with 20 students in Jubail)

Blood Donation Campaign

37 hours

(1 hour with 37 employees in Jubail)





Marafiq invests in the development of its human resources as one of its most valuable assets, through advanced training programs that enhance technical and leadership skills, aiming to prepare qualified employees to take on future leadership positions.



# Corporate Governance

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## Governance Framework

Marafiq has established its governance framework by adopting the governance regulations issued by the Capital Market Authority (CMA) in the Kingdom of Saudi Arabia. This framework provides the company's board of directors, management, and stakeholders with a clear structure, policies, and guidelines to ensure the achievement of the company's goals, manage stakeholder expectations, and meet regulatory requirements.

Our commitment to a robust governance approach is a vital pillar of our future and growth plans, as it includes the essential components of auditing and balancing necessary to protect our business, employees, and the communities in which we operate.

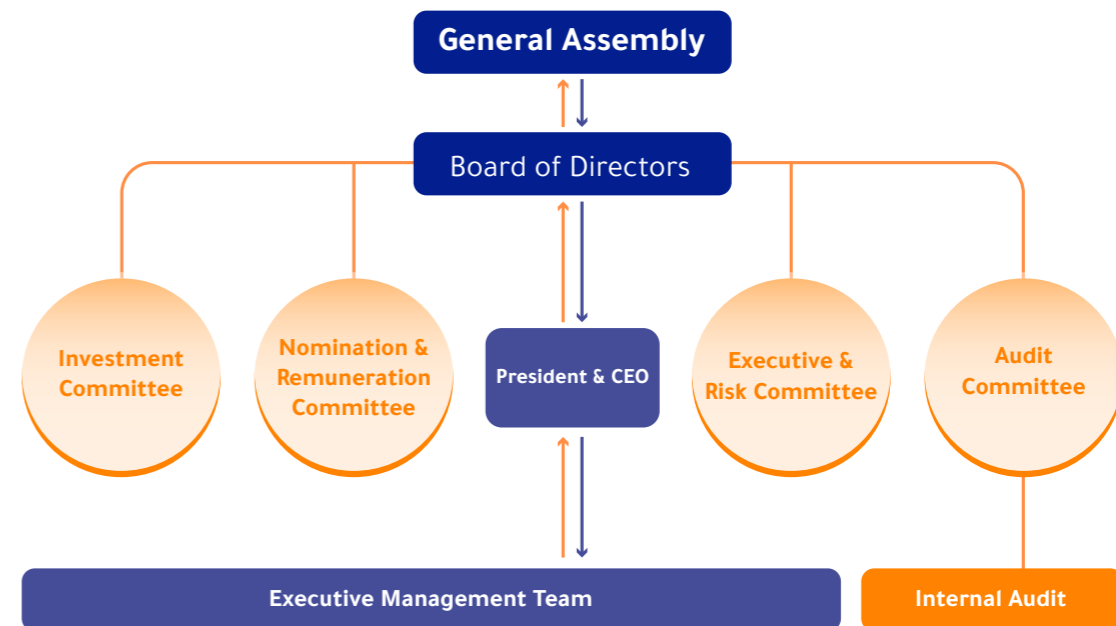
### Marafiq's governance framework encompasses several key policies and regulations, including:

1. Anti-Corruption, Fraud and Whistle Blowing Policy
2. Board Membership Policy, Criteria and Procedure
3. Board Work Rules and Procedures Policy
4. Conflict of Interest Policy and Dealing with Related Parties
5. Dividends Distribution Policy
6. Disclosure, Announcement and Transparency Policy
7. Board Members, Boards' Committees and Executive Management Remuneration Policy
8. Code of Ethics and Conduct Policy
9. Audit Committee Charter
10. Nomination & Remuneration Committee Charter
11. Corporate Governance Manual
12. Executive & Risk Committee Charter
13. Investment Committee Charter

## Governance Structure

The administrative structure of Marafiq consists of the company's Board of Directors, four (4) committees emanating from the Board of Directors and a team of executive officials.

The Board of Directors has the overall responsibility for establishing, supervising and auditing its governance principles and policies to ensure the company's compliance with relevant regulations, while at the same time promoting the company's growth and sustainability.



# Investor Relations

The Investor Relations at Marafiq aim to ensure a clear understanding of the company's strategy, operational and financial performance by providing and facilitating access to information through continuous communication and collaboration with investors, analysts and international stakeholders. This emphasizes Marafiq's commitment to achieving the highest standards of transparency, credibility and flexibility in its dealings with all stakeholders. In 2024, the company held several meetings with potential and current investors through its participation in various conferences and promotional tours, aiming to expand the company's investor base and provide them with data related to its performance and future projections.

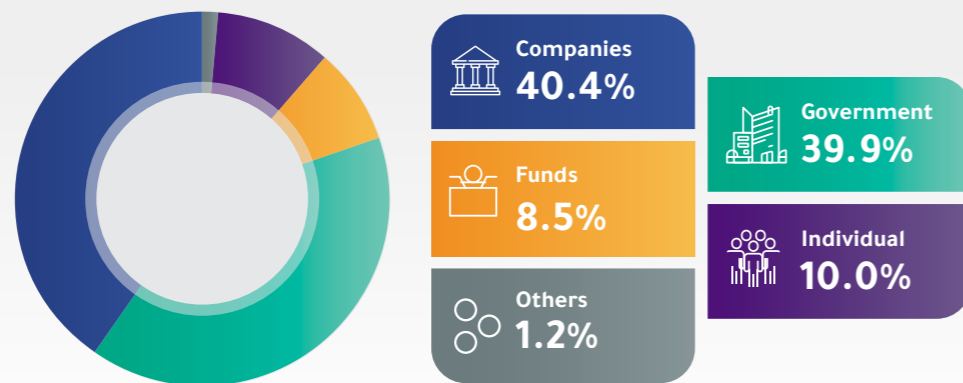
## Ownership structuring

Marafiq was established as a closed joint-stock Saudi company with a capital of 2.5 billion, owned by the Public Investment Fund (PIF), Saudi Basic Industries Corporation (SABIC), the Royal Commission for Jubail and Yanbu (RCJY), Saudi Aramco Power Company (SAPCO), with each owning 24.81% of the company's

shares. Additionally, a group of other private sector investors owns a combined 0.76% of the company's shares. In 2022, some of the company's shares were listed on the Saudi Stock Exchange (Tadawul), with the number of shareholders reaching 200,812 as of December 31, 2024.

Below we will give you a general overview of Marafiq's investors:

## Investor's Share Percentage (%)



Type of Investors	No. of Shares	Ownership %	No. of Shareholders
Companies	100,958,645	40.4%	144
Government	99,843,691	39.9%	9
Individual	24,957,043	10.0%	200,303
Funds	21,209,683	8.5%	284
Others	3,030,938	1.2%	72
<b>Total</b>	<b>250,000,000</b>	<b>100%</b>	<b>200,812</b>

## Nationality of Investors:

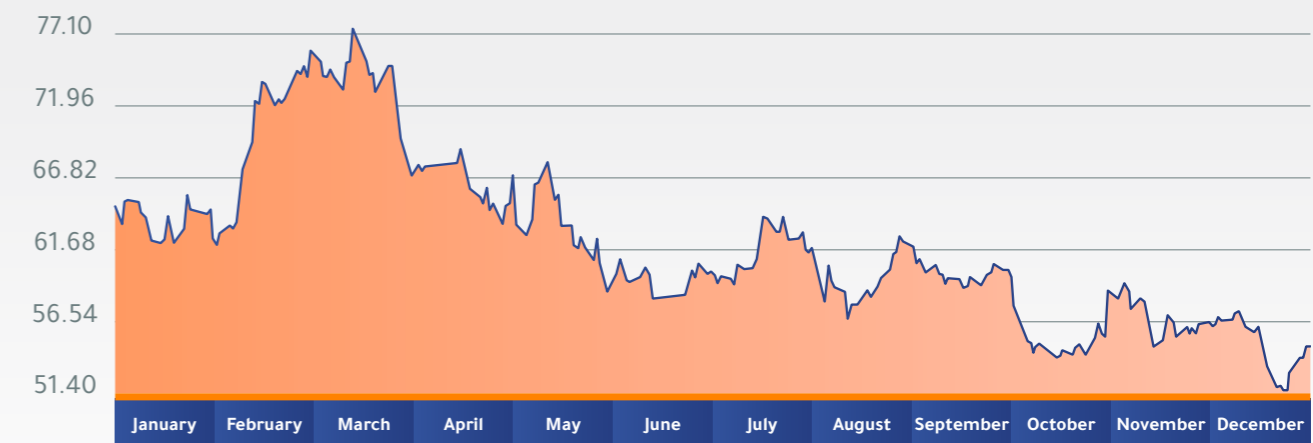
Nationality	No. of Shares	Ownership %	No. of Shareholders
Saudi	232,932,662	93.17%	193,871
Non-Saudi	17,067,338	6.83%	6,941
<b>Total</b>	<b>250,000,000</b>	<b>100%</b>	<b>200,812</b>

