

مِرافِيق  
MARAFIQ

A photograph of an industrial facility, likely a refinery or petrochemical plant, situated along a body of water. The sky is a mix of blue and orange, suggesting dusk or dawn. The facility features several tall, cylindrical distillation columns and various pipes and structures. The lights of the facility are visible, and their reflection is seen in the water. The image is overlaid with several vertical, semi-transparent blue and white stripes that create a sense of depth and movement.

# Delivering on Our Commitments

Annual Report  
2025

# Contents

<b>Introduction</b>	<b>4</b>	<b>Financial Performance</b>	<b>38</b>	<b>Risk Management</b>	<b>62</b>	<b>Corporate Governance</b>	<b>118</b>
Report Overview	4	Consolidated financial performance of Marafiq and its investee companies	40	Risk Management	64	Governance Framework	120
<b>Management Report</b>	<b>6</b>	<b>Business Results</b>	<b>46</b>	<b>Sustainability Review</b>	<b>82</b>	Governance Structure	121
Message from the Chairman	8	Market Overview	48	Sustainability Approach	84	Investor Relations	122
Message from the President & CEO	10	Power Sector	52	Business Ethics	89	Shareholders' Report	124
Company Overview	12	Water Sector	54	Employee Well-Being	98	Dividends Distribution Policy	125
Business Model	16	Gas Sector	57	Health and Safety	107	General Assembly Meeting	125
Marafiq's Presence	18	Independent Sector	58	Community Engagement	111	Board and Committee Members	126
Subsidiaries and Affiliates	20	Operational Excellence	60	Customer Satisfaction	114	Board Committees	137
Marafiq's Journey	22			Responsible Supply Chain	116	Executive Management	144
Moving Forward in 2025	24					Remunerations	146
Strategy and KPIs	26					Declarations under the Corporate Governance Regulations	154
Investment Case	31					<b>Appendix</b>	<b>156</b>
Digital Transformation: Building a Smarter, Sustainable Marafiq	34					Services Provided by the Company	158
						Licenses and Certifications	162
						Sustainability Data	163
						GRI Content Index	164
						Saudi Exchange ESG Disclosure Themes	168
						SASB Content Index	169

# Introduction

It all starts here...

At Marafiq, we support Saudi Arabia's growth by providing integrated utility services that dynamic communities and industries can depend on, whatever the future holds.

Our operations span the full spectrum of essential utilities, including power generation; gas distribution; drinking and industrial water production and supply; seawater for industrial cooling; and sanitary wastewater collection and treatment. These services form the backbone of industrial and urban life in Jubail, Yanbu, Ras Al-Khair, Jazan, and Jeddah.

Every commitment Marafiq makes is a promise to our customers, our communities, and our nation. In 2025, we delivered on those promises once again. We advanced reliability, strengthened customer focus, and, through disciplined execution and measurable progress, continued to build the foundations for long-term, sustainable growth. Our annual theme—Delivering

on Our Commitments—captures more than operational achievement; it reflects a culture rooted in accountability. Transparency and social responsibility are just as important to us as the megawatts we deliver or the millions of liters of water we supply every day.

As the Kingdom continues its transformative journey, Marafiq remains dedicated to providing safe, reliable, and sustainable utility services that meet customer needs, exceed environmental expectations, and create enduring value for shareholders. Guided by Saudi Vision 2030, we take pride in enabling industrial development, enhancing community well-being, and supporting Saudi Arabia's long-term prosperity.

## Report Overview

This report provides a comprehensive overview of Power and Water Utility Company for Jubail and Yanbu (Marafiq) and its performance for the fiscal year ending December 31, 2025. It was approved by the Board of Directors on February 24, 2026, and presents key

financial and non-financial information relevant to shareholders, investors, analysts, lenders, regulators, and other stakeholders, outlining Marafiq's strategic progress, operational achievements, and sustainability performance throughout the reporting period.

## About the Company

Power and Water Utility Company for Jubail and Yanbu ("Marafiq" or "the Company") was established under Royal Decree No. M/29 dated 21/07/1421H (corresponding to October 18, 2000G) as a Saudi joint stock company. Its Articles of Association were approved under Ministerial Decision No. 2101 dated 26/12/1421H (corresponding to March 21, 2001G). Marafiq commenced its commercial operations on January 1, 2003. The Company operates under Commercial Registration No. 2055004968 and Unified Number 7001433833, both issued in Jubail Industrial City, where its headquarters are located.

The issued and paid-up share capital of the Company is 2,500,000,000, divided into 250,000,000 ordinary shares with a nominal value of 10 per share. A portion of Marafiq's shares was listed on the Saudi Stock Exchange (Tadawul) on November 23, 2022. For more information on the share ownership, please refer to the [Investor Relations](#) section of this report.

## Boundaries and Regulations

This Annual Report covers the operations and activities of Marafiq and its subsidiaries for the twelve-month period from January 1, 2025, to December 31, 2025. The scope of information presented in this report covers the Parent Company and its subsidiaries (collectively, "the Group"), as disclosed in the consolidated financial statements for the year ended December 31, 2025. For further details on the Group's subsidiaries and associates, please refer to the [Subsidiaries](#) section.

This report has been prepared in accordance with the requirements and guidelines of:

- Articles 87–90 of the Capital Market Authority (CMA) Corporate Governance Regulations, issued by the CMA pursuant to Resolution No. 8-16-2017 dated February 13, 2017, as amended by Resolution No. 8-5-2023 dated January 18, 2023.

- Companies Law, issued under Royal Decree No. M/132 dated 1/12/1443H (corresponding to June 30, 2022G).
  - Global Reporting Initiative (GRI) Standards 2021 (with reference).
  - SASB Standards – Electric Utilities & Power Generators (2023-12) and Water Utilities & Services (2023-12).
  - Saudi Exchange ESG Disclosure Guidelines and Themes.
- No restatements of information from previous reporting periods were made in this report.

Marafiq recognizes the importance of credibility and transparency in sustainability reporting. While the Company has not engaged an external assurance provider for its sustainability disclosures in this reporting period, it intends to obtain independent assurance in future reporting cycles.

## Disclaimer on Forward-Looking Statements

This report contains forward-looking statements that reflect the Company's current expectations, strategic outlook, and plans. Such statements may include, without limitation, expressions preceded or followed by, or containing, words such as "target," "believe," "expect," "aim," "intend," "may," "anticipate," "estimate," "plan," "project," "will," "should," "could," "continue," or other terms of similar meaning.

These statements are based on assumptions and projections about future events that are subject to known and unknown risks, uncertainties, and other factors beyond the Company's control. Accordingly,

actual results, performance, or achievements may differ materially from those expressed or implied in these forward-looking statements.

The contents of this report do not constitute, and should not be interpreted as, an offer or invitation to buy or sell the Company's shares or securities. In the event of any inconsistencies or errors in the figures presented, the official audited financial statements shall take precedence. Marafiq undertakes no obligation to update or revise any forward-looking statements contained in this report, except as required by applicable laws and regulations.

## Feedback and Contact Information

Stakeholders are encouraged to share feedback and inquiries related to this report through the email: [InvestorRelations@marafiq.com.sa](mailto:InvestorRelations@marafiq.com.sa)



For more information, please visit Marafiq's website: [marafiq.com.sa](http://marafiq.com.sa)

# Management Report

## Delivering Performance

In 2025, we made great strides across several key areas, driven by our ongoing investments to upgrade and modernize essential infrastructure. One of the year's biggest milestones was the start of converting one of our oil-fired power plants to a gas-fired facility—a major step toward boosting efficiency, enhancing reliability, and supporting the Kingdom's sustainability goals.

A large orange number '91' followed by a percentage sign '%'. The background of the number is a horizontal bar that is 91% filled with orange, representing the progress of the IWTP-8 Expansion (Stage 4) in Jubail.

91%

Overall progress of IWTP-8 Expansion (Stage 4) in Jubail

# Message from the Chairman



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

Chairman of the Board of Directors

## Distinguished shareholders of the Power and Water Utility Company for Jubail and Yanbu (Marafiq),

As we end another fruitful year, our primary goal remains to deliver reliable, timely, and high-quality services for power, water, gas, and wastewater treatment. We are committed to ensuring the stable availability of services while offering outstanding customer care.

Marafiq holds a unique position across the Royal Commission cities under the Royal Commission for Jubail and Yanbu (RCJY) particularly, and other cities in Saudi Arabia by providing essential primary needs from power, water and gas for Industrial Sectors along with Residential areas. The rapid development of these zones is increasing the demand for resilient infrastructure in the city's vital industrial centers and gateways to global markets. This places a significant responsibility upon our Company—one that we are honored to uphold.

In alignment with Saudi Vision 2030, we are executing a well-defined strategy to support national industrial growth and economic diversification. By 2030, we aspire to become a leader in water and wastewater projects in the Kingdom, while diversifying our revenue streams through strategic partnerships and joint ventures.

In 2025, we achieved significant success in meeting our strategic objectives. Marafiq has established itself as a key player in project development, having participated in numerous Build-Own-Operate (BOO) and Build-Operate-Own-Transfer (BOOT) initiatives. This strong track record is evident in our three major projects: the Jeddah Independent Sewage Treatment Plant (ISTP), the Al-Haer ISTP, and the Amiral Industrial Wastewater Treatment and Reuse Plant (IWTP).

In addition to our core services, we are strategically focused on expanding into new sectors. This includes offering utility services to other industrial cities and developing captive projects throughout the Kingdom.

**20%**  
goal of reducing greenhouse gas emissions by 2030

In line with national commitments, we continue to pursue our goal of reducing greenhouse gas emissions by 20% by 2030. Our Carbon Neutrality Strategy serves as a framework for our long-term approach. The key focus of this strategy is to increase energy production with lower emissions intensity and to implement heat-recovery initiatives that enhance energy utilization.

Switching from oil to natural gas as the primary fuel for power generation can significantly help us achieve our goals. In 2025, a major milestone was the start of the Yanbu-2 Power Plant fuel conversion project, which will transition the plant from oil to natural gas. This conversion is expected to enhance efficiency, reduce GHG emissions, and improve reliability, all the while supporting national priorities under the Liquid

Fuel Displacement Program. Backed by the Ministry of Energy, this initiative represents a practical step toward modernizing our generation assets in line with the Kingdom's energy transition efforts.

While focusing on operational excellence and profitability, we remain committed to the highest standards of corporate governance and transparency. In 2025, Marafiq enhanced its oversight through structured simulations and improved scenario analysis. We have strengthened our ability to anticipate and respond to risks, ensuring that challenges are understood in context and their impact is proactively managed.

In 2026, God willing we will focus on increasing our profitability by capturing new revenue streams. Our strategy will remain centered on leveraging our established asset base to support growth in Jubail, Yanbu, Ras Al-Khair, Jazan, Jeddah and other cities. Demand fundamentals are strong, driven by population growth and expanding industrial activity, which makes our role as a provider even more vital.

I would like to express my heartfelt gratitude to the leaders of our wise government—the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and the Crown Prince, His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al Saud, may God protect them. With God's help, we will continue to pursue success in implementing their transformative vision 2030 for our beloved Kingdom.

I would also like to express my gratitude to the Royal Commission for Jubail and Yanbu, the Ministry of Energy, the Ministry of Environment, Water and Agriculture, the Ministry of Industry and Mineral Resources, the Saudi Water Authority, the Saudi Electricity Regulatory Authority, and the Capital Market Authority for their ongoing support of Marafiq.

In conclusion, I want to thank our shareholders for their trust, our employees for their dedication and professionalism, and our partners and stakeholders for their collaboration and support. Together, we will continue to build on our achievements, pursue responsible growth, and contribute to a sustainable and prosperous future for everyone.

# Message from the President & CEO



**Engineer  
Mohammed Berki Al-Zuabi**  
President & CEO

As we conclude yet another year in the enduring journey of Marafiq, we maintained resilient performance across all its core businesses. Throughout the year, we engaged with local and international developers to explore joint growth opportunities. We partnered with Miahona, BeSix, and Buhur Investment Company to co-develop several projects. Financial closure was achieved for the Al-Haer ISTP, while the remaining projects are being on final evaluation following bid submission.

One of the biggest milestones was the 30-year concession agreement with SATORP for the treatment and reuse of industrial wastewater from the Amiral IWTP, currently under construction in Jubail II Industrial City. This project focuses on recycling industrial wastewater

into demineralized water and treating spent caustic waste, which makes it a benchmark for green innovation in wastewater treatment in Saudi Arabia.

During the year 2025, the Saudi Water Partnership Company selected Marafiq, as part of a consortium, as the Preferred Bidder for the Arana ISTP under a 25-year BOOT contract in the Makkah Province. In parallel, we continue to evaluate several cogeneration projects expected to be launched in the near term.

Following the approval to amendment of Industrial water tariffs in the industrial cities under the jurisdiction of the Royal Commission for Jubail and Yanbu by 9.56% for the industrial sector only, this adjustment

is expected to positively impact the company's cash flows in the coming years. To support rising demand and future growth, Marafiq invested in long-term infrastructure, including the development of two wastewater treatment plants in Jubail with a combined capacity of 245,000 m<sup>3</sup>/day. We are also assessing opportunities for the operation and maintenance of gas networks in Jubail and Ras Al-Khair, in coordination with the Ministry of Energy, the Royal Commission for Jubail and Yanbu, and Saudi Aramco, and developing operating and financial models to support future decisions.

Net profit increased by ₪ 432 million driven by higher sales volumes across all segments, representing an increase of 6.84% in overall demand compared to last year. During the year, Power segment demonstrated strong demand growth of 10.54%, which was offset by a one-off adjustment related to High Intensity Electricity Consumption Tariff (HIECT). Further increase is due to 14% increase in revenue of Tawreed (wholly owned subsidiary) and 10% reduction in Finance cost owing to lower SIBOR rate.

**₪ 432 Million**  
net profit increase in 2025

These improvements were partially offset by ongoing cost pressures, including a 27% increase in fuel costs and a 17% increase in power and water purchases. In response, we implemented a comprehensive cost-optimization framework. Operations and maintenance teams intensified efforts to optimize service contracts, reduce administrative costs, leverage economies of scale, and prioritize repair over replacement. These measures are expected to optimize the 2025–2026 operating budget and enhance financial efficiency.

As a future-ready organization, we achieved significant success in adapting to energy transition requirements and smart-grid integration. The Yanbu-2 Power Plant fuel conversion project, launched in 2025 which is scheduled for completion by 2028, is expected to reduce GHG emissions by approximately 20% upon completion, lower air pollutant emissions, and reduce the overall carbon intensity of industrial activities in Yanbu.

We also accelerated our digital transformation, transitioning to digital-first services and establishing the Digital Transformation Office to provide strategic direction. The integration of AI into daily operations improved employee productivity and enabled real-time analytical insights.

Saudization remains our strategic priority. In 2025, Saudi nationals represented 87.4% of the workforce. Guided by our belief that empowering Saudi youth is a long-term investment, we provide scientific, technical, and practical training through initiatives including the Professional Development Program (PDP), the Program of Cooperation with Universities and Colleges (COOP), the On-the-Job Training Program (OJT), the “Masar Al-Wa’ed” initiative, and the TAMHEER On-the-Job Training Program, which strengthen technical, professional, and leadership skills of Saudi employees.

We are also advancing workforce diversity by increasing female representation; women accounted for 15% of total new hires in 2025. This commitment is reflected in targeted recruitment for specific roles and enrolling high-potential female employees in leadership and empowerment programs.

At Marafiq, the health and safety of our employees have always been our top priority. Therefore, it is especially heartbreaking to report that in January 2025, a fire occurred at one of our facilities in Yanbu Industrial City. Although it was promptly contained, four contractor workers tragically lost their lives. On behalf of Marafiq, I extend my deepest condolences to their families.

This incident served as a profound moment of reflection for the Company. It reinforced a fundamental truth: safety is not only our moral obligation but also the cornerstone of our operational integrity, business resilience, and long-term sustainability. In response to this tragic event, we engaged a global process safety consultant to conduct an independent review of our systems and safety culture. Based on the findings from this review, we accelerated the Safety Leadership Engagement for Marafiq (SALEM) program and introduced a Safety Maturity Index to enhance oversight and accountability. Additionally, we are exploring the use of digital tools to better integrate safety into work planning, authorization, and communication.