## Major Shareholders:

The names, numbers and ownership percentage (%) of the Major Shareholders who owns (5%) or more, together with their changes during the year 2024 are listed below:

Ownership of 5% or more	Beginning of the Year 2024		Ending of the Year 2024	
	No. of Shares	Ownership %	No. of Shares	Ownership %
Royal Commission for Jubail and Yanbu	43,750,000	17.5%	43,750,000	17.5%
Public Investment Fund	43,750,000	17.5%	43,750,000	17.5%
Saudi Basic Industries Corporation	43,750,000	17.5%	43,750,000	17.5%
Saudi Aramco Power Company	43,750,000	17.5%	43,750,000	17.5%
<b>Total</b>	<b>175,000,000</b>	<b>70%</b>	<b>175,000,000</b>	<b>70%</b>

## Share Performance for the year 2024



## Shareholders Record

The company requested shareholders record Sixteen (16) times during the fiscal year ending on December 31, 2024. The following table shows the dates of shareholder's date of request and the purpose for requesting them:

No.	Date of Request	Purpose of Request
1	January 31, 2024	Preparing for Company's internal report
2	February 29, 2024	Preparing for Company's internal report
3	March 19, 2024	Dividends Distribution
4	March 31, 2024	Preparing for Company's internal report
5	April 24, 2024	Ordinary General Assembly
6	April 30, 2024	Preparing for Company's internal report
7	May 31, 2024	Preparing for Company's internal report
8	June 30, 2024	Preparing for Company's internal report
9	July 24, 2027	Extraordinary General Assembly
10	July 31, 2024	Preparing for Company's internal report
11	August 21, 2024	Dividends Distribution
12	August 31, 2024	Preparing for Company's internal report
13	September 30, 2024	Preparing for Company's internal report
14	October 31, 2024	Preparing for Company's internal report
15	December 5, 2024	Preparing for Company's internal report
16	December 31, 2024	Preparing for Company's internal report

## Communications with Shareholders & Investors

Marafiq relies on the principle of fairness in providing appropriate information at the appropriate time to all shareholders and investors. It informs them of its performance and activities during the year by publishing all relevant reports within the statutory periods to enable shareholders and investors to view them. The company is also committed to continuously disclosing any important developments that may occur and have an impact on its financial position and business. Through the Tadawul website, its website on the Internet and other means of communication, for the purpose of helping investors make investment decisions based on correct and sufficient information.

Ensuring that information is not leaked to some investors and not others, and that all beneficiary parties have equal opportunities to obtain the information. The company is committed to carefully and diligently implementing policies and procedures for disclosing important developments, financial statements and performance reports, in accordance with the legal requirements, applicable regulations, and instructions received from the relevant authorities.

During the fiscal year ending on December 31, 2024 the company issued Twenty three (23) announcements as follows:

No.	Date of Announcement	Subject of Announcement
1	January 4, 2024	Power and Water Utility Company for Jubail and Yanbu (Marafiq) announces that it has received a notification of an increase in the prices of energy products
2	February 4, 2024	Power and Water Utility Company for Jubail and Yanbu (Marafiq) Announces the Completion of the Independent Sewage Treatment Plant Project at Jeddah City
3	March 7, 2024	Power and Water Utility Company for Jubail and Yanbu announces its Annual Financial Results for the Period Ending on 31 December 2023
4	March 7, 2024	Power and Water Utility Company (Marafiq) for Jubail and Yanbu announces the board of director's decision to distribute cash dividends for second half of 2023
5	March 12, 2024	Power and Water Utility Company for Jubail and Yanbu (Marafiq) Announces Organizing a Conference Call to Discuss the Annual Financial Results of the Year 2023
6	April 1, 2024	Power and Water Utility Company for Jubail and Yanbu Invites its Shareholders to attend the Ordinary General Assembly Meeting (First Meeting) through means of modern technology.
7	April 25, 2024	Power and Water Utility Company for Jubail and Yanbu Announces the Results of the Ordinary General Assembly Meeting (First Meeting)
8	April 25, 2024	Addendum announcement from Power and Water Utility Company for Jubail and Yanbu regarding the results of the Ordinary General Assembly meeting (First Meeting)
9	April 28, 2024	Addendum announcement from Power and Water Utility Company for Jubail and Yanbu (Marafiq) regarding the notification received about increasing the prices of energy products
10	May 2, 2024	Power and Water Utility Company for Jubail and Yanbu announces its Interim Financial results for the Period Ending on 2024-03-31 (Three Months)
11	June 13, 2024	Power and Water Utility Company for Jubail and Yanbu Invites its Shareholders to attend the Extraordinary General Assembly Meeting (First Meeting) through modern technology means.
12	July 17, 2024	Power and Water Utility Company for Jubail and Yanbu (Marafiq) announces its joining the Al Haer Wastewater Treatment Plant Development Consortium with Miahona and NV Besix S.A.
13	July 25, 2024	Power and Water Utility Company for Jubail and Yanbu Announces the Results of the Extraordinary General Assembly meeting (1st meeting)
14	August 1, 2024	Power and Water Utility Company for Jubail and Yanbu announces its Interim Financial results for the Period Ending on 2024-06-30 (Six Months)
15	August 1, 2024	Power and Water Utilities Company for Jubail and Yanbu (Marafiq) announces the distribution of cash dividends for first half of 2024
16	August 1, 2024	Correction announcement from Power and Water Utility Company for Jubail and Yanbu in regards to distribution of cash dividends for first half of 2024.
17	October 30, 2024	Power and Water Utility Company for Jubail and Yanbu (Marafiq) announces its Interim Financial Results for the Period Ending on 30-09-2024 (Nine Months)
18	November 10, 2024	Power and Water Utility Company for Jubail and Yanbu (Marafiq) announces its acquisition of Veolia Middle East's shares in Jeddah Althaniya Operation and Maintenance Company
19	November 24, 2024	The Power and Water Utility Company for Jubail and Yanbu Announces Rescheduling Existing Islamic Loans offered by Banque Saudi Fransi, Saudi Awwal Bank and Saudi National Bank
20	November 28, 2024	Marafiq company announces the execution of a contract for the implementation of The project to convert yanbu 2 station from the use of liquid fuels to natural gas as Part of the liquid fuel displacement program with company doosan heavy industries & Cons co. Ltd and company branch of doosan heavy industry construction company Ltd.
21	December 1, 2024	The Power and Water Utility Company for Jubail and Yanbu announces the opening of the nomination period for the board of director's membership
22	December 2, 2024	Corrective announcement from power and water utility company for jubail and Yanbu (marafiq) regarding the company's announcement of executing a contract To implement the project to convert yanbu 2 station from using liquid fuel to Natural gas as part of the liquid fuel displacement program with company doosan Heavy industries & cons co. Ltd and company branch of doosan heavy industry Construction.
23	December 15, 2024	The Power and Water Utility Company for Jubail and Yanbu Announces an update on Power and Water Utility Company for Jubail and Yanbu (Marafiq) announces its acquisition of Veolia Middle East's 51% stake in Jeddah II Operation and Maintenance Company.