Looking ahead to 2026, our short- and mid-term priorities include upskilling the operations and maintenance workforce, advancing digitalization and AI implementation, developing comprehensive asset master plans for aging facilities, and integrating safety and environmental considerations into operational improvement programs.

In conclusion, I would like to express my gratitude to our Chairman and Board members for their ongoing support and to thank our dedicated employees across the Kingdom. Their tireless efforts ensure uninterrupted service for our customers and partners, and their unwavering dedication enables us to deliver on our commitments with confidence and reliability.

# Company Overview

Marafiq is dedicated to supporting the Kingdom of Saudi Arabia's ambition to be a dynamic place to live, work, and prosper. By supplying the essential utilities that empower communities and industries to thrive now and every day to come.

Our work may happen quietly in the background, but millions depend on us. We power homes and factories, deliver drinking and industrial water, treat wastewater, and supply seawater cooling for major industries. Everything we do is ultimately in service of the prosperity, well-being, and long-term sustainability of the communities we proudly support.

What defines us is not only what we deliver, but how we deliver it. Reliability is one of our most important promises. With advanced monitoring systems, dedicated teams working around the clock, and resilient infrastructure, we ensure that homes, businesses, and industries can depend on us without interruption. As the Kingdom grows, we continue to elevate performance and reduce our environmental footprint, so our services remain safe, efficient, and ready for the future.

Every commitment we make—to customers, communities, partners, and the nation—is rooted in accountability and trust. Our record of dependable supply and on-time delivery reflects a culture that understands that meaningful progress is built through consistency, care, and a long-term vision.

Guided by Saudi Vision 2030, we are proud to be a part of shaping a future defined by industrial diversification, strengthened energy and water security, and vibrant communities thriving across Saudi Arabia.

## ■ Our Vision ■

To be the preferred supplier of utility services in major industrial cities in the Kingdom of Saudi Arabia.

## ■ Our Mission ■

To meet our customers' needs by providing reliable and sustainable utility services that comply with environmental standards and maximize shareholder value.

## ■ Our Values ■

Our people bring our strategy to life through core principles that guide every decision and every interaction:

People Orientation

Accountability

Teamwork

Transparency

Social Responsibility

Customer Focus

## Marafiq's Services

Our services are designed to meet the diverse needs of industries, businesses, and residents

### ■ Power Generation, Transmission, and Distribution

*Reliable power for industrial, commercial, and residential customers.*

We work 24/7 to ensure that every home, business, and factory has the stable, uninterrupted power it needs to grow and thrive.

### ■ Gas Distribution

*Safe, continuous supply to customers in Yanbu Light Industrial Park Expansion.*

Our gas network is built to the highest safety standards, giving industries the confidence to plan, operate, and expand without disruption.

### ■ Water Production

*Desalinated and treated water for residential and industrial use.*

From drinking water to industrial supply, we ensure every drop meets strict quality standards and reaches our customers when they need it.

### ■ Seawater Cooling

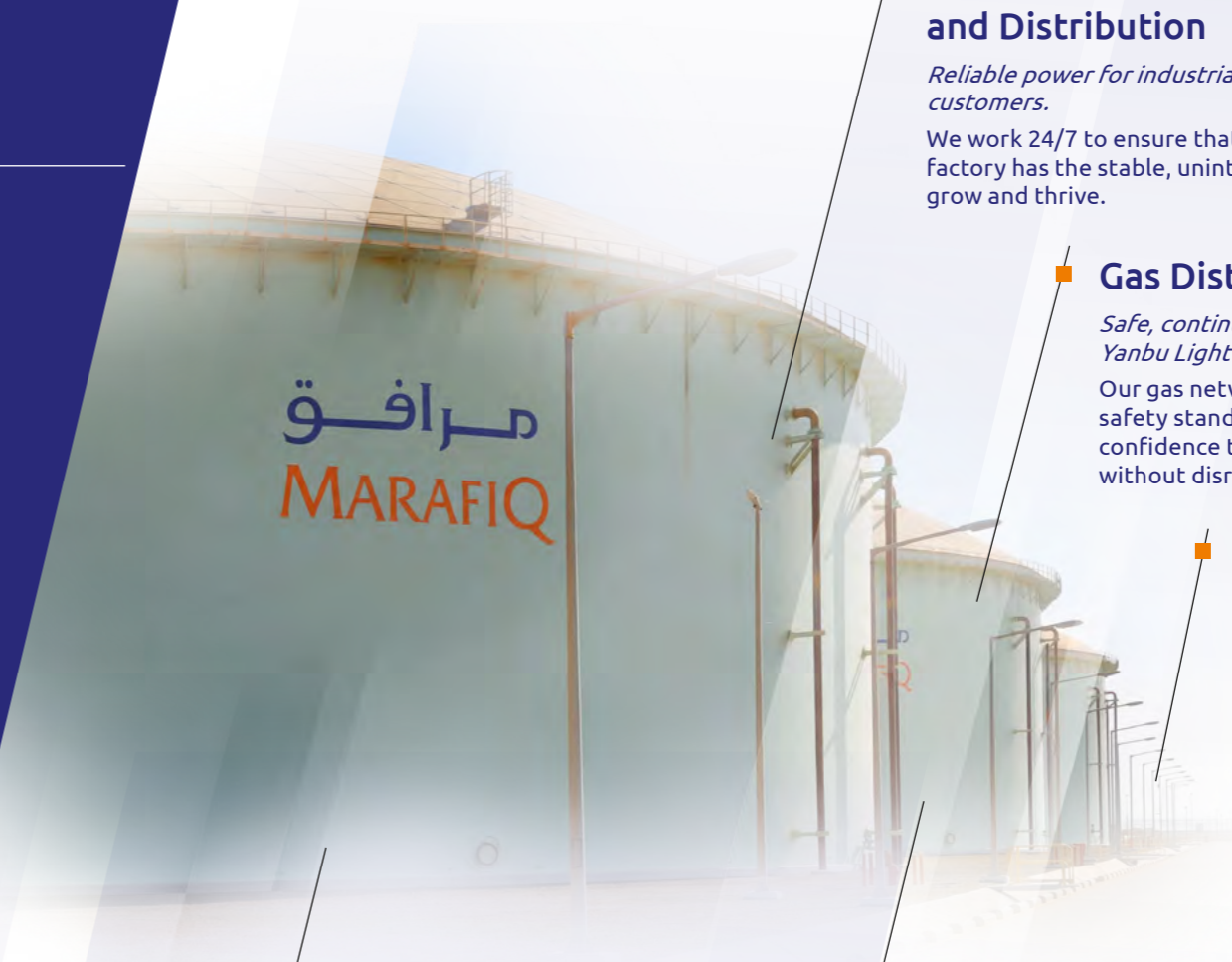
*Large-scale infrastructure supporting energy-intensive industries.*

These systems enable some of the Kingdom's most important industrial processes, enabling high-performance operations while conserving valuable resources.

### ■ Wastewater Management

*Collection, treatment, and recycling of sanitary and industrial wastewater.*

By transforming wastewater into a reusable resource, we help protect the environment and support the Kingdom's circular economy ambitions.



## Marafiq in Numbers

**4.8** GW  
Power production

**345.75** km  
Power transmission

**3.2** %  
Power capacity in the Kingdom of Saudi Arabia

**4,000** km  
Power distribution network

**12** km  
Gas distribution network

**55** MMSCFD  
Gas sales capacity

**7.2** %  
Water desalination capacity in the Kingdom of Saudi Arabia

**1.3** million m<sup>3</sup>/day  
Desalinated water production

**735** thousand m<sup>3</sup>/day  
Wastewater treatment

**56.6** million m<sup>3</sup>/day  
Seawater cooling

### Founding Day

Marafiq takes pride in Saudi Arabia's glorious history. See how the Company and its employees celebrated Founding Day in 2025.



→ [x.com](https://x.com)



→ [x.com](https://x.com)

### Awards and Recognition



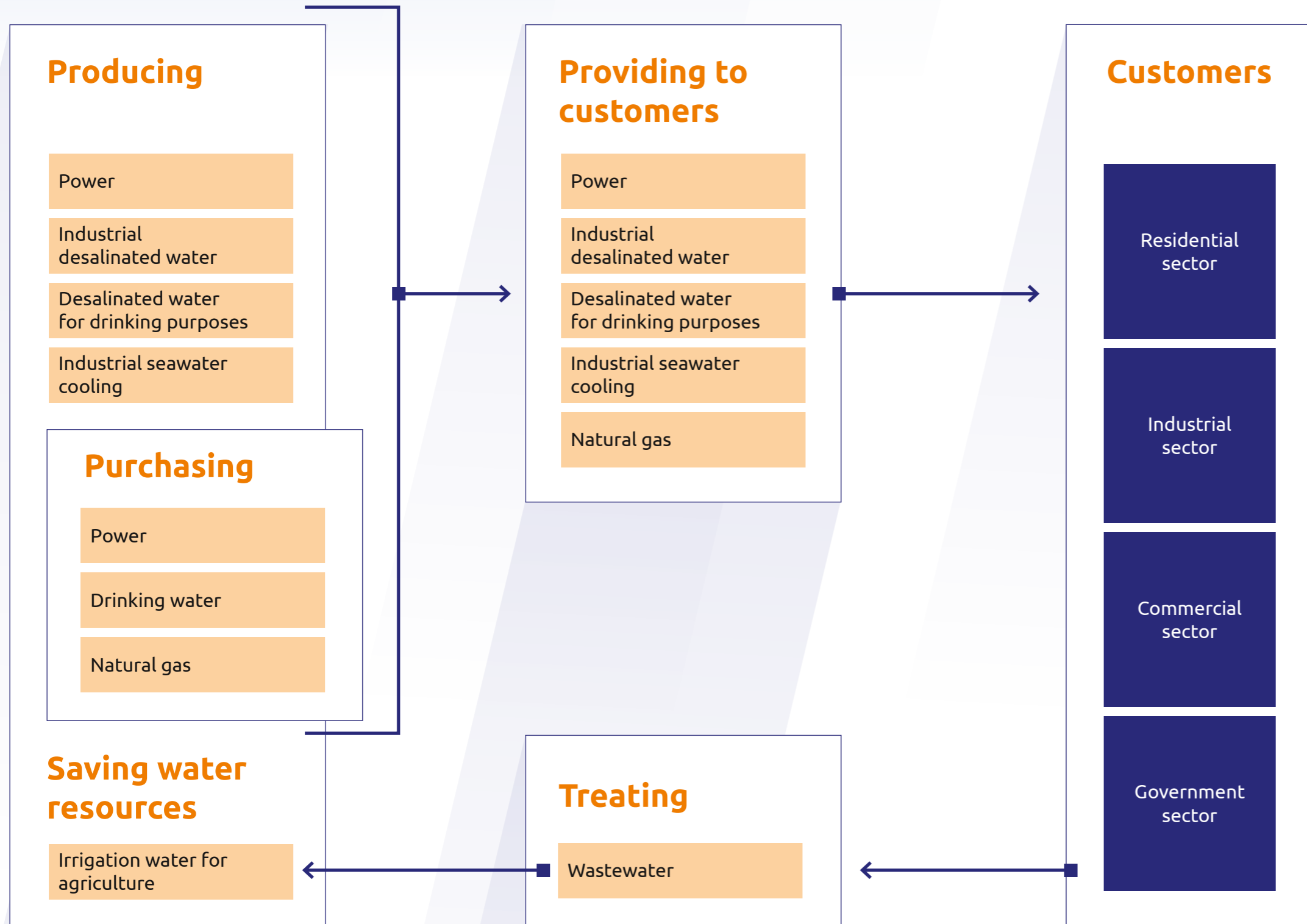
2025 Asian Power Awards

- ESG Integration Excellence of the Year – BRONZE
- ESG Programme of the Year – Saudi Arabia

for the comprehensive approach to embedding sustainability across power and water operations

# Business Model

Marafiq is here for all our customers' needs. Our fully integrated service model ensures that every drop of water and every kilowatt-hour of power advance industrial development and improve quality of life.



## The value we create for our stakeholders

### Customers ■

Marafiq delivers reliable, efficient, and sustainable utility services that enable industrial growth and enhance the quality of life.

### Shareholders and investors ■

Marafiq creates long-term value through prudent financial management, operational excellence, and sustainable returns.

### Employees ■

Marafiq provides a safe, inclusive, and rewarding work environment that supports professional growth and innovation.

### Government ■

Marafiq contributes to national infrastructure development and supports the realization of Saudi Arabia's Vision 2030 objectives.

### Communities ■

Marafiq promotes environmental stewardship, social development, and access to essential services across the cities it serves.

### Partners and suppliers ■

Marafiq builds transparent, reliable supplier relationships that drive mutual growth and efficiency.

# Marafiq's Presence

Our network spans the Kingdom, powering industries, energizing communities, and enabling sustainable growth from the Eastern shores to the Western coast.

-  Power Generation
-  Power Transmission
-  Power Distribution
-  Seawater Cooling
-  Drinking Water
-  Industrial Wastewater
-  Wastewater
-  Gas Distribution
-  District Cooling





**Guernsey**  
Marafiq Insurance Limited (MIL)

  
**Ras Al-Khair Industrial City**  


  
**Jubail Industrial City**  
  

**Riyadh**  
  


  
**Yanbu Industrial City**  
 

**Jeddah Al Thaniya ISTP**  
**300,000 m<sup>3</sup>/day**  
 

**Jeddah**  


  
**Jazan City for Primary and Downstream Industries**  


**MARAFIQ IWPP Jubail**  
**800,000 m<sup>3</sup>/day**  
**2.7 GW**

**SADARA SWRO Jubail**  
**178,000 m<sup>3</sup>/day**

**Amiral IWWTP**  
**24,000 m<sup>3</sup>/day**  
including Spent Caustic treatment

**Al-Haer ISTP**  
**200,000 m<sup>3</sup>/day**

# Subsidiaries and Affiliates

## 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.

<b>Ownership</b> <b>100%</b> owned by Marafiq	<b>Capital</b> SAR <b>35</b> million	<b>Country of establishment and operations</b> Kingdom of Saudi Arabia
---	---	---

## 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.

<b>Ownership</b> <b>100%</b> owned by Marafiq	<b>Capital</b> SAR <b>1</b> million	<b>Country of establishment and operations</b> Kingdom of Saudi Arabia
---	--	---

## 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.

<b>Ownership</b> <b>100%</b> owned by Marafiq	<b>Capital</b> SAR <b>6</b> million	<b>Country of establishment and operations</b> Guernsey
---	--	--

## 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.

<b>Ownership</b> <b>100%</b> owned by Marafiq	<b>Capital</b> SAR <b>300,000</b>	<b>Country of establishment and operations</b> Kingdom of Saudi Arabia
---	--------------------------------------	---

## 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.

<b>Ownership</b> <b>45%</b> owned by Marafiq	<b>Capital</b> SAR <b>500,000</b>	<b>Country of establishment and operations</b> Kingdom of Saudi Arabia
--	--------------------------------------	---

## 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 (20) agreement between JWAP and Tawreed. Tawreed, in turn, sells it to the Principal Buyer, the Saudi Water Authority (SWA) and also to Marafiq.

<b>Ownership</b> <b>30%</b> owned by Marafiq	<b>Capital</b> SAR <b>882.5</b> million	<b>Country of establishment and operations</b> Kingdom of Saudi Arabia
--	--	---

## 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.

<b>Ownership</b> <b>20%</b> owned by Marafiq	<b>Capital</b> SAR <b>2.6</b> million	<b>Country of establishment and operations</b> Kingdom of Saudi Arabia
--	--	---

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

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.