## Dividend distribution policy

- Marafiq ensures the distribution of profits to its shareholders following authorization from the General Assembly and requisite approvals from the Board of Directors. Shareholders are also reminded to update their data and link it to their investment portfolios to facilitate timely communication and avoid delays in reaching them.
- The distribution of profits is subject to the net profit achieved after deducting all general expenses and other costs, in accordance with the provisions of Article (4) of the company's By-laws, which are stated as follows: -
- The company's annual net profits are distributed after deducting all general expenses and other costs.
- The general assembly, based on the board's proposal, may retain a percentage of the net profits to form an additional reserve designated for a specific purpose or purposes.
- Dividends are distributed according to what the general assembly determines from the company's paid-up capital, and it may delegate this authority to the board of directors.
- The company may distribute quarterly and semi-annual dividends in accordance with applicable regulations.
- The remaining portion of the profits is distributed to shareholders as additional dividends or carried forward to subsequent years as approved by the general assembly.

The following table shows the percentages of profits distributed to shareholders for the fiscal year ending on December 31, 2024:

Date of Distribution	Profits Distributed During the Year 2024		
	Dividends distributed for the Second half of the year 2023	Dividends distributed for the first half of the year 2024	Total
	March 27, 2024	September 5, 2024	
Percentage (%)	11%	3.5%	14.5%
Dividends Per Share (ﷲ)	1.1	0.35	1.45
Total (ﷲ)	275,000,000	87,500,000	362,500,000

## General Assembly

During the year 2024, the Company held two (2) General Assembly Meetings for the Shareholders. The following table shows the date of the General Assemblies that the Company held for Shareholders during the fiscal year ending December 31, 2024 and the names of the Board of Directors attending the assembly are as follows:

Name	Ordinary General Assembly Meeting	Extraordinary General Assembly Meeting
	April 24, 2024	July 24, 2024
HE Engr. Khalid Mohammed Al-Salem	✓	✓
Engr. Ahmed Mohammed Al-Jabr	✓	✓
Mr. MUSAAD AHMED AL-SAYOUHI	✓	✓
Mr. Badr Abdullah Al-Ghariry	✓	✓
Mr. Soliman Abdulaziz Al-Hosain	✓	✓
Mr. Amr Abdulaziz Al-Jallal	✓	✓
Engr. Suliman Khalid Al-Mazroua	✓	✓

✓ Attended    X Absent



# Board and Committee Members

- Chairman
- Board of Directors
- Audit Committee
- Investment Committee
- Vice Chairman
- Nomination & Remuneration Committee
- Executive & Risk Committee



H.E. Engr.  
Khalid Mohamed Al-Salem

- 
- 
- 



Engr.  
Ahmed Mohammed Al-Jabr

- 
- 
- 



Mr.  
Badr Abdullah Al-Ghariry

- 
- 
- 



Mr.  
Soliman Abdulaziz Al-Hosain

- 
- 
- 



Mr.  
MUSAAD AHMED AL-SAYOUI

- 
- 
- 



Mr.  
Amr Abdulaziz Al-Jallal

- 
- 
- 



Engr.  
Suliman Khalid Al-Mazroua

- 
- 
- 



Engr.  
Khaled Suleman Al-Muhaisen

External Member ●

## Summary of the roles, task and responsibilities of the Board of Directors

Marafiq's Board of Director is the highest administrative body responsible before the General Assembly of Shareholders for the management of the company in accordance with the company's By-laws and related regulations. Among the most prominent tasks and main functions of the Board are drawing and approving the strategic directions and main objectives of the company and establishing and following up on internal control procedures, governance and risk management and ensuring their efficiency and effectiveness, approving the main budgets

and financial policies, and following up and monitoring the company's performance and the work of its executive management. In addition to developing policies that regulate the relationship with stakeholders and protect their rights including developing and adopting policies that ensure the application and supervision of the implementation of laws and regulations, commitment to disclose essential information related to the company and its performance, which would help shareholders and the investing public in evaluating the company's assets and liabilities.

## Formation of the Board and Committee Members

The By-Laws of Marafiq specify the number of members of the Board of Directors at seven (7) members elected by the General Assembly.

The Extraordinary General Assembly, in its meeting held on April 21, 2022, elected the members of the current Board of Directors for a period of three (3) Gregorian years starting from the date of the Assembly and ending on April 20, 2025.

Name	Classification	Role
H.E. Engr. Khalid Mohamed Al-Salem	Non-Executive	Chairman, Board of Directors
Engr. Ahmed Mohammed Al-Jabr	Non-Executive	Vice Chairman, Board of Directors
Mr. MUSAAD AHMED AL-SAYOUBI	Non-Executive	Member, Board of Directors
Mr. Badr Abdullah Al-Ghariry	Non-Executive	Member, Board of Directors
Mr. Soliman Abdulaziz Al-Hosain	Independent	Member, Board of Directors
Mr. Amr Abdulaziz Al-Jallal	Independent	Member, Board of Directors
Engr. Suliman Khalid Al-Mazroua	Independent	Member, Board of Directors



Among the most prominent tasks and main functions of the Board are drawing and approving the strategic directions and main objectives of the company and establishing and following up on internal control procedures, governance and risk management and ensuring their efficiency and effectiveness.



## Biographies of the Board & Committee Members



**H.E. Engr. Khalid Mohammed Al-Salem**  
Chairman of the Board

### Current Position:

President, Royal Commission for Jubail & Yanbu (RCJ&Y).

### Previous jobs and experiences:

- President, Saudi Authority for Industrial Cities and Technology Zones (MODON).
- Undersecretary of the Ministry of Energy, Industry and Mineral Resources.
- CEO of the National Program for Industrial Clusters.

### Qualification

- Bachelor's degree in Chemical Engineering, King Saud University.

- Master's degree in Business Administration, Thunderbird University, USA.

### Current board memberships of companies or their directors:

- Inside the Kingdom:
  - Chairman of the Board, Saudi Investment Recycling Company (SIRC).
- Outside the kingdom:
  - N/A

### Memberships of previous boards of directors or their directors:

- Inside the Kingdom:
  - N/A
- Outside the kingdom:
  - N/A



**Engr. Ahmed Mohammed Al-Jabr**  
Vice Chairman of the Board

### Current Position:

Senior Executive Advisor, CEO Office - Saudi Basic Industries Corporation (SABIC).

### Previous jobs and experiences:

- Executive Vice President, Manufacturing (SABIC).
- CEO - SABIC Agricultural Nutrients Company.
- CEO - Eastern Petrochemical Company (Sharq).

### Qualification

- Bachelor's degree in Chemical Engineering, King Fahd University of Petroleum and Minerals.

### Current board memberships of companies or their directors:

- Inside the Kingdom
  - Chairman of the Board, National Industrial Gases Co. (GAS), (April 2019 - June 2024).
- Outside the kingdom:
  - N/A

### Memberships of previous boards of directors or their directors:

- Inside the Kingdom:
  - Board Member, National Chemical Fertilizer Co. (IBN ALBAYTAR), (2002 - 2009).
  - Board Member, Arabian Industrial Fibers Co. (IBN RUSHD), (2004 - 2009).
- Outside the kingdom:
  - Board Member, Aluminum Bahrain Co. (ALBA), (2016 - 2020).



**Mr. Musaad bin Ahmed Al-Sayouhi**  
Board Member

**Current Position:**

Vice President and Assistant Financial Controller  
- Saudi Aramco.

**Previous jobs and experiences:**

- Director General of the Planning, Budgeting and Performance Management Center - Saudi Aramco.
- Acting Assistant Auditor - Saudi Aramco.
- Director of Financial Accounting Department Saudi Aramco.
- Director of Financial Readiness and Compliance Department - Saudi Aramco.

**Qualification**

- Bachelor's degree in Business Administration, University of Colorado, USA.
- Master's degree in Business Administration, Bentley University, USA.

- Certified Management Accountant Certificate, Institute of Management Accounting, USA.
- Certified Public Accountant, Board of Accountants, USA.