<b>Ownership</b> <b>35%</b> owned by Marafiq	<b>Capital</b> SAR <b>100,000</b>	<b>Country of establishment and operations</b> Kingdom of Saudi Arabia
--	--------------------------------------	---

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

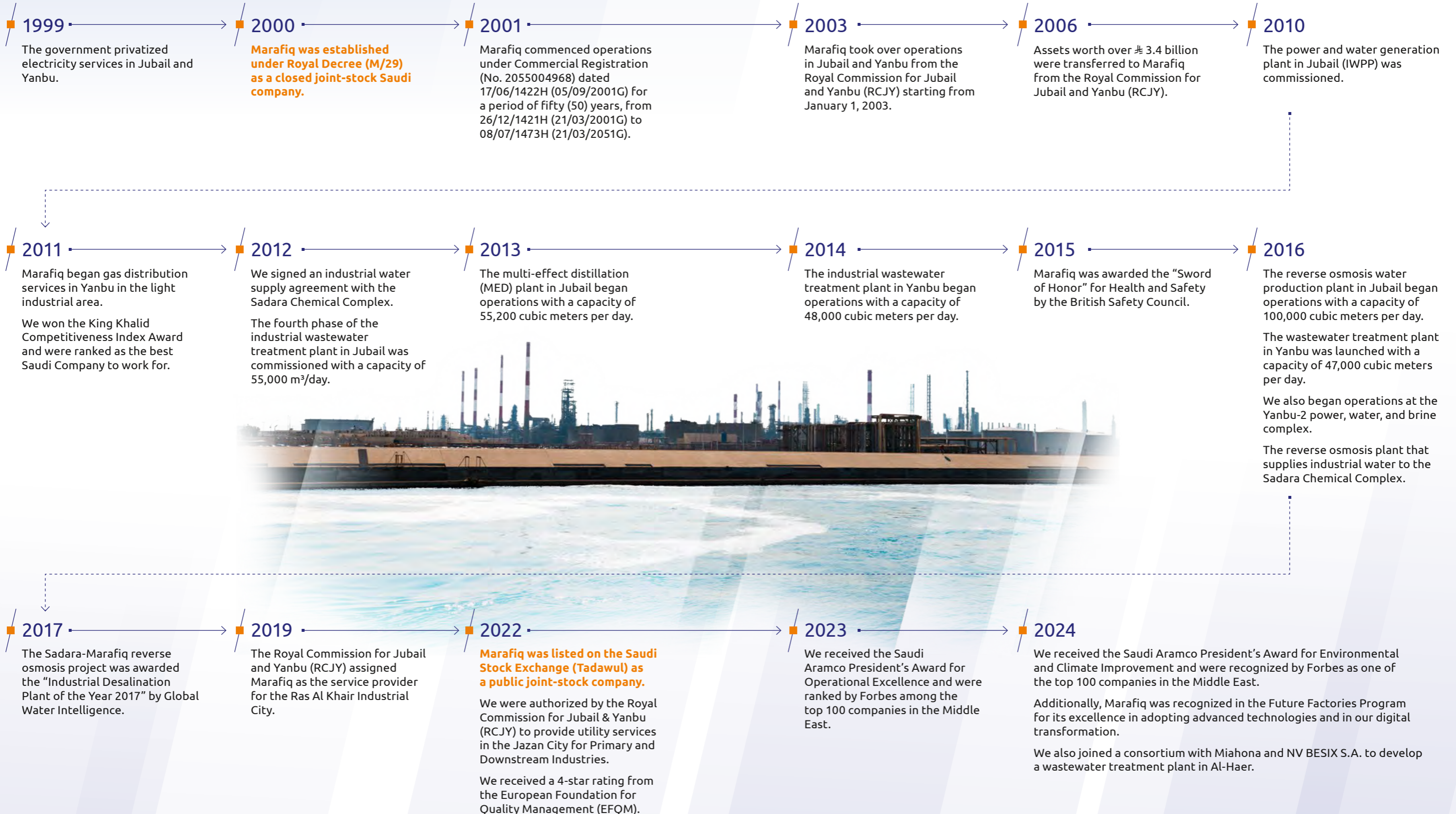
MaSa Services (wholly owned by Marafiq) entered into a joint venture with Miahona, where MaSa Services owns 45% of the operations and maintenance company shares, while Miahona owns the remaining 55%. The

activities of Al-Haer Company include the establishment and operation of networks, facilities, water treatment plants, and sewage pumps.

<b>Ownership</b> <b>45%</b> owned by MaSa Services	<b>Capital</b> SAR <b>100,000</b>	<b>Country of establishment and operations</b> Kingdom of Saudi Arabia
--	--------------------------------------	---

# Marafiq's Journey

Since Marafiq's founding in 2001, we have supported the drive of Saudi Arabia's industrial development and empowered communities to grow and thrive.



# Moving Forward in 2025

From operational resilience to sustainable innovation, 2025 demonstrated our commitment to reliability, responsibility, and progress.

## Strategic partnership for industrial wastewater reuse

Marafiq joined a consortium with Veolia Middle East and Lamar Arabia for Energy to develop a \$1.9 billion Industrial Wastewater Treatment Plant for the SATORP Amiral Project in Jubail II Industrial City. Under a 30-year

concession agreement, the facility will recycle complex industrial effluents into demineralized water for reuse, supporting closed-loop industrial systems and greater resource efficiency.

## Al-Haer Project financial closure

In February 2025, Marafiq achieved financial closure for the Al-Haer Independent Sewage Treatment Plant (ISTP) project in Riyadh at a total cost of \$1.5 billion, in partnership with Miahona Company and NV BESIX S.A. Financial closure was completed upon receipt of closing certificates from SWPC and the project lenders. The financing agreements were signed with a consortium of lenders, including Banque Saudi Fransi (BSF), APICORP, and Riyadh Bank.

### Yanbu-2 Power Plant Fuel Conversion Project

Marafiq advanced its sustainability and efficiency agenda with the launch of a major fuel conversion initiative at the Yanbu-2 Power Plant. The project will enhance energy efficiency, reduce carbon emissions, and improve operational reliability by converting the plant's fuel source from liquid fuel to natural gas. This initiative marks an important milestone in our commitment to cleaner, more efficient energy systems.

➔ Please refer to the [Sustainability Review](#) for more details

## Investing in Saudi talent

Marafiq launched the Promising Pathway program under the Custodian of the Two Holy Mosques' External Sponsorship initiative, in partnership with the Ministry of Industry and Mineral Resources. The program supports

Saudi talent through education and professional development aligned with the Kingdom's industrial priorities, nurturing the next generation of national expertise.

## Continued optimization

Marafiq received official notification from Saudi Aramco regarding revised energy product prices, effective from January 1, 2025. In response, the Company immediately implemented a series of efficiency

and optimization measures to mitigate an expected 13% increase in production costs, ensuring continued service reliability, operational resilience, and disciplined cost control.



# Strategy and KPIs

Our strategy is built around a clear ambition: to be the most reliable, sustainable, and customer-focused utility partner for Saudi Arabia’s industrial cities. Guided by our vision and aligned with Saudi Vision 2030, we are laying a strong foundation for long-term growth—expanding our infrastructure across the Kingdom, advancing digital innovation, strengthening operational excellence, and accelerating our contribution to a circular and low-carbon economy.

As a fully integrated utility provider, we deliver essential services across Jubail, Yanbu, Ras Al-Khair, and Jazan City for Primary and Downstream Industries (JCPDI)—four cities that anchor the Kingdom’s industrial development. These regions host major petrochemical complexes, refineries, and large-scale industrial ventures, driving steady, predictable demand for the reliable power, water, cooling, and wastewater services we provide. Because we serve strategically designated industrial zones, we uphold our responsibility to deliver excellence every day.

To meet the Kingdom’s growing needs, we continue to expand our service portfolio and invest in new, future-ready infrastructure. This includes two major wastewater treatment plants under construction in Jubail with a combined capacity of 245,000 m<sup>3</sup>/day, along with capital projects designed to strengthen system

reliability, improve operational efficiency, and accelerate digital transformation across all utility sectors. We are also pursuing new opportunities in the operation and maintenance of gas networks in Jubail and Ras Al-Khair, working closely with the Ministry of Energy, RCJY, and Saudi Aramco to develop detailed operating and financial models that will guide future decisions.

At the same time, we continue to support investment opportunities across Royal Commission cities, particularly in newly developed industrial zones poised to attract major crude-to-chemicals projects. Our role in operating and maintaining the power distribution network at the industrial port of JCPDI further strengthens our contribution to one of the Kingdom’s most strategic gateways.



## Strategic Priorities



**1. Safety Assurance & Leadership Engagement (SALEM)**

We foster a sustainable safety culture by aligning systems and behaviors with international standards and enhancing safety leadership.



**2. Asset Management & Operational Improvement**

We strengthen asset performance and operational efficiency through reliability-centered maintenance, cost optimization, and local content enhancement.



**3. Customer Centricity**

We place customers at the heart of operations by improving service resilience, revenue collection, and engagement.



**4. Carbon Neutrality & Waste Recycling**

We support the Kingdom’s sustainability goals by reducing emissions and promoting waste recycling through emerging technologies.



**5. Reform of the Operating Model**

We optimize operations and financial performance by restructuring agreements, benchmarking costs, and maximizing joint venture profitability.



**6. Business Growth**

We pursue competitive bidding and strategic partnerships to expand services within the Royal Commission areas and across the Kingdom.



**7. Human Capability Development (“Future-Proofing Marafiq”)**

We empower employees with future-ready skills, digital learning platforms, and a culture of recognition and engagement.



**8. Digital Transformation**

We build a unified digital platform to streamline business processes, enhance customer experience, and adopt advanced technologies, including AI and cloud solutions.

**Our strategy is structured around eight priorities, each supported by corporate initiatives, measurable objectives, and clear performance indicators.**

## Strategic Objectives and KPIs

Marafiq’s strategic objectives are built around four core pillars that define our long-term direction and performance expectations:

Objective	Description	KPIs	Metric	Definition
<b>Health, Safety, and Environment (HS&amp;E)</b>	Uphold high standards in health, safety, and environmental practices to protect employees, assets, and communities.	Lost-time injury frequency rate (LTIF) – Employees	rate	This KPI refers to the number of workplace-related incidents per 100 full-time employees in a given timeframe that resulted in an employee’s inability to work the next full workday.
		Process Safety Incident Rate (PSIR) – Employees	rate	This KPI measures the cumulative count of process safety incidents per 200,000 man-hours worked.
		SHEPI	rate	This KPI measures the cumulative count of incidents per every 200,000 man-hours worked.
<b>Reliable Services</b>	Deliver consistent and dependable utility services to customers, ensuring operational excellence and customer satisfaction.	Availability of water	%	The ratio of available hours to total period hours.
		Availability of SWC	%	The ratio of available hours to total period hours.
		Availability of power	%	The ratio of available hours to total period hours.
		Unreliability of water	%	This KPI measures the percentage of forced and maintenance-related outages. The service is considered unreliable when actual forced and maintenance outage hours exceed the planned level.
		Unreliability of SWC	%	This KPI measures the percentage of forced and maintenance-related outages. The service is considered unreliable when actual forced and maintenance outage hours exceed the planned level.
		Unreliability of power	%	This KPI measures the percentage of forced and maintenance-related outages. The service is considered unreliable when actual forced and maintenance outage hours exceed the planned level.
		System average interruption duration index (SAIDI) – Power distribution	min	SAIDI measures the average total duration of long power interruptions (longer than 5 minutes) experienced per customer during the reporting period. It is calculated as the sum of interruption durations multiplied by the number of affected customers, divided by the total number of customers served.
		System average interruption duration index (SAIDI) – Power transmission	min	SAIDI measures the average total duration of long power interruptions (longer than 5 minutes) experienced per customer during the reporting period. It is calculated as the sum of interruption durations multiplied by the number of affected customers, divided by the total number of customers served.
		Water interruptions	min	Total potable water supply interruptions affecting customers during the reporting period.

Objective	Description	KPIs	Metric	Definition
<b>Reliable Services</b>	Deliver consistent and dependable utility services to customers, ensuring operational excellence and customer satisfaction.	Average time to resolve complaints – Industrial	days	This KPI is calculated as the total time to resolve all the complaints divided by the total number of complaints.
		Average time to resolve complaints – Non-industrial	days	This KPI is calculated as the total time to resolve all the complaints divided by the total number of complaints.
<b>Sustainability</b>	Promote sustainable business practices and enhance process efficiency to support environmental and economic resilience.	Environmental performance	%	This KPI measures compliance with the measurable environmental parameters specified in each facility’s Environmental Permit to Operate (EPO).
		GHG Emissions intensity of power generation	kgCO <sub>2</sub> e/kWh	This metric is calculated as total GHG emissions from power generation divided by total electricity generated.
		Water losses	%	This metric measures the percentage of potable water lost from the system relative to the total volume of potable water supplied to the network.
		Project schedule	number	The ratio of earned value to planned value of a project.
		Cybersecurity compliance maturity	%	The level of compliance with the National Cybersecurity Authority (NCA) Essential Cybersecurity Controls (ECC), expressed as a percentage.
		Saudization	%	The percentage of Saudi nationals in the workforce at a given point in time.
		Voluntary attrition	%	The number of employees that vacate or move out of a larger, collective group over a specified time frame.
		Consolidated total revenue	₪ million	The sale of utility services by the Company and is recognized in the month in which the utility service is rendered under accrual method on the basis of periodic cycle meter readings and Booked Capacity recognized in the period in which it becomes probable that the economic benefit will flow to the Company.
		Consolidated fixed cash cost	₪ million	Direct fixed costs related to Operations & Maintenance and cash fixed costs of the non-operating departments of the Company.
		Consolidated variable cost	₪ million	Input costs used in the production, generation, transmission, and distribution of the product or utility service.
<b>Financial Stability and Growth</b>	Achieve financial stability while actively pursuing new growth opportunities across strategic markets.	Consolidated EBITDA	₪ million	Earnings Before Interest, Taxes, Depreciation, and Amortization “EBITDA” is the corporate performance indicator to depict the corporate cash generation capability after eliminating the impacts financing and accounting decisions.
		Consolidated return on capital employed (ROCE)	%	A financial ratio that measures the Company’s profitability relative to the invested capital.

## Delivering Growth Through Strategic Investments and Partnerships

As we pursue financial sustainability and maximize shareholder value, we follow a rigorous, well-governed investment framework led by the Investment Committee and the Board of Directors. This ensures that every project undergoes disciplined evaluation from concept development to bid submission and ultimately reaching the financial close upon winning.

2025 marked a strong year for strategic deals. We achieved financial close for the Al-Haer ISTP (Independent Sewage Treatment Plant), floated by Saudi Water Partnership Company (SWPC), and advanced toward financial close in the Amiral IWWTRP (Industrial Wastewater Treatment and Reuse Plant) project for Saudi Aramco Total Refining and Petrochemical Company (SATORP), in partnership with Veolia ME and Lamar Arabia for Energy. We also

submitted bids for the Arana ISTP and Hadda ISTP, in which Marafiq consortium was announced as the preferred bidder for Arana and the reserved bidder for Hadda ISTP.

All major projects follow project-finance structures, with Marafiq's investment provided through Equity Bridge Loans (EBLs). Final equity contributions are made upon EBL repayment, typically within a 5–9-year financing period, ensuring disciplined capital deployment.

Looking ahead to 2026, we are preparing for several significant opportunities, including the Riyadh-East ISTP, SADARA CoGen (cogeneration plant), PetroKemya CoGen, and multiple independent power projects (IPPs). Each opportunity supports our long-term commitment to financial stability, operational excellence, and sustainable growth.

### Major Ongoing Projects for 2025



#### Yanbu 2 Fuel Conversion Project

Funded by the Ministry of Energy as part of the Liquid Fuel Displacement Program, this ₪ 352 million project supports the national goal of displacing one million barrels of liquid fuels by 2030.

➔ Please refer to [Sustainability Review](#) for more information



#### IWTP-8 Expansion (Stage 4) in Jubail

This ₪ 847 million project expands wastewater treatment capacity by 125,000 m<sup>3</sup>/day. Launched in Q4, 2020, it has reached 91% overall progress, marking a significant step toward strengthening wastewater infrastructure.

## Investment Case

Marafiq has over twenty years of experience providing utility services to strategic industrial cities affiliated with the Royal Commission in the Kingdom of Saudi Arabia. We are well-positioned to benefit from the privatization program outlined in the Kingdom's Vision 2030 and the ongoing industrial growth in the country.

### Strong Government Support and Growth in Industrial Cities



The industrial cities we serve benefit from the National Industrial Development and Logistics Program under Saudi Vision 2030, which is driving significant expansion across these cities. As the primary utilities provider in RC industrial zones, Marafiq is positioned at the center of this growth.

- **Jubail is the world's largest industrial city**, contributing 11% of Saudi Arabia's non-oil GDP and around 7% of global petrochemical production.
- **Yanbu hosts one-third of national refining capacity**, and together, Jubail and Yanbu export 97% of the Kingdom's refined products.
- **Ras Al-Khair is emerging as Saudi Arabia's future mining hub**, with synergies linked to Jubail's petrochemical ecosystem.
- **Jazan is home of the largest titanium smelter**, as well as other major heavy industries.

**98%**

of our revenue in 2025 was generated in Jubail and Yanbu

## Strong, Long-Term Customer Relationships

Our customers include some of the world’s largest industrial companies. Industrial clients account for most of our revenues, ensuring stable demand and low

counterparty risk. These long-term, creditworthy relationships support reliable revenue streams and high operational visibility.

## Operational Excellence and a Reliable Asset Base

We maintain a consistent record of operational excellence with over 90% availability across power and water services, and 100% availability for gas services. Our asset base remains young and well-managed, with power assets averaging 25 years of remaining technical life and water assets averaging 15–20 years. Strong asset management capabilities ensure reliability, efficiency, and quality of service.

**82.53%** power availability in 2025

**98.01%** water availability in 2025

## Supportive Shareholders and Experienced Leadership

We are backed by four major shareholders—PIF, RCJY, SAPCO, and SABIC—each holding 17.5% of our share capital, underscoring our national strategic importance. Aramco and SABIC further support us through governance expertise and operational benchmarking. Our management team brings deep technical, operational, and leadership experience.

**70%**  
of shares held by major national companies



## Strong Financial Performance

In 2025, Marafiq delivered resilient results supported by effective cost management and efficiency improvements. EBITDA increased by 14% to ₪ 2,929 million, reflecting stronger underlying operating performance and continued discipline in managing costs. Additionally, the net profit after Zakat and income tax reached ₪ 449 million. Profit per share also grew, rising to ₪ 1.8.

**432 million**  
net profit increase in 2025

## Stable Cash Flows and Reduced Financial Risk

Our regulated environment and strong free cash flow conversion provide predictable cash flows. We also anticipate a significant reduction in debt over the coming years. Our industrial customer base, long-term contracts, and regulated tariffs support stable revenues.

**₪ 2,162 million**  
free cash flow in 2025

## Clear Growth Strategy for the Medium and Long Term

Our strategy focuses on leveraging our substantial assets to drive growth across Jubail, Yanbu, Ras Al-Khair, Jazan, and Jeddah. We aim to capitalize on opportunities created by Saudi Vision 2030’s privatization initiatives

and the Kingdom’s accelerating industrial expansion. Enhancing asset utilization and improving profitability remain central to our long-term growth plan.

## Commitment to Sustainability

Sustainability remains core to our operating model. We prioritize reducing water losses, lowering emissions intensity, and improving energy efficiency. In alignment with Saudi Arabia’s goal to replace liquid fuels with renewables and gas.

**-20%**  
GHG emissions reduction target by 2030

**-15%**  
energy intensity reduction target by 2030

# Digital Transformation: Building a Smarter, Sustainable Marafiq

Digital transformation lies at the heart of Marafiq’s strategy to build a more agile, intelligent, and sustainable utility network.

By accelerating digital intelligence across our operations, we strengthen sustainability, elevate customer experience, and ensure our services are ready for the future. Across our operations, real-time monitoring tools are becoming integral to how we work. These capabilities provide deep visibility into asset performance, energy use, and network reliability. They help us make rapid, data-informed decisions that reduce downtime and extend asset life, enabling us to deliver uninterrupted service to our customers.

The platform enables accurate data access, powerful analysis, and meaningful insight, strengthening transparency and informed decision-making at every level. Continuous upgrades, including mobile technologies and next-generation business applications, ensure our systems remain scalable, resilient, and ready to meet evolving demands.

Our transformation journey is built around three core stages that guide how we scale digital capability across the organization:

- 1. Digital organization uplift and change management**  
Building a future-ready workforce by strengthening digital skills, establishing a digital transformation office, developing an enterprise architecture standard, and embedding a culture that embraces innovation and continuous improvement.
- 2. Digital enablers**  
Rolling out essential platforms and technologies, including cloud solutions, cybersecurity systems, and enterprise tools, that serve as the foundation for scalable digital operations and enterprise integrations.
- 3. Digital business capabilities enablement**  
Applying advanced digital capabilities to improve asset management, streamline operations, enhance customer experience, and optimize energy and resource use across our utility network.

This framework supports five key focus areas:

1. Enhancing workplace digital capabilities and employee productivity.
2. Automating and enabling smart operations.
3. Delivering seamless customer experiences.
4. Improving asset performance and reliability.
5. Improving energy usage and outcomes.



**Marafiq’s Digital Foundation** is a comprehensive framework that underpins our transformation journey. While SAP S/4HANA serves as a critical ERP backbone, the digital data platform on Google Cloud Platform extends far beyond a single platform. It will integrate IT and OT systems, enabling advanced analytics capabilities, cloud infrastructure, cybersecurity frameworks, and digital workforce tools. This multi-layered approach ensures operational efficiency, real-time insights, and a secure, scalable environment to deliver smarter, sustainable utility services.



Management Report

## A Transformative Year

In 2025, Marafiq made significant progress in delivering a company-wide digital transformation program designed to strengthen governance, modernize technology, improve productivity, and unlock smarter operations.

### Strategic Governance and Program Execution

We officially launched our Digital Transformation Office (DTO) to oversee all digital transformation initiatives. DTO aligns technology, processes, and organizational structures to ensure that every digital investment supports our strategic goals and accelerates operational excellence.

### Technology Modernization

We successfully migrated core systems to the Google Cloud Platform (GCP) via SAP RISE, enabling a scalable, agile technology environment that supports diverse business initiatives.

We also completed the deployment of SAP S/4HANA 2023 FPS03 and upgraded SuccessFactors (including 1H 2025, Goal Library, and Job Task Standard), significantly strengthening enterprise operations, HR systems, and performance management processes.

To prepare for the adoption of advanced Big Data, analytics, and AI, we entered into a strategic contract with AIGC to integrate IT and OT environments. This integration has enhanced situational awareness across operational systems and established the foundation for future AI and machine-learning applications on OT data lakes.

### AI Enablement and Workforce Productivity

We completed migration to Exchange Online and SharePoint Online, deployed Microsoft Teams companywide, and integrated Microsoft 365 Copilot, enabling AI-supported workflows and more intelligent collaboration.

Real-time dashboards were launched across key functions, covering finance (Phase 2), performance management, and corporate KPIs, and giving leaders and teams better visibility into performance and faster access to insights for decision-making.

Workforce development was also strengthened through the launch of e-learning programs in partnership with SkillUp Mena, alongside a new competency library to support continuous capability development and future readiness. This partnership is an example of collaboration with regional technology partners to support localization and capability development.

### Smart Operations and Safety

We progressed four major digital initiatives across our operational footprint: ArcGIS UN, Mobility, EHS, and ESG. Each program advanced through key implementation phases in 2025, helping streamline workflows, enhance operational visibility, and strengthen safety and environmental performance across all sites.

In parallel, the rollout of SAP Service and Asset Manager—fully integrated with S/4HANA—empowered technicians to access asset information in the field, manage maintenance activities more effectively, and improve asset performance through real-time visibility.



## Business Process Streamlining

We completed a comprehensive organizational and process-level assessment in 2025, resulting in targeted improvement recommendations and the development of a value-based transformation roadmap. Execution was structured through a three-wave delivery plan designed to improve efficiency, optimize costs, and simplify workflows.

By upgrading to RISE with SAP, we also established a unified cloud platform that delivers integrated technical services, embedded business process intelligence, and improved system functionality, user experience, and compliance.

Governance automation was another significant achievement. Key areas, including cybersecurity, risk management, compliance, and access control, were automated using tools such as One Identity and PAM, strengthening accuracy, consistency, and regulatory alignment.

## Customer Experience

We enhanced customer engagement by deploying an omnichannel digital platform that enables seamless interaction across web, mobile, and virtual assistant channels. The platform also supports real-time data exchange with field teams, improving responsiveness and service quality. Through the platform, customers can monitor consumption, manage accounts, make payments, and access support quickly and securely.

practices. We implement robust data protection controls, comply with all applicable national regulations, and continue to enhance our cybersecurity framework to protect sensitive information from unauthorized access or breaches.

We are committed to continuing the compliance with applicable NCA standards and implement the required NCA controls related to cloud services, telework, and organizational social media accounts. Our cybersecurity framework includes Governance, Risk Management, and Compliance (GRC), a dedicated 24/7 Security Operations Center (SOC), penetration testing, and standardized processes that enhance consistency and resilience across our network.

All employees complete mandatory cybersecurity training, take part in monthly phishing simulations, and engage in ongoing awareness campaigns delivered through educational content, videos, and internal communications. Senior leaders receive tailored training to support informed decision-making, supported by a Cybersecurity Steering Committee chaired by the President & CEO and comprising ten members from key functions.

With the cybersecurity function reporting directly to the President & CEO, oversight remains clear, streamlined, and strategically aligned.

Our environment is further protected through secured logical and physical isolated Operational Technology (OT) network, continuous threat monitoring, and robust business continuity and disaster recovery plans. We also apply strict data protection measures, covering classification, access controls, encryption, secure disposal, and third-party oversight, in line with our Data Cybersecurity Policy and NCA-DCC requirements. These standards prohibit the use of personal storage, email, or social media applications for Company data; mandate the use of mobile device management tools and secure configurations (including screen lock and encryption); and require safe handling of sensitive information.

**0** major and critical cybersecurity incidents in 2025

## Cybersecurity

As our digital landscape continues to expand, we continue to strengthen our cybersecurity framework to protect Marafiq's systems, data, and critical operations. We take a vigilant, risk-based approach—aligned with national requirements and informed by global best practices—to keep our digital environment secure, resilient, and future-ready.

We comply with the National Cybersecurity Authority (NCA) regulation controls, including:

- NCA-ECC (Essential Cybersecurity Controls)
- NCA-DCC (Data Cybersecurity Controls)
- NCA-TCC (Telework Cybersecurity Controls)

- NCA-CCC (Cloud Cybersecurity Controls)
- NCA-OSMAC (Organizational Social Media Accounts Controls)
- NCA-OTCC (Operation Technology Cybersecurity Controls)

These controls are embedded in our policies, procedures, and operating standards, and apply across employees, joint ventures, suppliers, and third-party service providers. Protecting data is a fundamental part of Marafiq's commitment to responsible governance. We safeguard the personal and confidential information of our customers, employees, and partners through rigorous privacy standards and ethical data management



# Financial Performance

In 2025, Marafiq delivered solid financial results driven by a strong focus on expanding business operations and improving efficiency across its footprint while continuing to generate shareholder value.



**₪ 432 million**

Net Profit Increase in 2025

# Consolidated financial performance of Marafiq and its investee companies<sup>1</sup>

In 2025, Marafiq benefited from a favorable reversal of macroeconomic trends, including key interest rate cuts by the Saudi Central Bank (SAMA) to a multi-year low of 4.25%. Economic growth translated into higher revenue. However, this increase was absorbed by the unfavorable impact of the fuel price increase.

Effective cost management, optimized asset utilization, and prudent debt practices are expected to support a return to healthy net income growth in the coming periods. Continued collaboration with investee companies also helped maintain strong cash flows and preserve profitability across core business segments.

## Consolidated income statement, ₪ million

Metric	2021	2022	2023	2024	2025	Change 2025 vs 2024
Revenue	6,192	6,505	6,383	6,883	6,946	1%
Cost of revenue	(5,187)	(5,357)	(4,671)	(5,361)	(6,128)	14%
Gross profit	1,005	1,148	1,712	1,523	818	(46) %
Operating profit	997,716	1,094	1,595	948	1,254	32%
<b>Net profit</b>	<b>665</b>	<b>846</b>	<b>587</b>	<b>17.15</b>	<b>449.43</b>	<b>2,520.58%</b>

The 2025 revenue amounted to ₪ 6,946 million, driven mainly by higher demand across the power, water, and gas sector and tariff adjustments during the year.

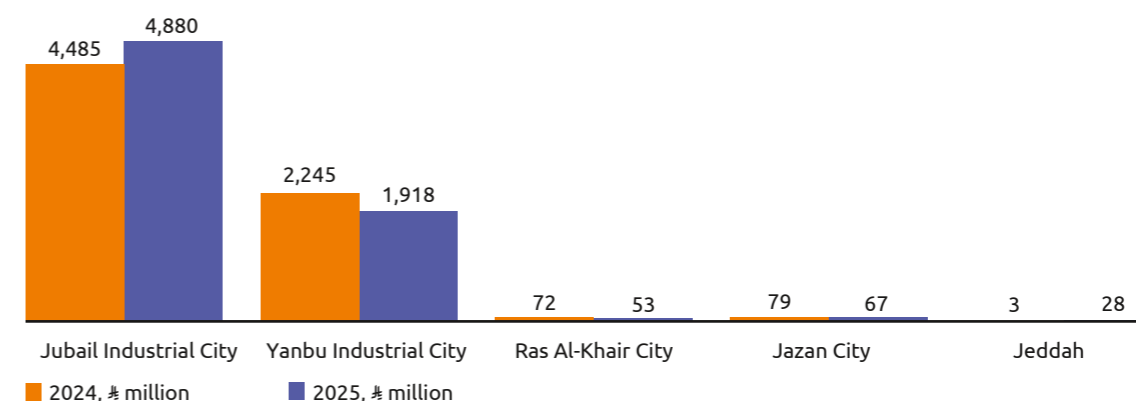
The above increase was partially offset by the reversal of revenue arising from a non-recurring adjustment related to the High Intensity Electricity Consumption Tariff (HIECT), amounting to ₪ 475 million. The provision for HIECT receivables amounting to ₪ 496 million, recorded during last year, was reversed during the year, offsetting the impact of the revenue adjustment on net income.

The cost of revenue rose to ₪ 6,128 million, up 14% year on year, primarily due to the impact of the fuel price hike directly as well as indirectly through increase water and power purchase cost.

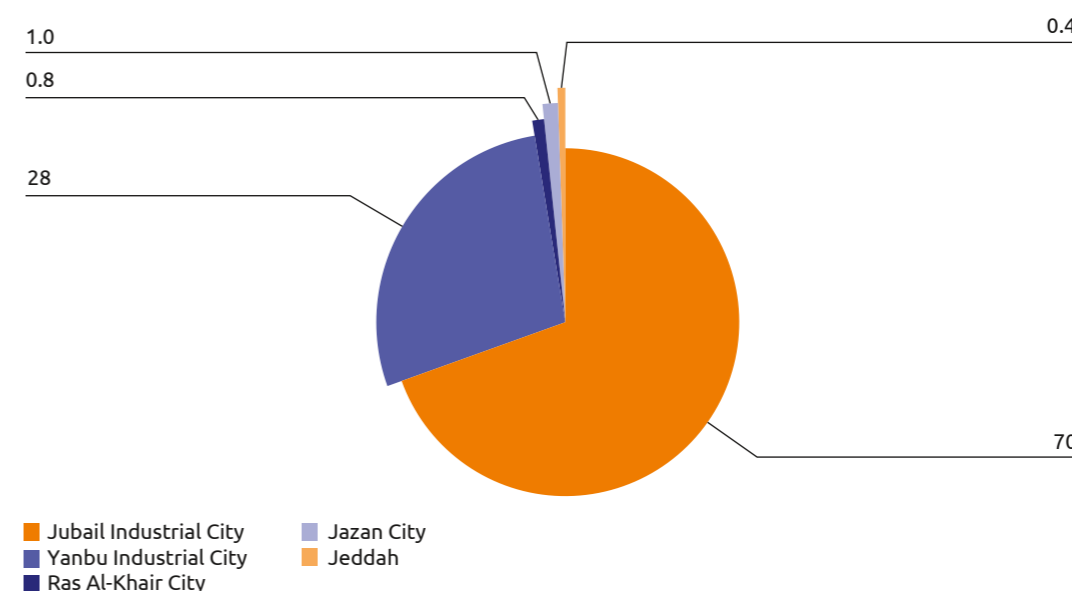
As a result, the net profit for 2025 increased to ₪ 449 million, representing year-on-year growth of 2,520.58%, primarily due to lower profit in the previous year, which resulted from the recording of a one-off HIECT provision. Despite an increase in revenue from higher demand, gross profit was adversely affected by a significant rise in fuel prices.