**Current board memberships of companies or their directors:**

**- Inside the Kingdom**

- Saudi Aramco Jubail Refinery Company (SASREF).
- Saudi Aramco Mobil Refinery Company Limited (SAMRF).

**- Outside the kingdom:**

- Jbdi Holdings Ltd.

**Memberships of previous boards of directors or their directors:**

**- Inside the Kingdom**

N/A

**- Outside the kingdom:**

- Stellar Insurance.



**Mr. Badr Abdullah Al-Ghariry**  
Board Member

**Current Position:**

Senior Vice President of Energy and Public Utilities Sector - Public Investment Fund.

**Previous jobs and experiences:**

- Assistant Vice President - Energy and Public Utilities Sector, Public Investment Fund.
- Senior Assistant - Energy and Public Utilities Sector, Public Investment Fund.
- Assistant - General Administration of Investments in the Middle East and North Africa, Public Investment Fund.
- Senior Analyst - General Administration of Investments in the Middle East and North Africa, Public Investment Fund.
- Assistant Advisor, Public Investment Fund.
- Assistant Portfolio Manager, HSBC Saudi Arabia.

**Qualification**

- Bachelor's degree in Financial Management, Arizona State University, USA.

**Current board memberships of companies or their directors:**

**- Inside the Kingdom**

- Global Environmental Services Management Co., LLC.

**- Outside the kingdom:**

N/A

**Memberships of previous boards of directors or their directors:**

**- Inside the Kingdom**

N/A

**- Outside the kingdom:**

N/A



**Mr. Soliman Abdulaziz Al-Hosain**  
Independent Board Member

**Current Position:**

Part-time consultant.

**Previous job experiences:**

- CEO, Saudi Yanbu Petrochemical Company (Joint Venture SABIC-ExxonMobil).

**Qualifications**

- Bachelor's degree in Business Administration and Marketing, Houston Tilltson University, USA.

**Current board memberships of companies or their directors:**

**- Inside the Kingdom:**

- SABIC Agricultural Nutrients Company.

**- Outside the kingdom:**

N/A

**Membership of previous Board of Directors or their Directors:**

**- Inside the Kingdom:**

- Rabigh Refining and Petrochemical Company (Petro Rabigh).
- Arabian Industrial Fibers Company (Ibn Rushd).
- Eastern Petrochemical Company (Sharq).
- Polymer Plus Technologies.

**- Outside the kingdom:**

N/A



**Mr. Amr Abdulaziz Al-Jallal**  
Independent Board Member

**Current Position:**

- CEO of Namara Investment Company.

**Previous jobs and experiences:**

- Head of Private Equity and Investment Banking, Jadwa Investment Company.
- Vice President of Investment Banking, Saudi Fransi Capital.
- Head of Registration and Listing Unit for the Industry and Services Sector, Capital Market Authority.
- Bank Credit Officer in the Commercial Banking Services Department, National Commercial Bank of Saudi Arabia (formerly known as Samba Financial Group).

**Qualification**

- Bachelor's degree in Management Information System, King Fahd University of Petroleum and Minerals.
- Master's degree in Business Administration, Rice University, USA.

**Current board memberships of companies or their directors:**

**- Inside the Kingdom:**

- Nice One Beauty E-Marketing Company.

- Morgan Stanley Saudi Arabia.

- Saudi Investment Recycling Company (SIRC).
- Global Healthcare Company (Whites and Kunuz Pharmacies).
- Hamad Mohammed Al-Raqeeb and Sons Trading Company.
- Mirak Financial Company.
- National Agricultural Development Company (NADEC).
- Hamat Holding Company.

**- Outside the kingdom:**

- October Pharma Company
- Saudi Egyptian Industrial Investment Company

**Memberships of previous boards of directors or their directors:**

**- Inside the Kingdom:**

- BAAN Holding Group (formerly Abdulmohsen Alhokair Tourism and Development Group).
- Fund of Funds Company (Jada).

**- Outside the kingdom:**

N/A



**Engr. Suliman Khalid Al-Mazroua**  
Independent Board Member

**Current Position:**

CEO of the National Industrial Development and Logistics Program.

**Previous jobs and experiences:**

- Operations Manager - National Industrial Development and Logistics Program.
- Director General - Achievement and Rapid Intervention Center.
- Director of Demand Planning, IT Strategy Management and Technology Planning Department - Saudi Aramco.

**Qualification:**

- Bachelor's degree in Systems Engineering, King Fahd University of Petroleum and Minerals.
- Master's degree in Business Administration, University of Hull, United Kingdom.

**Current board memberships of companies or their directors:**

- **Inside the Kingdom**
  - Wadi Taiba Company.
- **Outside the kingdom:**  
N/A

**Memberships of previous boards of directors or their directors:**

- **Inside the Kingdom**  
N/A
- **Outside the kingdom:**  
N/A



**Engr. Khaled Suleman Al-Muhaisen**  
External Member, Nomination & Remuneration Committee

**Current Position:**

Vice President, Digital Transformation - SABIC.

**Previous job experiences:**

- Vice President, People & Organization (HR) - SABIC.
- General Manager, People & Organization (HR) - SABIC.
- Regional HR Leader, Americas, Based in Houston USA - SABIC.
- General Manager, Global Talent Management - SABIC.
- Global HR Director Technology & Innovation / Corporate Functions - SABIC.
- Global Talent Exchange Manager, Based in Pittsfield USA - SABIC.
- HR Manager / Talent Management, MEAF - SABIC.
- HR Manager / Executive Compensation & Benefits - SABIC.

**Qualifications:**

- Bachelor of Science (BSc) in Computer Engineering, King Fahd University of Petroleum & Minerals (KFUPM).
- Colombia Business School, Corporate Governance.

**Current Board membership of companies or their Directors:**

- **Inside the Kingdom:**
  - Saudi Yanbu Petrochemical Company (YANPET).
  - Al-Jubail Petrochemical Company (KEMYA).
- **Outside the kingdom:**  
N/A

**Membership of previous Board of Directors or their Directors:**

- **Inside the Kingdom:**
  - Saudi European Petrochemical Company (IBN ZAHR).
- **Outside the kingdom:**  
N/A

## Share Ownership of Board Members

Name	Ownership Type	Ownership (%)	No. of Shares	Changes in (%)
H.E. Engr. Khalid Mohammed Al-Salem	Direct ownership	0	0	0
Engr. Ahmed Mohammed Al-Jabr	Direct ownership	0	0	0
Mr. Badr Abdullah Al-Ghariry	Direct ownership	0	0	0
Mr. Musaad Ahmed Al-Sayouhi	Direct ownership	0	0	0
Mr. Amr Abdulaziz Al-Jallal	Direct ownership	0	0	0
Mr. Soliman Abdulaziz Al-Hosain	Direct ownership	0	0	0
Engr. Suliman Khalid Al-Mazroua	Direct ownership	0	0	0

## Board Meetings

In order to enhance its role and responsibilities, the Board of Directors held six (6) meetings during the fiscal year ending on December 31, 2024.

The following table shows each member's attendance for the Board meetings and the dates they were held.

Names	1	2	3	4	5	6
	Mar. 6	May 1	May 27	Jul. 31	Oct. 30	Dec. 10
H.E. Engr. Khalid Mohammed Al-Salem	✓	✓	✓	✓	✓	✓
Engr. Ahmed Mohammed Al-Jabr	✓	✓	✓	✓	✓	✓
Mr. Badr Abdullah Al-Ghariry	✓	✓	✓	✓	✓	✓
Mr. Musaad Ahmed Al-Sayouhi	✓	✓	✓	✓	✓	✓
Mr. Amr Abdulaziz Al-Jallal	✓	✓	✓	✓	✓	✓
Mr. Soliman Abdulaziz Al-Hosain	✓	✓	✓	✓	✓	✓
Engr. Suliman Khalid Al-Mazroua	✓	✓	✓	✓	✓	✓

✓ Attended    X Absent

## Measures taken by the Board of Directors to inform its members of shareholders' proposals and observations regarding the company and its performance

Marafiq's governance regulations stipulate that the Chairman of the Board of Directors and the President and CEO of the company shall work to inform the rest of the members of the Board of Directors of the opinions of shareholders and discuss the same with them. On the other hand, the company's By-laws guarantee that shareholders participate in deliberations and discussions at general assembly meetings, enhancing communication with the company's shareholders and answering their inquiries in a way that does not harm the company's interests.