In 2025, Jubail Industrial City remained the Company's core revenue-generating location, accounting for 70% of total revenue. Together with Yanbu Industrial City (28% of total), they continued to dominate the earnings geography, accounting for over 98% of the Company's revenues. Whereas, operations in Ras Al-Khair, Jazan and Jeddah contributed with 0.8%, 1.0% and 0.4% respectively.

Revenue dynamics by region, 2025 vs 2024



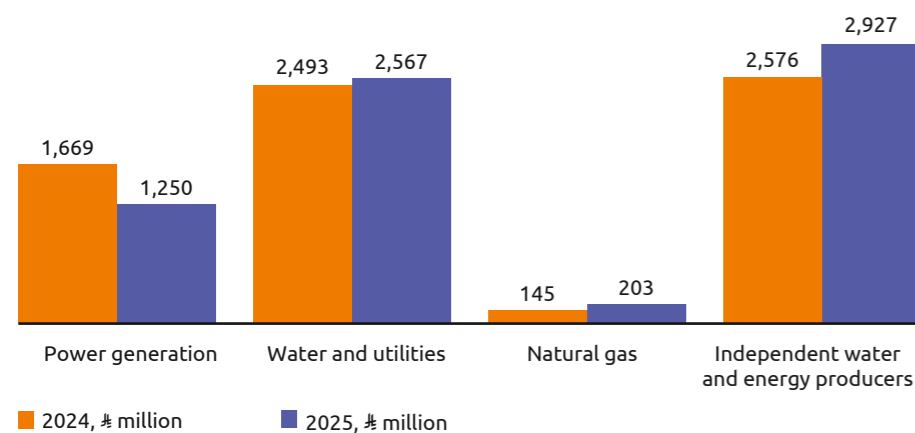
Revenue breakdown by region in 2025, %



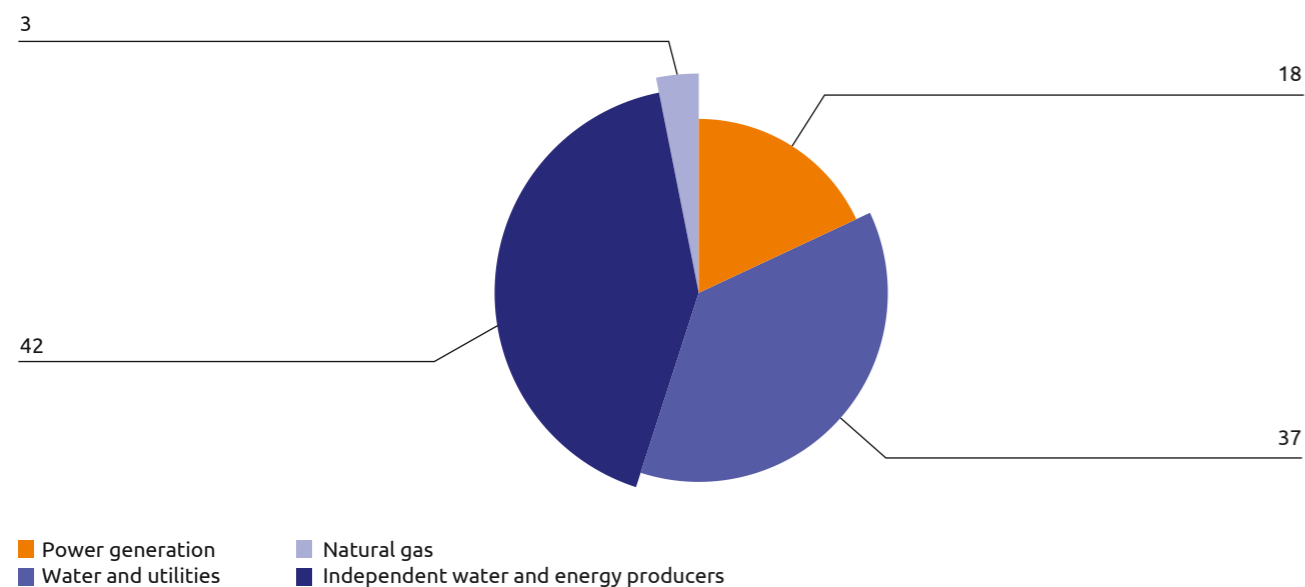
In 2025, independent water and energy producers generated the most revenue, collectively accounting for a 42% share. They are followed by the water and utilities sector, which contributed 37%. Power generation accounted for 18%, a notable 6% decrease year on year mainly owing to HIECT impact accounted for during 2025, leaving the natural gas sector with a modest 3% share in the total revenue.

<sup>1</sup> Investment in JVs is accounted for in consolidated financial statements using equity accounted method.

### Revenue dynamics by sector, 2025 vs 2024



### Revenue breakdown by sector in 2025, %



### Statement of the Financial Position, ₪ million

Metric	2021	2022	2023	2024	2025	Change 2025 vs 2024
Current assets	3,397	3,789	3,043	2,962	3,511	19%
Non-current assets	20,713	21,791	20,984	20,031	18,642	(7)%
<b>Total assets</b>	<b>24,110</b>	<b>25,580</b>	<b>24,027</b>	<b>22,993</b>	<b>22,153</b>	<b>(4)%</b>
Current liabilities	2,197	3,033	3,019	3,401	3,131	(8)%
Non-current liabilities	14,362	17,013	15,455	14,368	13,412	(7)%
Total liabilities	16,559	20,046	18,474	17,769	16,543	(7)%
Shareholders' equity	7,551	5,534	5,553	5,224	5,610	7%

In 2025, the Company's total assets decreased by 4% to ₪ 22,153 million, reflecting impact of depreciation for the period, offset by ongoing investment in infrastructure and operational expansion. Total liabilities decreased by 7% to ₪ 16,543 million, primarily due to scheduled lease and loan repayments, with no new borrowings. Shareholders' equity increased by 7% year on year, reaching ₪ 5,610 million primarily due to profit for the period.

### Statement of Cash Flows, ₪ million

Cash flow metric	2021	2022	2023	2024	2025	Change 2025 vs 2024
Net cash from operating activities	2,230	2,145	2,328	1,758	1,642	(7)%
Net cash from investing activities	(972)	(874)	962	(226)	(592)	162%
Net cash from financing activities	(1,370)	(1,068)	(2,791)	(1,261)	(1,455)	(15)%

In 2025, the Company generated a net cash inflow from operating activities of ₪ 1,758 million, a 7% year-on-year decrease driven primarily by increase in fuel prices. Net cash from investment activities increased by 162% year on year to ₪ 592 million, primarily due to increase investment in short-term deposits. Net cash used in financing activities declined by 15% to ₪ 1,455 million, primarily driven by no dividend payments during the year.

### Free cash flow, ₪ million

FCF component	2024	2025
Net Cash Generated from Operating Activities	1,758.15	1,641.73
Finance cost paid	1,041.22	939.63
Additions to property, plant, and equipment	(531.59)	(419.28)
<b>Total</b>	<b>2,267.78</b>	<b>2,162.08</b>

## Debt Management of the Company and Its Investees

### Marafiq Company

As of the end of 2025, the Company's total outstanding loans amounted to ₪ 5,900 million, reflecting a 4.7% year-on-year decrease, driven by regular repayments and the decision not to raise new debt. All loans were extended in full compliance with Islamic Sharia principles by three Saudi banks and the Saudi Industrial Development Fund. The Company has made all payments due on the loans from the Saudi Industrial Development Fund; repayments on the remaining facilities will commence in 2028, in accordance with the respective loan agreements.

#### Loan balances and repayments by lender, 2025, ₪ thousand

Lender	Loan amount	Loan term, years	Balance as of BOY2025	Repaid amount	Balance as of EOY2025
Banque Saudi Fransi	3,400,000	15	2,900,000	-	2,900,000
Saudi Awwal Bank	1,500,000	15	1,500,000	-	1,500,000
Saudi National Bank	1,500,000	15	1,500,000	-	1,500,000
Saudi Industrial Development Fund	900,000	9	176,000	176,000	-
Saudi Industrial Development Fund	660,000	9	115,000	115,000	-
<b>Total</b>	<b>7,960,000</b>		<b>6,191,000</b>	<b>291,000</b>	<b>5,900,000</b>

### Jubail Water & Electricity Company (JWAP)

(Equity accounting is used as the company is a joint venture)

As of the end of 2025, the company's total outstanding loans amounted to ₪ 2,939 million, reflecting a 20% year-on-year decline due to regular repayments and the decision not to raise new debt.

#### Loan balances and repayments by lender, 2025, ₪ thousand

Lender	Loan amount	Loan term, years	Balance as of BOY2025	Repaid amount	Balance as of EOY2025
BNP Bank	5,722,500	22	2,635,789	526,224	2,109,565
BNP Bank	2,418,750	17	-	-	-
Riyad Bank	2,250,000	20	1,036,347	206,904	829,443
<b>Total</b>	<b>10,391,250</b>		<b>3,672,136</b>	<b>733,128</b>	<b>2,939,008</b>

### Jeddah Althaniya Water Company (JAWC)

(Equity accounting is used as the company is a joint venture.)

As of the end of 2025, the company's total outstanding loans amounted to SAR 785 million, reflecting a 8% year-on-year increase due to additional loan received from existing facilities amounting to SR 57 million. There was no repayment made during the year.

#### Loan balances and repayments by lender, 2025, ₪ thousand

Lender	Loan amount	Loan term, years	Balance as of BOY2025	Repaid amount	Balance as of EOY2025
Arab National Bank	93,061	9	92,515	-	92,515
Arab National Bank	53,178	9	52,897	-	52,897
Banque Saudi Fransi	119,650	9	118,947	-	119,085
Saudi National Bank	174,011	25	154,266	-	173,553
Saudi National Bank	348,022	25	308,801	-	347,407
<b>Total Loans</b>	<b>787,922</b>		<b>727,426</b>	<b>-</b>	<b>785,457</b>

### Al-Haer Environmental Services Company (HESCO)

(Equity accounting is used as the company is a joint venture.)

As of the end of 2025, the company's total outstanding loans amounted to ₪ 914 million. The debt was raised during the year. There was no debt as of beginning of the year.

#### Loan balances and repayments by lender, 2025, ₪ thousand

Lender	Loan amount	Loan term, years	Balance as of BOY2025	Repaid amount	Balance as of EOY2025
APICORP (Taef) (EBL loan)	246,166	5	-	-	246,166
Riyad Bank (EBL loan)	191,462	7.5	-	-	191,462
Beinvest (EBL loan)	109,427	-	-	-	109,427
Riyad Bank (Istisna Ijara Base Facility)	108,524	27	-	-	108,524
Bank Saudi Fransi (Istisna Ijara Base Facility)	94,872	27	-	-	94,872
APICORP (Istisna Ijara Base Facility)	93,147	27	-	-	93,147
Riyad Bank (VAT facility)	70,054	3	-	-	70,054
	<b>913,652</b>		<b>-</b>	<b>-</b>	<b>913,652</b>

#### Statutory payments, ₪ thousand

Payment type	Amount paid	Amount due and unpaid as of EOY2025	Description	Reasons for payment
Zakat (mandatory charitable contribution) and income tax	424	-	Obligatory payments assessed in accordance with the zakat and tax legislation of the KSA	Statutory requirement
Social insurance contributions	70,435	-	Obligatory payments assessed in accordance with the social security legislation of the KSA	Statutory requirement
<b>Total</b>	<b>70,859</b>	<b>-</b>		

# Business Results

## Delivering Reliability

Marafiq is committed to strengthening the reliability of its infrastructure, enhancing operational performance, and ensuring sustainable and efficient service delivery.



0

unplanned power interruptions in 2025

# Market Overview

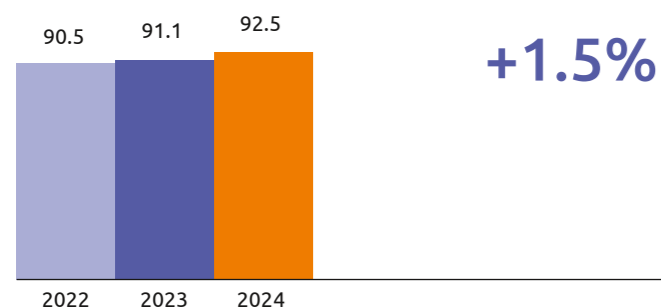
The power and water markets in Saudi Arabia are undergoing rapid expansion, driven by population growth, industrial development, and the Kingdom's energy and water transition under Vision 2030. As a leading utility provider in key industrial cities, Marafiq operates at the center of these evolving markets, positioning the Company to support rising demand while advancing efficiency and sustainability.

## Power Market

Saudi Arabia's power generation sector has experienced strong growth in recent years. Total licensed<sup>1</sup> generation capacity increased by 1.5% in 2024<sup>2</sup>, to 92.5 GW. Based on preliminary estimates, it rose by a further 8.7% in 2025 to exceed 100 GW and is projected to reach 130 GW by 2030.

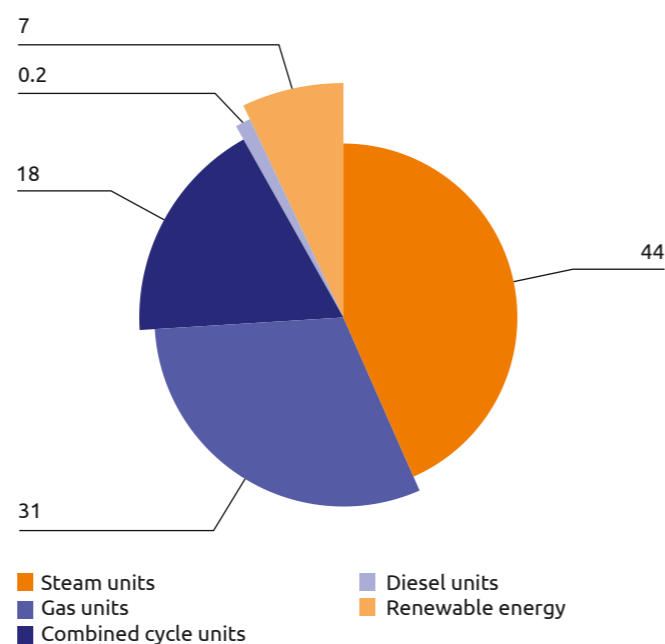
Most of the power is currently generated by oil-fired steam units; however, Saudi Vision 2030 is accelerating the transition toward a more diversified energy mix. The target for renewable energy to supply 50% of the Kingdom's electricity by 2030. This initiative, together with the Liquid Fuel Displacement Program (see the [Environmental Stewardship](#) section for more details), is driving increased procurement of gas-fired and renewable generation while freeing oil for export.

**Total licensed power generation capacity in Saudi Arabia, GW**



By the end of 2024, 10 renewable energy projects were in operation, including nine solar projects with a combined capacity of 6,151 MW and one wind project with a capacity of 400 MW.