## Evaluating the performance of the Board of Directors and its committees

The Nominations and Remuneration Committee, based on its work regulations, assists the Board of Directors in evaluating the performance of the Board and its committees.

## Transactions with related parties

The company has concluded a number of contracts and transactions with some legal entities and companies that have ownership on Marafiq. These transactions and contracts fall within the scope of normal business according to item 30 contained in the audited financial statements for the year ending December 31, 2024.

# Board Committees

Marafiq has four (4) main committees: Audit Committee, Nominations & Remuneration Committee, Executive & Risk Committee, and Investment Committee.

A special list of work has been approved for each committee, which specifies the tasks, authority, responsibilities and powers of its members and committee meetings, to fully enable each committee to perform its tasks and duties.

## 1. Audit Committee

According to the Audit Committee Regulations, the committee is formed of non-executive members of the Board of Directors, whether shareholders or others. The number of members of the Committee shall not be less than three and not more than five, provided that among them is an independent Board of Directors member. These members are nominated by the Board of Directors and appointed by a decision of the company's General Assembly. The Chairman of the Board of Directors shall not be a member of the Audit Committee, nor shall anyone who works or has worked during the past two years in the executive or financial management of the company.

In light of the policy developed by the company in accordance with the rules regulating the audit committee in the corporate governance regulations issued by the Financial Market Authority, the tasks and responsibilities of the committee include the following:

### Financial Reports

- Studying and approving the company's initial and annual financial statements before presenting them to the Board of Directors and expressing an opinion and recommendation regarding them.
- Expressing its technical opinion, at the request of the Board of Directors, as to whether the Board of Directors' report and the company's financial statements are fair, balanced and understandable. It includes information that allows shareholders and investors to evaluate the company's financial position, performance, business model and strategy.
- Carefully researching any issues raised by the company's chief financial officer, the person assuming his duties, the company's compliance officer, or the external auditor.
- Studying the accounting policies followed in the company and express an opinion and recommendation to the Board of Directors regarding them.

### Internal Audit

- Studying and Auditing internal and financial control systems;
- Studying internal audit reports and follow up on the implementation of corrective measures for the observations contained therein;
- Monitoring and supervising the performance of the company's internal audit department;
- Ensuring the availability of the necessary resources and their effectiveness in performing the work and tasks assigned to them;
- Auditing and approving the internal audit report.

### External Auditor

- Recommending to the Board of Directors to nominate and dismiss external auditors, determine their rewards, and evaluate their performance.
- Verifying the independence of the external auditor, his objectivity and fairness, and the effectiveness of the audit work.
- Auditing the company's external auditor's plan and work, and verifying that he does not submit any technical or administrative work outside the scope of his work.
- Studying the external auditor's reports and comments on the financial statements and following up on what has been taken in that regard.



Marafiq has four (4) main committees: Audit Committee, Nominations & Remuneration Committee, Executive & Risk Committee, and Investment Committee.

## Compliance Assurance

- Auditing the results of the regulatory authorities' reports and ensuring that the company takes the necessary measures regarding them.
- Ensuring the company's compliance with relevant laws, regulations, policies and instructions.
- Reviewing the contracts and transactions proposed to be conducted by the company with related parties, and submitting its recommendations in this regard to the Board of Directors.
- Informing the Board of Directors of any issues related to what it deems necessary to act on and to provide recommendations on the steps that shall be taken.

## Values and Ethics

- Auditing and evaluate policies and procedures, including codes of conduct.
- Auditing reports of compliance with systems, regulations, policies, unethical behavior, etc.



A special list of work has been approved for each committee, which specifies the tasks, authority, responsibilities and powers of its members and committee meetings.

The Audit Committee is consisting of four (4) members. The following table shows each member's attendance for the Committee meetings and the dates they were held:

Names		1	2	3	4	5
		Mar. 5	Apr. 30	Jul. 29	Oct. 29	Dec. 10
Mr. Musaad Ahmed Al-Sayouhi	Chairman	✓	✓	✓	✓	✓
Mr. Amr Abdulaziz Al-Jallal	Member	✓	✓	✓	✓	X
Mr. Soliman Abdulaziz Al-Hosain	Member	✓	✓	✓	✓	✓
Mr. Badr Abdullah Al-Ghariry	Member	✓	✓	✓	✓	✓
		X Absent			✓ Attended	

## The opinion of the Audit Committee regarding the results of the annual review of the effectiveness and procedures of the company's internal control

The Audit Committee performs its powers and tasks in accordance with the committee's regulations approved by the company's general assembly and in accordance with regulatory requirements. Which includes supervising the performance of the Internal Audit Department, studying its reports, approving its work plan, and ensuring the soundness and effectiveness of the application of internal control controls, procedures, and systems.

The committee also studies the quarterly and annual data and financial statements to ensure their validity, accuracy, and compatibility with the approved accounting standards, procedures for preparing financial reports, and applicable systems and regulations.

The Audit Committee, in turn, within the responsibilities entrusted to it, submits its recommendations to the Board of Directors on matters that it deems necessary to recommend. It receives continuous support from the Board of Directors to enable it and improve the performance of its work and tasks.

During the year 2024, the committee held 5 meetings in which members of management, the internal auditor, and the company's external auditor participated, with the aim of assisting the committee in carrying out its tasks and achieving its goals.

During those meetings, they presented their views to the Audit Committee on several matters, including the accuracy of the company's financial reports and statements and the effectiveness and soundness of the company's internal control and financial risk management systems.

## 2. Nomination & Remuneration Committee

It is formed of Non-Executive Directors, whether shareholders or others, its Directors shall not be The committee is formed from non-executive board members, whether from shareholders or others. The number of members should not be less than three and not more than five, with at least one independent board member among them. The board of directors appoints its members.

In light of the policy set by the company according to the rules governing the Remuneration and Nominations Committee in the Corporate Governance Regulation issued by the Capital Market Authority, the committee's duties and responsibilities include the following:

- Preparing the remuneration policy for the board members, sub-committees and senior executives, and submitting it to the board for review before being presented for approval by the general assembly, ensuring that the policy adheres to performance-related standards.
- Clarifying the relationship between the remuneration paid and the approved remuneration policy, and indicating any significant deviations from this policy.
- Periodic review of the remuneration policy and evaluating its effectiveness in achieving its objectives.
- Recommending to the board the remuneration of its members, sub-committee members, and senior executives in accordance with the approved policy.
- Proposing clear policies and standards for board membership and executive management.
- Recommending board members and re-nominating them in accordance with the approved policies and standards, ensuring that no person who has been convicted of a crime affecting honor or integrity is nominated.
- Determining the time that a board member must dedicate to board activities.
- Reviewing the structure of the board and executive management and recommending potential changes to it.
- Creating job descriptions for executive and non-executive board members, independent members, and senior executive management.
- Establishing procedures to be followed in the event of a vacancy in any board position or senior executive role.
- Identifying strengths and weaknesses in the board and proposing solutions to address them in alignment with the company's interests.
- Annual review of the skills, knowledge, and experience required for board members, preparing a description of the tasks and capabilities needed when appointing any member, and making recommendations to the general assembly.
- Recommending performance standards for evaluating the work of the board, its sub-committees, and executive management annually.
- Reviewing the company's leadership needs to ensure the company's continued ability to effectively achieve its goals in the market and stay aligned with strategic issues and business changes that impact the company and the market it operates in.
- Establishing a disclosure policy for the remuneration of board members, sub-committees, and executive management.
- Recommending to the board the criteria for selecting candidates for board membership.