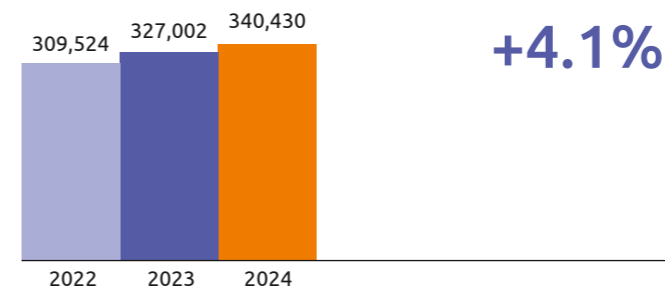
**Total licensed power generation capacity by type of unit (2024), %**



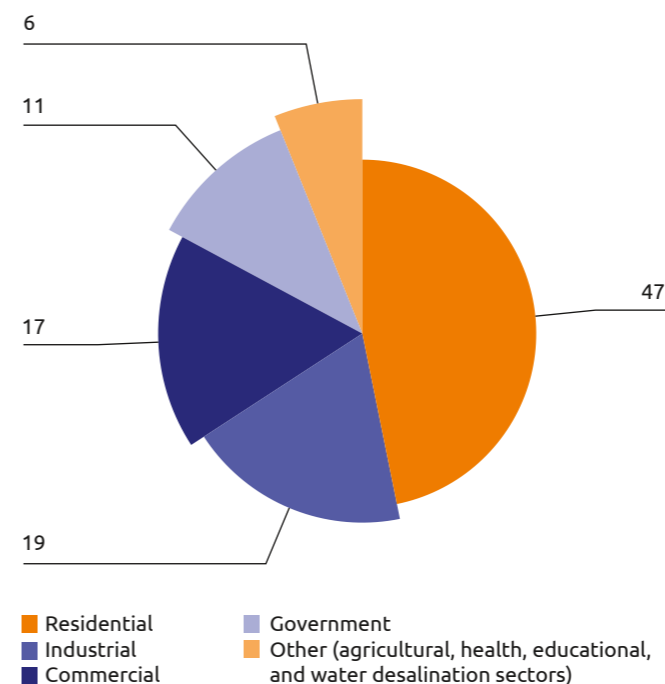
Source: GASTAT

In 2024, total power consumption in Saudi Arabia increased by 4.1%, to 340,430 GWh. The residential sector, accounting for 47% of total consumption, grew 5.5% year-on-year, while the consumption in the industrial sector increased by 4.8%.

**Total power consumption in Saudi Arabia, GWh**



**Power consumption by sector (2024), %**



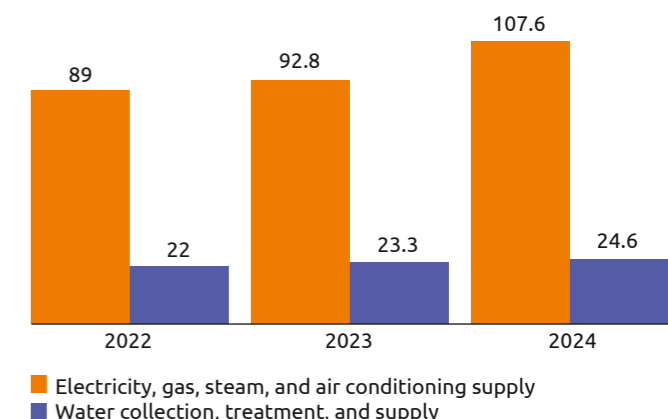
Source: GASTAT

Power consumption in Saudi Arabia is driven primarily by population growth and expanding industrial activity. Supported by Saudi Vision 2030, the Kingdom's economy has undergone a broad structural transformation through wide-ranging reforms. In the third quarter of 2025, real GDP grew by 4.8% year on year,<sup>1</sup> reflecting stronger domestic demand, rising consumption and investment, and continued diversification across multiple economic sectors.

Population growth is another key driver of rising power demand. Saudi Arabia's population reached 35.3 million in 2024<sup>2</sup> and is projected to exceed 37 million by 2030, driving sustained growth in residential electricity consumption. In parallel, climate trends are increasing cooling demand, with air conditioning estimated to account for approximately 70% of summer peak load. Peak electricity demand reached 74.8 GW in 2024<sup>3</sup> and has been growing at an estimated 6–8% annually, outpacing the national average.

Reflecting these trends, operating revenues in the electricity, gas, steam, and air conditioning supply sector grew by 15.9% in 2024, with continued growth expected as demand rises. Key players in this market are ACWA Power, Engie, Marubeni, AlJomaih Water & Energy, TAQA UAE, KEPCO, JERA, Masdar, EDF, Etihad WE, and others.

**Operating revenue by sector, \$ billion<sup>4</sup>**



<sup>1</sup> The maximum production capacity of power generation plants in the Kingdom of Saudi Arabia, as specified in the licenses issued by the regulatory authority.  
<sup>2</sup> Source: Electrical Energy Statistics 2024 by the Saudi Arabia General Authority for Statistics (GASTAT).

<sup>1</sup> Source: Gross Domestic Product Statistics by GASTAT.  
<sup>2</sup> Source: Statistical Yearbook 2024 by GASTAT.  
<sup>3</sup> Source: Electrical Energy Statistics 2024 by GASTAT.  
<sup>4</sup> Source: Structural Business Statistics 2022-2024 by GASTAT.



## Wastewater Treatment Market

Wastewater treatment and reuse have become critical components of sustainable water management and environmental protection. Driven by Vision 2030, institutions such as the National Water Company (NWC) and SWPC are implementing reforms through the rehabilitation of existing assets, the development of greenfield projects, and the expansion of reuse initiatives. These efforts are accompanied by more stringent environmental compliance requirements, including standards such as zero liquid discharge in selected applications.

To support long-term sector integration and reliability, key infrastructure projects, including Independent Sewage Treatment Plants (ISTPs), Long-Term Operation and Maintenance (LTOM) contracts, and pipeline development, are increasingly being delivered under PPP models. This framework supports efficient asset management, risk sharing, and sustainable service delivery across the Kingdom’s water and wastewater systems.

Key players in this sector are Miahona, ALKhorayef, Acciona, Metito, Alfanar, Saur, Tawzea, GS Inima, TAQA Water UAE, Etihad WE, Veolia ME, and others.

## Water Market

Water supply in Saudi Arabia increased by 6.4% in 2023, reaching 30,020 million m<sup>3</sup>,<sup>1</sup> based on the latest available data. The Kingdom has developed the largest desalination capacity globally, exceeding 12 million m<sup>3</sup>/day, and desalinated water now accounts for approximately 50% of the distributed water supply.

Under Saudi Vision 2030, significant investments are being made to strengthen water infrastructure and expand desalination capacity. Sector reforms focus on reducing per capita water consumption through demand-side management, improving operational efficiency, and increasing private-sector participation.

New water projects are increasingly being tendered by the Saudi Water Partnership Company (SWPC) under Public-Private Partnership (PPP) structures, attracting both national and international developers. This approach enables the introduction of advanced technologies, specialized expertise, and long-term operational efficiencies that support the sector’s sustainability. Key players in this market include ACWA Power, Engie, Marubeni, ALJomaih Water & Energy, TAQA UAE, Etihad WE, Veolia ME, Acciona, and others.

## Marafiq’s Positioning

As the largest industrial utility provider in the Kingdom, Marafiq plays a pivotal role as an enabler for the industrial development across Jubail, Yanbu, Ras Al-Khair, and Jazan industrial cities in addition to urban development in Jeddah. Marafiq operates in cities that are strategically important to the Kingdom’s economy, hosting petrochemical complexes, refineries, and complementary industrial facilities among the largest of their kind in the world. The demand for utility services continues to grow alongside ongoing industrial expansion in these areas relying on Marafiq capabilities and proven commitment.

In line with its strategic focus, Marafiq plans to expand its services in the industrial areas and across the kingdom to meet rising demand for utility services and utility projects while exploring selected growth opportunities in non-regulated utility services. The Company continues to leverage investment opportunities within Royal Commission cities, particularly in newly developed industrial zones that serve as key economic hubs.

The Company anticipates marginal growth in demand for utility services in its operational areas between 2026 and 2030 at the following projected rates:

City	Power	Seawater Cooling	Water	Water Treatment	Wastewater	Gas
Jubail		0.10%	1.41%	0.01%	1.13%	
Yanbu	0.11%	1.58%	0.87%	0.92%	2.63%	2.11%
Jazan	0.09%		6.72%			
Ras Al-Khair		30.5%	0.65%			

<sup>1</sup> Source: 2023 Water Accounts by GASTAT.

Source: Approved Demand Forecast in 2026-2030 Business Plan.

# Power Sector

Our power generation and distribution systems are built on decades of expertise, ensuring that businesses and communities always have the energy they need to grow.

Marafiq plays an essential role in powering Saudi Arabia's industrial transformation by providing transmission, distribution, and sectoral power supply services across Yanbu City and Jazan City for primary industries.

In Yanbu Industrial City, we operate power and water production facilities at Yanbu 1 and Yanbu 2, ensuring a reliable, efficient power supply to industrial complexes, factories, and residential communities. Together, these facilities provide a total installed power generation capacity of 2,062.5 MW.



## Yanbu 1 Power Generation Plant

Covering an area of over 630,000 m<sup>2</sup>, the Yanbu 1 power generation facility comprises nine Gas Turbine Generators (GTGs) with a combined capacity of 548.7 MW, including eight units with a capacity of 60 MW each and one with a capacity of 68.7 MW. In addition, the plant houses three Steam Turbine Generators (STGs), with one rated at 138.8 MW of capacity and two at 275 MW each.



## Yanbu 2 Power Generation Plant

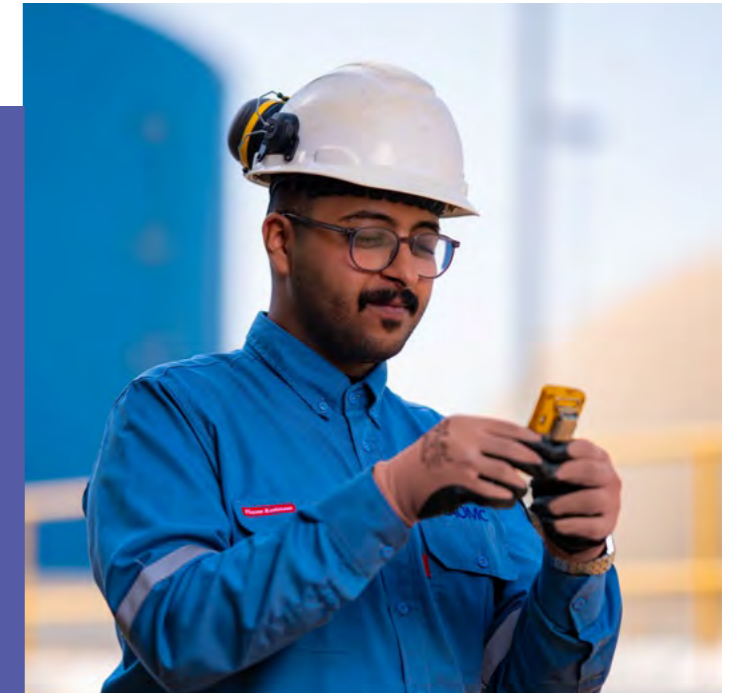
Located approximately 15 kilometers from Yanbu 1, the Yanbu 2 power generation facility spans 377,000 m<sup>2</sup> and includes three Steam Turbine Generators (STGs), each with a capacity of 275 MW, contributing a total of 825 MW. In 2025, as part of our commitment to sustainability and operational excellence, the Company initiated a project in collaboration with Doosan Enerbility to convert the Yanbu 2 plant from oil-fired operation to natural gas.

➔ Please refer to the [Sustainability Review](#) for more details

### Efficient and reliable power production

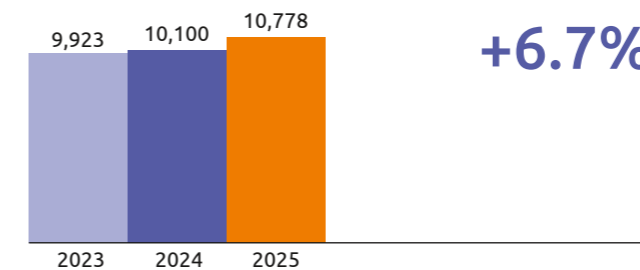
The Gas Turbine Generators (GTGs) produce electricity by combusting fuel in their combustion chambers, generating high-temperature exhaust gases that drive the turbine and its generator. Exhaust heat is recovered in Heat-Recovery Steam Generators (HRSGs) to produce steam, which is used to meet process requirements such as thermal desalination.

The Steam Turbine Generators (STGs) operate on a Rankine cycle: steam generated in subcritical boilers expands through the turbine to drive the generator, is subsequently condensed in seawater-cooled condensers, and is returned to the boiler as feedwater.

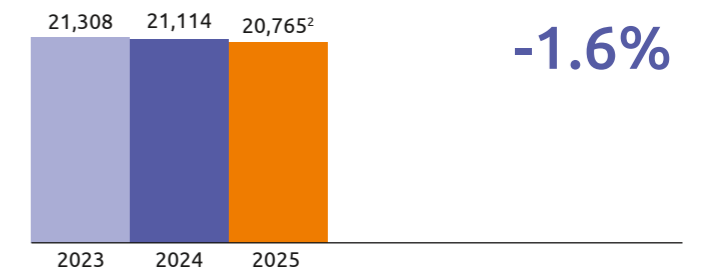


## Key Operational and Financial Indicators<sup>1</sup>

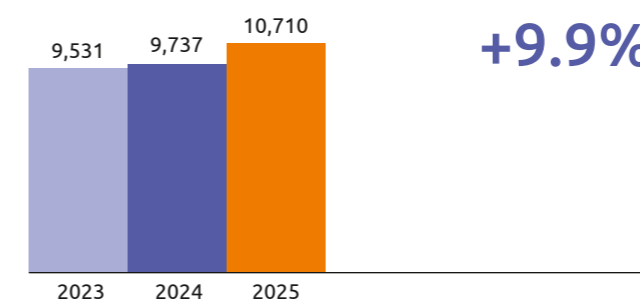
Power generation, GWh



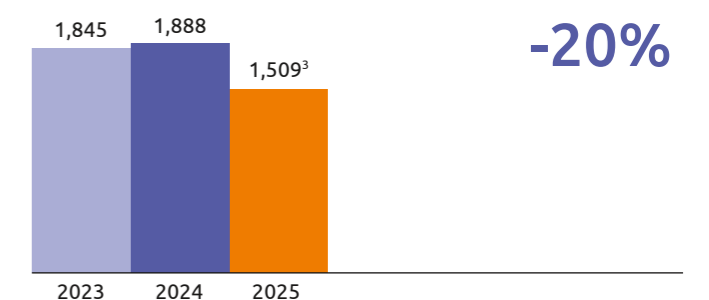
Power sector, number of customers



Power sales, GWh



Power sector sales revenue, ٠ million



➔ For more information on our assets, please refer to the [Services Provided by the Company](#)

<sup>1</sup> Including the intersegment revenue.

<sup>2</sup> The decrease in number of customers in 2025 is attributed to the demolition of housing units and districts.

<sup>3</sup> The drop in sales revenue is mainly due to the HIECT effect. Adjusted for one time revenue reversal of 475.5 million, owing retrospective implementation of HIECT in 2025.

# Water Sector

Water is at the heart of every thriving community, and we work every day to ensure it flows reliably and sustainably to where it's needed most.

Our services span the production and distribution of desalinated, treated, and potable water; industrial water supply; seawater cooling systems for heavy

industries and manufacturing facilities; and wastewater collection and treatment across all four industrial cities in which we operate.

## Drinking and Processed Water

We are committed to delivering high-quality drinking water to residents of both Jubail and Yanbu Industrial Cities, while ensuring that water supplied to the industrial sector meets the highest international treatment standards.

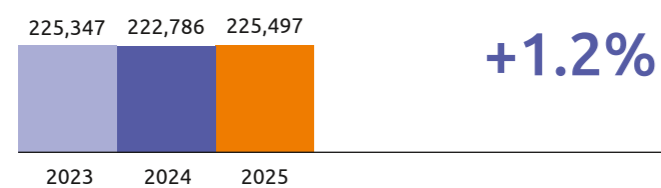
drinking water is supplied through a 1,724-kilometer pipeline network supported by 32 pumping stations, ensuring consistent, reliable water delivery.