The Nomination & Remuneration Committee is consisting of four (4) members. The following table shows each member's attendance for the Committee meetings and the dates they were held:

Names		1 Feb. 11	2 Mar. 4	3 Apr. 29	4 Jun. 26	5 Sep. 18
Mr. Soliman Abdulaziz Al-Hosain	Chairman	✓	✓	✓	✓	✓
H.E. Engr. Khalid Mohammed Al-Salem	Member	X	✓	✓	✓	✓
Engr. Suliman Khalid Al-Mazroua	Member	✓	✓	✓	X	✓
Engr. Khaled Suleman Al-Muhaisen (*)	Member	✓	✓	✓	✓	✓

(\*) Membership starts on 01/01/2024.

✓ Attended    X Absent

## 3. Executive & Risk Committee

The Board of Directors appoints the members, with at least three members and no more than five, with at least two members being non-executive Board members.

In light of the policy set by the company according to the rules governing the Executive and Risk Committee in its working regulation, the committee's duties and responsibilities include the following:

- Studying operational plans, capital plans, and five-year business plans.
- Studying the company's environmental, health, and safety plans and performance, and ensuring compliance with related regulations and laws.
- Setting technical standards and performance criteria for the company's operations, maintaining and reviewing them as necessary for sectors such as water, sewage, seawater cooling, electricity, and monitoring compliance with and implementation of these technical standards.
- Setting, reviewing, monitoring, and adjusting customer service standards as necessary.
- Studying and approving capital projects related to the company or recommending them to the board according to the approved delegation.
- Following up on the progress and execution of capital projects.
- The committee, when performing its duties, must submit its decisions to the board and the relevant company departments in writing, with justifications for these decisions where possible.
- Establishing comprehensive strategies and policies for risk management in line with the company's activities, continuously reviewing the effectiveness of the company's risk management systems, ensuring their implementation, and updating them based on internal and external changes.
- Determining the acceptable level of risk the company may face and ensuring it is maintained and that the company does not exceed this threshold.
- Supervising the company's risk management system, evaluating the effectiveness of risk identification, measurement, and monitoring systems, identifying deficiencies, and addressing them.
- Periodically reassessing the company's ability to bear and be exposed to risks (e.g., through stress tests).



- Ensuring the availability of sufficient resources and systems for managing risks.
- Ensuring that the risk management department's employees understand the surrounding risks and work to increase awareness of the risk culture.
- Reviewing the organizational structure of risk management and providing recommendations before approval by the board.
- Reviewing any issues raised by the Audit Committee that may affect risk management in the company.
- Preparing detailed reports on risk exposure and proposed steps to manage these risks, and submitting them to the board.
- Providing advice and recommendations to the board regarding the company's risk management framework (including policies and procedures for company-wide risk management).
- Reviewing and approving the information to be included in the annual report regarding risk management.
- Ensuring the company's continued viability and success in its operations, identifying risks that threaten its sustainability in the short or long term.

The Executive & Risk Committee is consisting of three (3) member for now. The following table shows each member's attendance for the Committee meetings and the dates they were held:

Names		1	2	3	4	5	6	7	8
		Jan. 3	Feb. 13	Feb. 26	Apr. 17	Jul. 16	Jul. 30	Oct. 20	Nov. 18
Engr. Ahmed Mohammed Al-Jabr	Chairman	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Badr Abdullah Al-Ghariry	Member	✓	X	X	✓	✓	✓	✓	✓
Engr. Suliman Khalid Al-Mazroua	Member	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Amr Abdulaziz Al-Jallal (*)	Member	✓	✓	✓	✓				

(\*) Membership ends on 26 /05/2024.

✓ Attended X Absent

## 4. Investment Committee

The Board of Directors appoints the members, with at least three members and no more than five, with at least two members being non-executive Board members.

In light of the policy set by the company according to the rules governing the Investment Committee formed by the board on 27/5/2024, the committee's duties and responsibilities include the following:

- Studying investment opportunities for business growth strategy and recommending them to the board in accordance with governance principles, reviewing periodic reports from executive management regarding the progress of these projects and investment opportunities, which include:
  - Growth opportunities through bilateral agreements.
  - Growth opportunities through participation in open competitive bidding.
  - Growth opportunities arising from sustainability programs related to business growth strategy.
- Ensuring compliance with applicable regulations and laws, and providing feedback regarding these opportunities, recommending them to the board, and following up on their implementation to achieve commercial operation and declare the start of the operating phase until the project contract or concession period ends.
- Studying and proposing modifications to the business growth strategy and presenting them to the board for approval as needed or based on market changes.
- Ensuring that adequate resources are available for investment.
- Reviewing the periodic reports provided by the company on the progress of investment opportunities and recommending actions on them.
- Identifying and prioritizing proposed investment opportunities in line with the company's capabilities and in accordance with governance principles.
- Assessing and managing risks related to investment opportunities under the committee's purview and working to mitigate or eliminate them in alignment with the company's objectives.
- Providing general supervision over proposed investment activities by company management, including, but not limited to:
  - Developing appropriate procedures to measure and periodically evaluate the company's investment performance as required.
  - Mergers or acquisitions of companies and assets or divesting them.
  - Joint ventures under partnership agreements, consortiums, or joint ventures.
  - Investing in new or existing projects, participating in their expansion or termination, or selling or exiting them within the committee's purview.
  - Studying financing options for investment opportunities.

The Investment Committee is consisting of four (4) members. The following table shows each member's attendance for the Committee meetings and the dates they were held:

Names		1	2	3	4
		Jul. 10	Sep. 27	Sep. 29	Dec. 9
HE Engr. Khalid Mohammed Al-Salem	Chairman	✓	✓	✓	✓
Engr. Ahmed Mohammed Al-Jabr	Member	✓	✓	✓	✓
Mr. MUSAAD AHMED AL-SAYOUI	Member	✓	✓	✓	✓
Mr. Amr Abdulaziz Al-Jallal	Member	✓	✓	✓	✓

✓ Attended X Absent

# Executive Management

Current and previous board memberships, academic qualifications and experiences of the company's senior executives:



## Eng. Mohammed Berki Al-Zuabi

President and Chief Executive Officer

### Current Membership:

- Chairman of the Board of Directors, MaSa Services Company for Operation and Maintenance (MaSa Services).
- Chairman of the Board of Directors of Jubail Water and Power Company (JWAP).

### Previous jobs and experiences:

- Member of the Board of Directors of the Power and Water Utility Company for Jubail and Yanbu (Marafiq).

- Chairman of the Board of Directors of the Jeddah Al-Thaniya Water Company (JAWC).
- Director of Energy Operations - Department for the Northern Region - Saudi Aramco.

### Qualification:

- Bachelor's degree in Electrical Engineering, King Fahd University of Petroleum and Minerals.
- Master's degree in Construction Engineering and Management, King Fahd University of Petroleum and Minerals.
- Master's Degree in Sustainable Electrical Energy, Georgia Institute of Technology, USA.



## Eng. Jamal Abdulrahman Omar

Vice President of Operations

### Current Membership:

- Chairman of the Board of Directors of the Jeddah Al-Thaniya Operations & Maintenance Company (JAOMC).
- Non-Executive Vice Chairman of the Board of Directors, Jubail and Yanbu District Cooling Company (Marafiq Cool).

### Previous jobs and experiences:

- Non-Executive Board Member, MaSa Services Company for Operation and Maintenance (MaSa Services).
- Non-executive member of the Board of Directors, Jeddah Althaniya Operation and Maintenance Company.
- General Manager of the Yanbu 2 Operation and Maintenance Complex Project, Power and Water Utility Company for Jubail and Yanbu (Marafiq).
- General Manager of Strategic Planning, Power and Water Utility Company for Jubail and Yanbu (Marafiq).

- Business Development Manager, Power and Water Utility Company for Jubail and Yanbu (Marafiq).
- Facilities Planning Manager, Power and Water Utility Company for Jubail and Yanbu (Marafiq)
- Senior Electrical and Instrumentation Engineer, Royal Commission for Jubail and Yanbu (RCJY)

### Qualification:

- Bachelor's degree in Electrical Engineering, King Fahd University of Petroleum and Minerals.
- Master's degree in Electrical and Control Engineering, Union University, USA.
- Strategic Negotiation Executive Program Certificate in Negotiation and Influence, Stanford University, USA.
- Certificate in Public Administration Program in Executive Management, Harvard University, USA.
- Program Certificate for Electrical and Energy Systems (PSEC), General Electric Company, USA.