In Jubail Industrial City, we source and distribute drinking water through a combination of in-house desalination facilities and imports from JWAP and Al-Fath Company. We purchase 300,000 m<sup>3</sup>/day from Tawreed, plus an additional 75,000 m<sup>3</sup>/day from the reverse-osmosis seawater plant operated by Al-Fath Company. We also own a reverse osmosis desalination plant in Jubail, with a production capacity of 100,000 m<sup>3</sup>/day. The city's

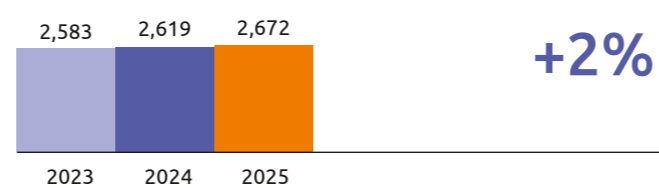
In Yanbu, Marafiq operates with a total production capacity of 208,240 m<sup>3</sup>/day, providing high-quality drinking water to residential customers and superior treated water to industrial clients across Yanbu Industrial City. The Yanbu 1 facility comprises three Multi-Stage Flash Distillation (MSFD) units, one reverse osmosis desalination unit, and two Multi-Effect Distillation (MED) units, while Yanbu 2 facility two additional multi-effect distillation units. This robust infrastructure ensures we can fully meet the city's demand for both drinking and treated water with efficiency and reliability.

## Key Operational and Financial Indicators

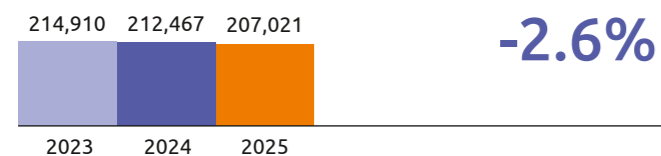
Drinking and processed water production, '000 m<sup>3</sup>



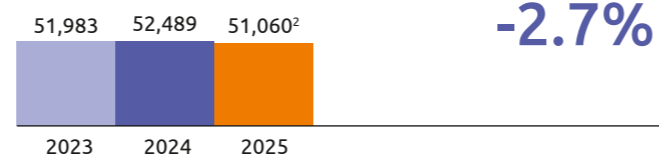
Water sector sales revenue<sup>1</sup>, ₪ million



Drinking and processed water sales, '000 m<sup>3</sup>



Water sector, number of customers



<sup>1</sup> Excluding MaSa.

<sup>2</sup> The decrease in number of customers in 2025 is attributed to the demolition of housing units and districts.

## Seawater Cooling

Seawater cooling is a vital service that supports industrial operations in Jubail, Yanbu, and Ras Al-Khair. It plays an essential role in helping heavy industries maintain optimal operating conditions.

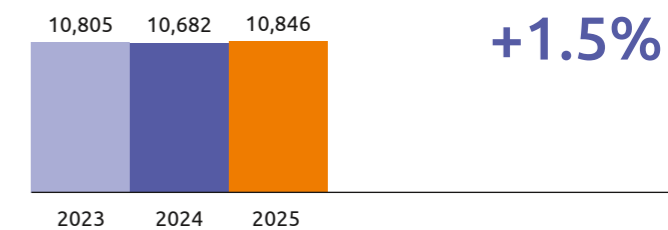
In Jubail, the seawater cooling system comprises two adjacent pumping stations near the coast, connected to customers via an extensive underground distribution network. Seawater is pumped into the distribution channel and delivered directly to customers, while the return flow naturally discharges back to the sea by gravity.

Before entering the system, seawater drawn from the Arabian Gulf passes through intake channels that are regularly dredged and filtered. At the pumping stations, the water is screened through coarse and fine waste filters and treated with chlorine to prevent biological growth before being pumped into the distribution network.

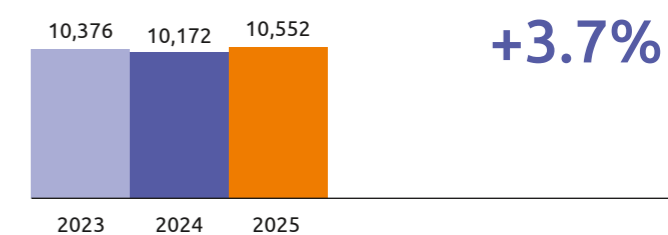
The production capacity of the seawater cooling system in Yanbu Industrial City is approximately 1.11 million m<sup>3</sup>/hour, while in Jubail, the capacity reaches 1,245,600 m<sup>3</sup>/hour, with an additional 220,000 m<sup>3</sup>/hour provided by the booster pumping station in Jubail 2.

## Key Operational Indicators

Cooled seawater produced, million m<sup>3</sup>



Cooled seawater sold, million m<sup>3</sup>



## Treated Industrial and Sanitary Wastewater

Marafiq collects industrial and sanitary wastewater from both industrial customers and the local community through dedicated wastewater collection networks in the industrial cities of Jubail and Yanbu. These networks are designed to keep industrial and sanitary waste separate, ensuring efficient treatment and compliance with environmental standards.

Wastewater is treated in biological treatment plants, with processes tailored to the specific characteristics of each wastewater stream. The industrial and sanitary wastewater treatment plants process water discharged from factories in the industrial cities, in full compliance with the Royal Commission for Jubail and Yanbu's environmental guidelines governing the disposal of industrial and sanitary wastewater.

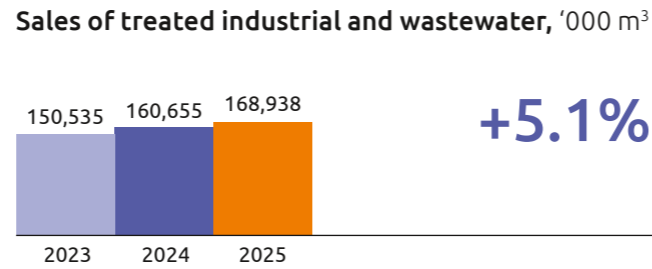
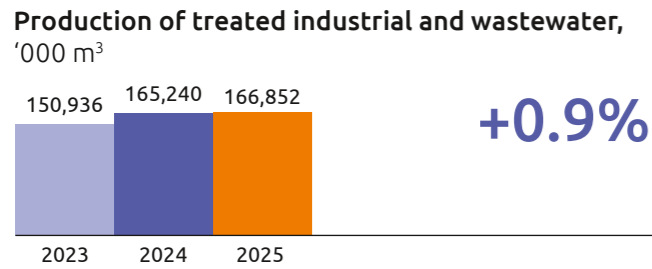
Our current treatment capacity for industrial and sanitary wastewater stands at 340,000 m<sup>3</sup>/day in Jubail and 95,000 m<sup>3</sup>/day in Yanbu. An additional plant in Jubail, with a capacity of 125,000 m<sup>3</sup>/day for industrial wastewater, will further enhance the Company's treatment capabilities.

We remain committed to optimizing resource use and minimizing water loss through recycling and reuse initiatives. Today, we have the capacity to recycle approximately 735,000 m<sup>3</sup>/day of sanitary and industrial wastewater, contributing to sustainable water management and supporting the Kingdom's circular economy goals.

In line with our long-term strategy to expand water infrastructure across Saudi Arabia, Marafiq is also involved in developing a new state-of-the-art Sewage Treatment Plant at Jeddah Airport II. The project, developed under a Build–Own–Operate–Transfer (BOOT) model, is designed to provide an initial operating capacity of 300,000 m<sup>3</sup>/day, with potential expansion to 500,000 m<sup>3</sup>/day.

We also produce irrigation and recycled water through the treatment of industrial and sanitary wastewater. This water is primarily used for landscaping and irrigation, supporting the green transformation of the industrial cities in Jubail and Yanbu. In Jubail, any surplus irrigation water is stored in a large artificial lake, while in Yanbu, excess treated industrial wastewater is safely discharged into the sea because of less demand.

### Key Operational Indicators



➔ For more information on our assets, please refer to the [Services Provided by the Company](#)

### Turning Industrial Wastewater into Value: the SATORP Amiral Project

In September 2025, Marafiq joined a consortium to develop an advanced Industrial Wastewater Treatment Plant (IWWTP) in Jubail II Industrial City to serve the Amiral facility, which is under construction by Saudi Aramco Total Refining and Petrochemical Co. (SATORP). The project is structured as a 30-year concession agreement valued at approximately USD500 million (S 1.875 billion) to support the recycling of industrial wastewater into demineralized water for reuse in industrial operations.

The concession will be delivered through a dedicated project company owned by Marafiq (40%), Veolia Middle East S.A.S. (35%), and Lamar Arabia for Energy (25%). The plant is designed to treat complex industrial effluents, including industrial wastewater

and spent caustic streams, and recover resources for reintegration into original processes, enabling closed-loop reuse and improved energy efficiency. Beyond serving SATORP, it could provide advanced treatment solutions to other industrial players across the region, creating a regional hub for complex wastewater management. This project is a part of Marafiq's strategy to build more sustainable industrial ecosystems through integrated utility and environmental solutions.

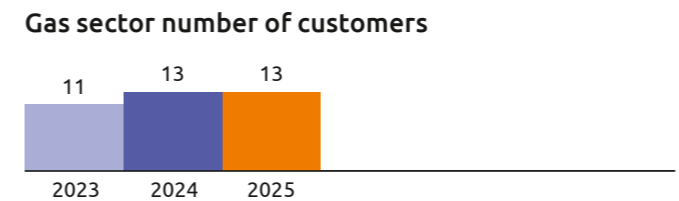
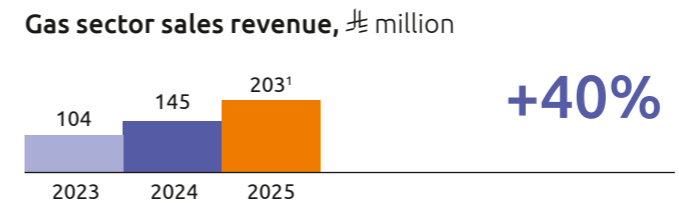
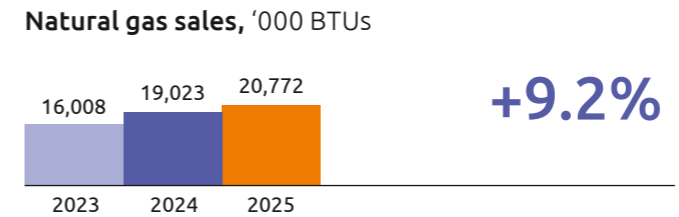
The biggest water reuse plant in the Middle East  
**~8.8 million m<sup>3</sup>**  
 annual capacity

## Gas Sector

Reliable energy is at the heart of every thriving industrial community, and in Yanbu, we deliver natural gas that helps industries grow, innovate, and operate with confidence.

Marafiq is responsible for gas distribution operations in the city of Yanbu, which began in 2009, with commercial operations commencing in September 2011. The gas distribution system supplies gas directly from high-capacity pipelines to smaller consumers in the light industrial area, ensuring the network's safe and reliable operation. The gas distribution network consists of a series of pipelines, valve stations, valve boxes, filter units, pressure regulators, and metering platforms, all designed and operated in accordance with stringent safety and reliability standards.

### Key Operational and Financial Indicators



➔ For more information on our assets, please refer to the [Services Provided by the Company](#)

<sup>1</sup> The increased is mainly due to the gas price increase and demand increase.



# Independent Sector

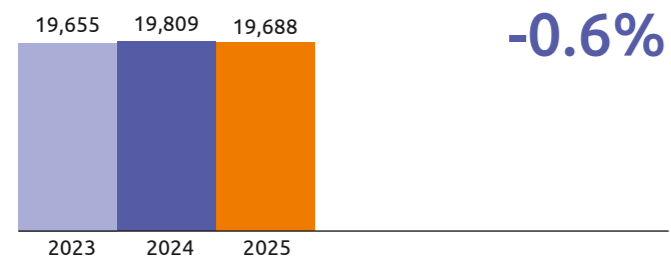
## Water and Power Production

Through our independent water, power and wastewater partnerships, we help deliver the reliable energy and water our customers depend on.

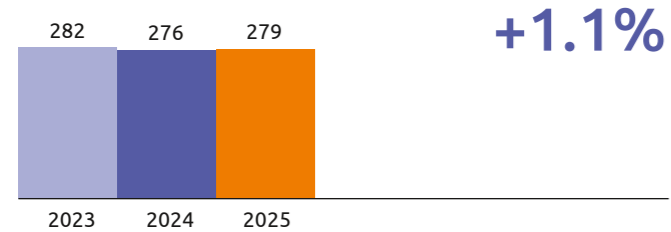
This sector represents the business performance of contractual transactions between Marafiq's Water and Power Supply Company (Tawreed) and the Jubail Water and Power Company (JWAP). Under these agreements, Tawreed purchases the entire power output and the water output from JWAP and sells these utilities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

### Key Operational and Financial Indicators

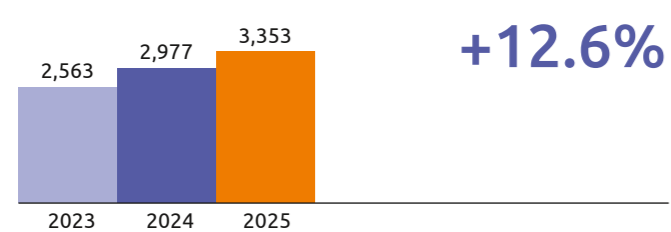
Power sales, GWh



Water sales, million m<sup>3</sup>



Total sales revenue, ₪ million



## Wastewater Treatment

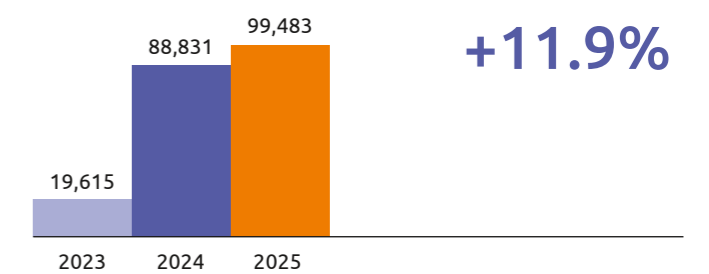
Through our 45% ownership in the Jeddah Althaniya Water Company (JAWC), Marafiq helps deliver comprehensive wastewater treatment services to residential, commercial, and governmental sectors in Jeddah. JAWC treats up to 300,000 cubic meters of wastewater per day,

playing a vital role in advancing sustainable water management in one of the Kingdom's largest and fastest-growing urban centers.

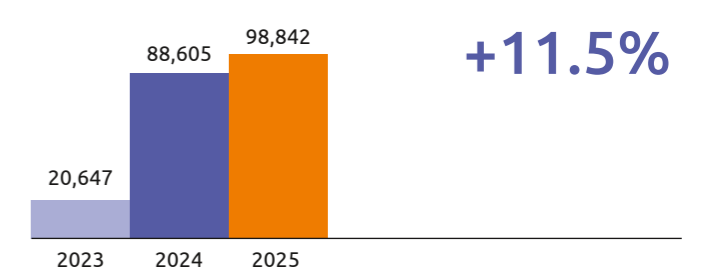
Wastewater collected by the National Water Company (NWC) is treated using advanced technologies that meet the highest environmental and quality standards. Once processed, the treated water is safely transferred to designated collection points in coordination with the Saudi Water Partnerships Company (SWPC) and the NWC, ensuring full regulatory compliance and alignment with national sustainability objectives.