## Eng. Sultan Turki Al-Ruhaili

Vice President of Engineering

### Current Membership:

- Chairman of the Board of Directors, Jeddah Al-Thaniya Water Company (JAWC).

### Previous jobs and experiences:

- Vice Chairman and Board Member of Jeddah Al-Thaniya Water Company (JAWC).
- Non-Executive Board Member of MaSa Services Company for Operation and Maintenance (MaSa Services).
- Non-Executive Board Member, Marafiq Water and Power Supply Company (Tawreed).

- General Manager of Yanbu 2 Project, Power and Water Utility Company in Jubail and Yanbu (Marafiq).
- General Manager of Technical Affairs, Power and Water Utility Company for Jubail and Yanbu (Marafiq).
- Project Manager, Power and Water Utility Company for Jubail and Yanbu (Marafiq).
- Engineering Director, Power and Water Station, Royal Commission for Jubail and Yanbu.

### Qualification:

- Bachelor's degree in Mechanical Engineering, King Fahd University of Petroleum and Minerals.



## Mr. Muhammed Abdulhamid Al-Mulhim

Vice President of Finance and Information Technology

### Current Membership:

- Non-Executive Board Member, MaSa Services Company for Operation and Maintenance (MaSa Services).

### Previous jobs and experiences:

- Non-Executive Board Member, Jeddah Althaniya Water Company.
- Non-executive Board Member, Marafiq Insurance Company.
- Non-Executive Board Member, Marafiq Water and Power Supply Company (Tawreed)
- Member of the Board of Directors, Saudi Clariant Company.

- Executive Member of the Board of Directors, National Inspection and Technical Testing Company (Fahs).
- Member of the Board of Directors, National Battery Company (Batteries).
- General Manager of Finance, National Industrialization Company (Tasnee).
- Performance and Reporting Manager, Saudi Basic Industries Corporation (SABIC).
- Budget and Reports Manager, Eastern Petrochemical Company (Sharq).

### Qualification:

- Bachelor's degree in Finance, King Fahd University of Petroleum and Minerals.

## Share Ownership of Executive Management

Member name	Ownership %	No. of Shares	Change Percentage
Eng. Mohammed Berki Al-Zuabi	0	0	0
Eng. Jamal Abdulrahman Omar	0	0	0
Eng. Sultan Turki Al-Ruhaili	0	0	0
Mr. Mohammed Abdulhamid Al-Mulhim	0	0	0

# Remunerations

## First: Members of the Board of Directors and its committees

Each member of the Board and members of the permanent committees emanating from the Board are entitled to the following Remunerations and allowances:

- An attendance allowance of Three Thousand Saudi Riyals (ﷲ 3,000) for each meeting attended.
- Providing housing, transportation, and subsistence, or disbursing an assignment allowance (according to the desire of the Board member/Committee member) of One Thousand Saudi Riyals (ﷲ 1,000) for each day in the event that the meeting is held inside the Kingdom and outside the city in which the member resides. In addition, an assignment allowance of Two Thousand Saudi Riyals (ﷲ 2,000) for each day in the event that the meeting is held outside the Kingdom, including travel days, according to the company's approved policy for senior executives
- The value of a first-class, round-trip air ticket from the city in which the member resides to the city in which the meeting shall be held in accordance with the policy approved by the company in this regard.
- The annual remunerations for members of the Board of Directors shall be Two Hundred and Fifty Thousand Saudi Riyals (ﷲ 250,000) for each member of the Board of Directors and financial remunerations of One Hundred and Fifty Thousand Saudi Riyals (ﷲ 150,000) for each member of the permanent committees. The remunerations shall be calculated according to the period of time he spent as a member of the Board or Committee during the year. Furthermore, the total amount a member receives for his membership in the Board and affiliated committees during the year should not exceed a maximum of Five Hundred Thousand Saudi Riyals (ﷲ 500,000). This limit does not include attendance, assignment, or travel expenses (if the company provides this).
- The annual reward for the Secretary of the Board and the Secretaries of the committees is determined by the Board.
- The reward is paid annually as decided by the Board, based on the recommendation of the Nomination and Remuneration Committee.

- The Board may grant an additional reward of Two Hundred and Fifty Thousand Saudi Riyals (ﷲ 250,000) to the Chairman of the Board, and an additional reward of Seventy-Five Thousand Saudi Riyals (ﷲ 75,000) to the Chairpersons of the Committees, based on the recommendation of the Nomination and Remuneration Committee and without it being included within the maximum limit for rewards paid to Board members and Committees.

### The benefits and rewards for committee members who are not board members are as follows:

- A committee member who is not a Board member is entitled to a financial reward of One Hundred and Fifty Thousand Saudi Riyals (ﷲ 150,000), calculated based on the duration of their membership in the committee during the year.
- Each member of the Board committees, who is not a Board member, receives Three Thousand Saudi Riyals (ﷲ 3,000) for attending each committee meeting.
- Committee members who are not Board members are compensated for travel expenses according to the rules applicable to Board members, as outlined in this policy.

## Second: Executive Management

- The Nominations and Remuneration Committee audit the salary scale specified for all employees and the executive management and the incentive program, plans on an ongoing basis, and approves them based on the recommendation of the executive management.
- The Board of Directors, based on the recommendation of the Nominations and Remuneration Committee, determines the executive management remuneration, if it is consistent with the strategic principles and objectives of the company. It shall serve as a factor to motivate the executive management to achieve those goals, and enhance the company's ability to develop and continue its business.
- The maximum limit for executive management remuneration shall be audited annually, with any amendments being based on a recommendation from the Nominations and Remuneration Committee.
- The company shall work to attract executive managers who have the capabilities, skills and qualifications necessary to enable the company to achieve its aims.



### Third: Clarifying the relationship between the Remunerations granted and the applicable Remunerations policy, and indicating any material deviation from this policy.

- The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, determines the remuneration of each of the members of the Board of Directors, committee members and senior executives.
- In accordance with the regulatory controls approved by the Board of Directors and the remuneration policy for members of the Board of Directors, its sub-committees and senior executives approved by the company's General Assembly.
- Accordingly, the member is entitled to the remunerations granted to him accordingly, and there is no fundamental deviation from the applicable policy.

The following tables show the remuneration and compensation for members of the Board of Directors, committee members and senior executives, including the CEO and CFO, which were paid during the financial year ending on 31/12/2024:



#### A. Board Members' Remuneration

##### Fixed Remunerations

##### Variable Remunerations

#### Board members' remuneration

	* Fixed Remunerations	Attending council meetings' allowance	Total attending committee sessions' allowance	In kind Allowance	Administrative technical work 's remuneration	Chairman of the Council or the Secretary's remuneration, if he is a member	Total	Variable Remunerations					Total	End of service remuneration	Total	Expense allowance
								Profits' percentage	Periodic remuneration	Short-term incentive plans	Long-term incentive plans	Granted shares				
<b>First: Independent Members</b>																
Mr. Soliman Abdulaziz Al-Hosain	250,000	18,000	30,000				298,000								298,000	22,690
Mr. Amr Abdulaziz Al-Jallal	250,000	18,000	36,000				304,000								304,000	0
Mr. Suliman Khalid Al-Mazroua	250,000	18,000	36,000				304,000								304,000	5,057
<b>Total (ﷲ)</b>	<b>750,000</b>	<b>54,000</b>	<b>102,000</b>				<b>906,000</b>								<b>906,000</b>	<b>27,747</b>
<b>Second: Non-executive members</b>																
H.E. Engr. Khalid Mohammed Al-Salem	250,000	18,000	24,000				292,000								292,000	13,257
Mr. Ahmed Mohammed Al-Jabr	250,000	18,000	36,000				304,000								304,000	23,693
Mr. Musaad Ahmed Al-Sayouhi	250,000	18,000	27,000				295,000								295,000	25,693
Mr. Badr Abdullah Al-Ghariry	250,000	18,000	33,000				301,000								301,000	8,492
<b>Total (ﷲ)</b>	<b>1,750,000</b>	<b>72,000</b>	<b>120,000</b>				<b>1,192,000</b>								<b>1,192,000</b>	<b>71,135</b>

(\*) The specified amount represents the annual reward for board membership for the year 2023, which was paid after the approval of the General Assembly on April 24, 2024. Furthermore, the maximum allowable amount for a member is ﷲ 500,000, in accordance with the Board, Committee and Executive Management Remuneration Policy (Clause 5.2).

### B. Committee members' remuneration for their membership in Board of Directors committees:

Member	Fixed Remunerations *	Attending sessions allowance	Expense allowance	Total (ﷲ)
<b>Audit Committee Members</b>				
Mr. Musaad Ahmed Al-Sayouhi	150,000	15,000	0	165,000
Mr. Soliman Abdulaziz Al-Hosain	150,000	15,000	400	165,400
Mr. Amr Abdulazi Al-Jallal	150,000	12,000	0	162,000
Mr. Badr Abdullah Al-Ghariry <sup>(1)</sup>	25,068	15,000	0	40,068
<b>Nomination and Remuneration Committee</b>				
Mr. Soliman Abdulaziz Al-Hosain	150,000	15,000	22,110	187,110
Eng. Khalid Mohammed Al-Salem	150,000	12,000	1,000	163,000
Mr. Suliman Khalid Al-Mazroua	150,000	12,000	0	162,000
Engr. Khaled Suleman Al-Muhaisen <sup>(2)</sup>	-----	15,000	4,765	19,765
<b>Executive and Risk Committee Members</b>				
Mr. Ahmed Mohammed Al-Jabr	150,000	24,000	1,000	175,000
Mr. Badr Abdullah Al-Ghariry	150,000	18,000	0	168,000
Mr. Suliman Khalid Al-Mazroua	150,000	24,000	0	174,000
Mr. Amr Abdulaziz Al-Jallal <sup>(3)</sup>	62,466	12,000	0	74,466
<b>Investment Committee Members</b> (No remuneration was distributed, as the committee was formed on May 27, 2024, and the rewards mentioned above applies specifically to the year 2023)				
HE Engr. Khalid Mohammed Al-Salem	-----	12,000	0	12,000
Engr. Ahmed Mohammed Al-Jabr	-----	12,000	0	12,000
Mr. Musaad Ahmed Al-Sayouhi	-----	12,000	0	12,000
Mr. Amr Abdulaziz Al-Jallal	-----	12,000	0	12,000

(\*) The fixed reward represents the annual reward for board members' membership in the board committees for the year 2023, which was paid after the approval of the General Assembly on April 24, 2024. Furthermore, the maximum allowable amount for a member is ﷲ 500,000, in accordance with the Board, Committee and Executive Management Remuneration Policy (Clause 5.2).

(1) Membership starts on 01/11/2023.

(2) Membership starts on 01/01/2024.

(3) Membership on the Executive and Risk Committee started on 02/08/2023 and ended on 26/05/2024, while his membership in the Investment Committee starts on 27/05/2024.

### C. Remuneration paid to the top five senior executives, including the CEO and CFO, for the fiscal year 2024:

<b>Fixed Remunerations</b>	Salaries	6,193,497
	Allowance	2,271,098
	In kind Allowance	15,984
	<b>Total (ﷲ)</b>	<b>8,480,579</b>
<b>Variable Remunerations</b>	Periodic remuneration	
	Earnings	
	Short-term incentive plans	1,881,409
	Long-term incentive plans	1,498,603
	Awarded Shares	
<b>Total (ﷲ)</b>	<b>3,380,012</b>	
<b>End of service remuneration</b>		
<b>Total executive remuneration for the Board, if any</b>		
<b>Total (ﷲ)</b>		<b>11,860,591</b>

## Declarations under the Corporate Governance Regulations

1. Marafiq has adopted rational practices incorporate governance in accordance with governance regulations and rules issued by regulatory authorities, and in accordance with international principles of governance and its best practices. The company has established a general framework for its governance that includes a set of regulations and policies through which roles and responsibilities are defined. How to make and implement decisions, and monitor their implementation, in light of the rules of transparency that achieve accountability and enhance performance efficiency, based on the relevant rules and regulations. The Board of Directors is responsible for monitoring the implementation of governance systems to verify the integrity and accuracy of the application to ensure adherence to best governance practices. Ensuring the adoption and implementation of the best international systems for compliance and commitment, which guarantee the rights of workers, shareholders, investors and stakeholders alike.
2. Marafiq also applies all the provisions contained in the Corporate Governance Regulations issued by the Capital Market Authority, with the exception of the provisions stated below:

Article/paragraph number	Text of article/paragraph	Reasons for nonapplication
Article No. (39): Evaluation (f)	The non-executive members of the Board of Directors conduct a periodic evaluation of the performance of the Chairman of the Board after taking the views of the executive members (without the Chairman of the Board attending the discussion designated for this purpose) provided that the strengths and weaknesses are identified and a proposal to address them is consistent with the interest of the company.	Guiding paragraph
Article No. (51): Formation of the Audit Committee, Paragraph (C)	The Chairman of the Audit Committee shall be an independent member	Guiding paragraph
Article No. (84): Social Responsibility	The Ordinary General Assembly - based on a proposal from the Board of Directors - shall establish a policy that ensures the establishment of a balance between its objectives and the objectives that society aspires to achieve.	Guiding paragraph
Article Ninety-Two: Formation of a Corporate Governance Committee	For developing the social and economic conditions of society. If the Board of Directors forms a committee specialized in corporate governance, it shall delegate to it the powers stipulated in Article No. 91 of these regulations. This committee shall follow up on any issues related to governance applications, and provide the Board of Directors, at least annually, with the reports and recommendations it reaches.	Guiding paragraph

3. That the account records were prepared correctly, that the internal control system was prepared on sound foundations and implemented effectively, that there is no significant doubt about the company's ability to continue its activity.
4. There is no punishment, penalty, precautionary measure, or precautionary restriction imposed on the company by the competent authority or by any other supervisory, regulatory, or judicial authority.
5. The company has an internal audit department.
6. There is no conflict between the recommendations of the Audit Committee and the decisions of the Board of Directors, and the recommendation of the Audit Committee was taken into consideration, which included appointing the company's auditor and determining his fees for the fiscal year 2024.
7. No competitive business or contracts shall be concluded with any member of its Board of Directors or one of its senior executives, and there is no personal interest for any of them or any person related to them.
8. The company's consolidated financial statements were prepared during the fiscal year 2024 in accordance with the standards approved by the Saudi Organization for Certified Public Accountants.
9. The company did not issue or grant any transferable debt instruments, contractual securities, preemptive rights, or any similar rights during the fiscal year 2024.
10. The company shall not issue or grant any transfer or subscription rights under any transferable debt instruments, contractual securities, guarantees or similar rights.
11. There are no recoveries, purchases or cancellations by the company of any recoverable debt instruments.
12. No contracts or agreements exist that permit a senior executive or member of the board of directors to forego pay or remuneration.
13. No shareholder of the corporation has given up their entitlement to earnings through any arrangements or agreements.
14. The auditor's report shows that the consolidated financial statements are free of any fundamental errors, and there are no reservations regarding them.
15. The Board of Directors shall not issue a recommendation to change the auditor before the end of his appointed term.

## Conclusion

In conclusion, this Annual Report reflects our unwavering commitment to transparency, accountability, and continuous improvement as we navigate the challenges and opportunities that lie ahead. We extend our heartfelt gratitude to our dedicated staff and executive management for their tireless efforts and professionalism, as well as to our valued stakeholders and all governmental and local entities for their continued support and collaboration. Together, we are poised to drive sustainable growth and create lasting positive impact in our communities. We look forward to building on our successes and embracing the future with innovation and resilience. Thank you for being a crucial part of our journey.

## The Company's Headquarter

### Jubail Industrial City, Eastern Province

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### Marafiq Office in Yanbu City

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