### Key Operational and Financial Indicators

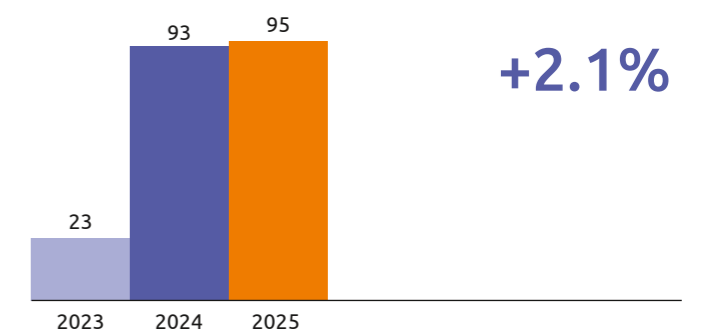
Treated wastewater, '000 m<sup>3</sup>



Produced, '000 m<sup>3</sup>



Revenue, ₪ million



# Operational Excellence

Operational excellence is one of the promises we uphold every day. Across all our cities and facilities, we work to keep our systems reliable and ready for the future. By continually enhancing asset integrity, reliability, and efficiency, we ensure that the essential services our customers depend on are delivered safely, consistently, and without interruption.

## Asset Integrity and Resilience

We take a proactive, risk-based approach to inspecting and maintaining our assets. This helps us identify potential issues early and act quickly, whether that means scheduling targeted maintenance, planning upgrades, or preparing for complete replacement. Assets with fewer than 5 years of useful life remaining are closely monitored

to ensure they continue to perform safely and efficiently. We maintain detailed emergency response plans and conduct regular readiness assessments to ensure our plants and teams can respond effectively to unexpected events.

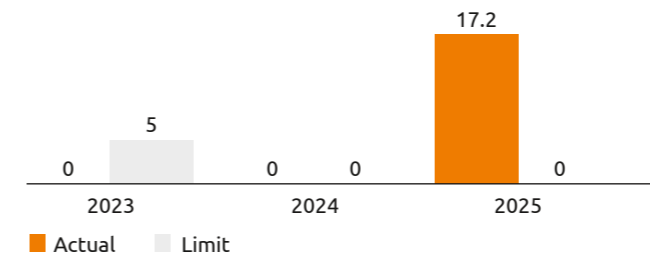


## SAIDI

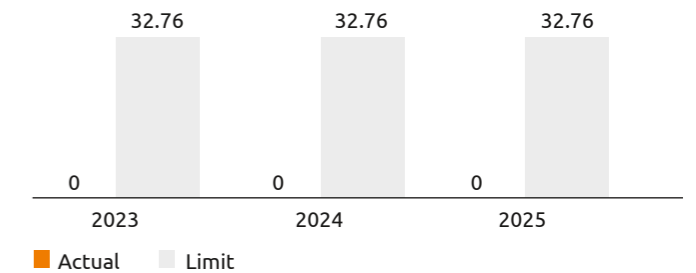
A key measure of reliability is the System Average Interruption Duration Index (SAIDI), which tracks the average duration of unplanned service interruptions experienced by customers. By closely monitoring this index and analyzing trends across our network, we keep

outage durations well below established limits. Our disciplined approach to maintenance, fast-response protocols, and continuous improvement efforts ensure we stay ahead of potential challenges.

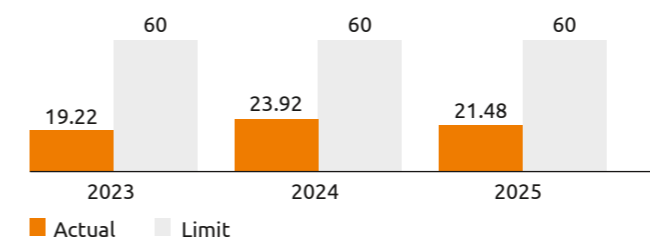
SAIDI Power Transmission



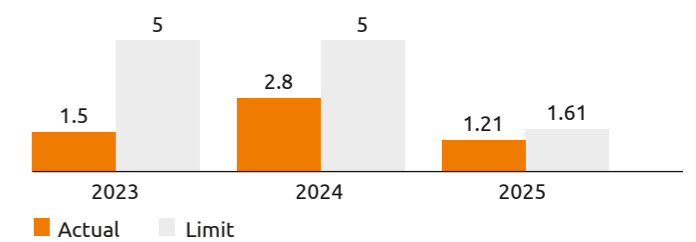
SAIDI SDGN Distribution



SAIDI Power Distribution



Water Interruption



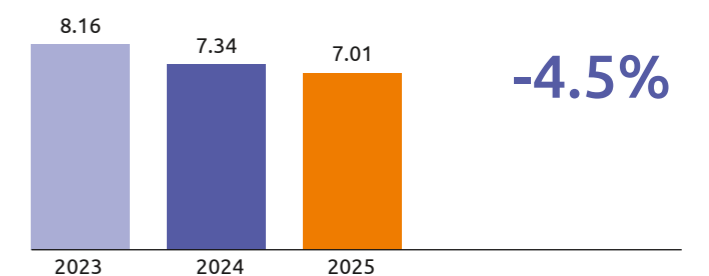
## Distribution Loss

Reducing water and electricity distribution losses is an important part of our commitment to efficiency, sustainability, and responsible resource management. We closely track comprehensive KPIs for both networks, monitor performance against monthly and annual targets, and report progress to the Board of Directors to ensure transparency and ongoing improvement.

Water loss risks are also reflected in our corporate risk register. Issues such as frequent HDPE pipeline breaks in the Jubail network are managed through proactive maintenance, engineering assessments, and corrective action plans.

The Water Loss Network KPI measures the percentage of potable and process water lost through physical or commercial inefficiencies relative to total water supplied. By tracking this indicator, we can identify performance gaps, optimize operations, and implement targeted improvement plans. A consolidated yearly target that combines data from both Jubail and Yanbu ensures a unified, system-wide approach to minimizing losses.

Water loss, %



# Risk Management

## Delivering Resilience

Our proactive risk management is about anticipating challenges, strengthening resilience, and ensuring stability to create long-term value.

**100%**

of our operations are encompassed by the risk management framework



# Risk Management

We fully recognize that the business landscape is undergoing rapid development, requiring organizations to adopt more flexible and professional risk management practices. Strengthening the enterprise risk management culture is a fundamental pillar to ensure the Company's readiness to face expected and unexpected challenges. In a world of increasing volatility and complex business environments, adopting a comprehensive approach to risk management becomes an urgent necessity, especially in light of the digital transformations and rapid innovations that continuously change the business ecosystem.

Marafiq relies on an integrated risk management framework based on the latest methodologies and best international practices, covering the entire risk lifecycle through precise processes for identification, assessment, treatment, and continuous monitoring. The risk management team is also responsible for developing policies and procedures and raising risk awareness across the organization, ensuring the Company has a proactive approach capable of efficiently dealing with various challenges. Through the effective oversight of the Executive and Risk Committee, the ERM framework continues to evolve to become a strategic partner to Executive Management and the Board of Directors. ERM plays a pivotal role in enhancing organizational resilience, supporting sustainable value creation, and enabling risk-based decision-making across the enterprise.

The Executive and Risk Committee (ERC) plays a pivotal role in overseeing the risk management framework by reviewing regular reports and providing recommendations to the Board of Directors to ensure the risk management system aligns with the Company's strategic directions. In a fast-paced and constantly changing business environment, the Committee works to enhance the Company's readiness to face all types of risks, drawing on international best practices to ensure operational sustainability and support the growth journey.

Marafiq remains committed to providing reliable and safe services to its customers, placing business continuity and asset protection at the forefront of its priorities.

## Corporate Risk Management

Marafiq is evolving in its continuous improvement journey to reach an integrated and flexible enterprise risk management framework that keeps pace with constant influential changes, anchoring the principles of agility, financial stability, and innovation across all business lines. Daily challenges have been transformed into disciplined execution and measurable results, while ensuring integrity in action and transparency in disclosure at every stage. This maturity now enables the company to turn risks into opportunities, enhance corporate stability, and deliver long-term sustainable value, supporting the achievement of visions and ambitions toward a promising future.

The period between 2024 and the second quarter of 2025 witnessed several key developments. The updated organizational structure for Enterprise Risk Management was approved and implemented, followed by the completion of the risk management maturity

assessment, which confirmed the Company's readiness to transition and evolve into an advanced stage of risk management.

In parallel, Marafiq has made fundamental improvements to policies and frameworks, including updating the risk management policy to enhance governance, formally adopting the Risk Appetite Statement, and defining risk tolerance limits. Improvements also included developing processes such as the risk escalation mechanism, implementing re-assessment activities, applying risk mitigation procedures, and completing risk closure procedures. Additionally, the Company updated the Enterprise Risk Matrix and improved the risk assessment methodology to ensure compliance with evolving regulatory requirements and the adoption of best practices and a comprehensive risk management approach.

## Objectives of Corporate Risk Management

Enterprise Risk Management aims to enhance the Company's ability to face challenges and turn opportunities into gains, through the adoption of a systematic and comprehensive approach that improves decision-making efficiency and enhances business sustainability. The key objectives include the following:

### Enhancing Sustainable Growth

Develop a framework that ensures stable long-term growth for the Company by mitigating material risks associated with core operations and future investments, and supporting the ability to make safer and more profitable expansion decisions.

### Protecting Assets and Resources

We work to identify risks that may threaten the Company's assets or operations and develop appropriate preventive and precautionary measures to mitigate their impact, thereby enhancing business continuity and minimizing potential losses.

### Complying with Laws and Regulations

Ensure compliance with relevant regulatory and legislative requirements, and mitigate legal and reputation risks that may affect the Company, thereby enhancing its reliability towards its customers, regulatory authorities, and partners.

### Achieving Strategic Objectives

Enable management to successfully execute the Company's plans and initiatives by monitoring risks that may affect the achievement of strategic objectives, and taking actions that ensure maintaining the planned performance trajectory.



## Risk Management Framework

Marafiq has strengthened its Enterprise Risk Management framework by developing and improving the organizational structure, procedures, policy, and enhancing internal governance, while integrating the risk framework into operational practices and decision-making. The insurance function has been developed by consolidating all insurance programs within the comprehensive ERM framework. Marafiq is committed to applying the highest international standards and best practices in risk management, including the ISO 31000 standard, to ensure systematic methodologies for identifying, assessing, and treating risks across all organizational levels. This commitment aligns with the directives of the General Secretariat

of the National Risk Council, ensuring dynamic performance and full compliance with local regulations, while promoting effective stakeholder engagement. Marafiq's risk management framework is based on a comprehensive and integrated methodology that includes key steps to ensure the effectiveness of risk identification, assessment, treatment, and monitoring processes efficiently.

The risk management framework relies on an integrated methodology based on international best practices and standards, aiming to enhance the Company's ability to deal with risks proactively and systematically. The framework includes the following key stages:



### 1. Risk Identification

This stage focuses on identifying potential events or circumstances that may affect the achievement of the organization's key objectives, by conducting regular internal reviews, analyzing the external environment, and monitoring variables that may constitute potential sources of risk.



### 2. Risk Assessment

In this step, risks are analyzed in terms of their likelihood of occurrence and potential impact, while determining the acceptable risk level in accordance with the Company's controls. Risks are also prioritized to ensure that efforts and resources are directed toward addressing the most critical risks.



### 3. Risk Mitigation

This stage involves selecting and implementing appropriate strategies to address each type of risk, whether by:

- Avoiding the risk.
- Mitigating its impact or likelihood of occurrence.
- Transferring or sharing it with other parties.
- Accepting it if it falls within the defined tolerance limits.

This is carried out in a manner consistent with the nature of each risk and its potential impact on the business.



### 4. Monitoring and Performance Review

This stage involves continuously monitoring the effectiveness of risk treatment plans and conducting periodic reviews to ensure that the measures taken align with operational and strategic developments. It also includes performance evaluation through regular reports to ensure the continuous improvement of the risk management process.

## Decision-Making in Risk Management

The decision-making process in risk management relies on an integrated approach based on a comprehensive analysis of all data and information received from various departments, allowing for a precise understanding of the nature of risks and their potential impacts on the business. This approach is based on a set of core principles that ensure informed and effective decisions, most notably:

### Transparency

Ensure the clear and reliable exchange of information among stakeholders, supporting decisions based on accurate data that reflect the operational reality and help build a unified vision of risks.

### Collaboration

Promote collaborative work between departments to ensure coordination of efforts and integration of expertise, allowing for a comprehensive view of risks and contributing to the formulation of decisions that are more efficient and consistent with corporate objectives.

### Balance between Risks and Rewards

Adopt a methodology that balances risk mitigation with benefit maximization, where each option is evaluated based on its impact on performance and added value, supporting the achievement of operational and strategic objectives in a sustainable manner.

## Risk Culture and Awareness

Promoting a risk culture within the organization is one of the fundamental pillars for the success of Enterprise Risk Management, as it contributes to building a conscious environment capable of dealing with various challenges efficiently. This includes the following:

Enhancing employee risk awareness increases their ability to adapt quickly to changes and contributes to improving operational efficiency and the quality of services provided to customers. This, in turn, supports business reliability and sustainability.



### 1. Ongoing Training

Providing training programs aimed at raising employee awareness about the importance of risk management and familiarizing them with the mechanisms for identifying and dealing with risks effectively, thereby enhancing their ability to take proactive measures when necessary.



### 2. Effective Communication

Ensuring there are open and effective communication channels between all employees and management, contributing to the rapid and accurate reporting of risks, and enhancing cooperation in dealing with and addressing them systematically.



### 3. Encouraging Participation

Encourage employee participation in the risk identification process and empower them to suggest innovative solutions that help avoid or mitigate their impact, creating a work environment that is more prepared and responsive to challenges.

## Key Risk Categories

Marafiq's operations span complex industrial and utility activities, which expose the Company to a variety of risks.



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

- 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 fluctuations in raw material prices and energy prices affecting the Group's costs.
- Risks related to the implementation of Financial Reporting Standards.



### 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.

The following section provides a detailed description of the main principal risks associated with Marafiq's business.

Note: The risks listed below are not in order of importance or expected impact.



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

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

<b>Category</b>	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.
<b>Risks</b>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
<b>Factors</b>	<ul style="list-style-type: none"> <li>• Lack of preventive maintenance or the use of outdated equipment.</li> <li>• Unavailability of critical spare parts or alternative equipment.</li> </ul>
<b>Potential Impact</b>	<ul style="list-style-type: none"> <li>• Service interruptions, impacting customer trust and leading to direct financial losses.</li> <li>• Exposure to negative reputation, which may affect the company's market position.</li> </ul>
<b>Response Plans</b>	<p><b>Current Measures:</b></p> <ul style="list-style-type: none"> <li>• Implement regular maintenance schedules and update equipment according to quality standards.</li> <li>• Ensure the supply of critical spare parts in adequate quantities and types to prevent interruptions.</li> </ul> <p><b>Future Plans:</b></p> <ul style="list-style-type: none"> <li>• Implementing predictive maintenance to reduce unexpected failures.</li> <li>• Developing business continuity and recovery plans to ensure minimal interruptions.</li> <li>• Enhance the readiness of operational teams through specialized training and simulation scenarios to improve proactivity, ensure efficiency, and strengthen monitoring capabilities.</li> </ul>

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

<b>Category</b>	<p>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.</p> <p>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.</p> <p>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.</p>
<b>Risks</b>	<ul style="list-style-type: none"> <li>• This includes risks associated with hazardous material leaks, which may impact environmental safety and public health.</li> </ul>
<b>Factors</b>	<ul style="list-style-type: none"> <li>• This includes risks associated with hazardous material leaks, which may impact environmental safety and public health.</li> </ul>
<b>Potential Impact</b>	<ul style="list-style-type: none"> <li>• Failure to follow appropriate precautionary measures.</li> <li>• Weak storage systems or improper disposal of waste.</li> </ul>
<b>Response Plans</b>	<p><b>Current Measures:</b></p> <ul style="list-style-type: none"> <li>• Continuous training employees on safety protocols related to hazardous materials.</li> </ul> <p><b>Future Plans:</b></p> <ul style="list-style-type: none"> <li>• Improving storage mechanisms and developing a continuous monitoring system for hazardous materials.</li> <li>• Expand training programs to include hazardous material (HAZMAT) incident simulations and enhance environmental awareness among employees.</li> <li>• Develop emergency response plans specific to hazardous materials and elevate the readiness of specialized response teams.</li> </ul>

**1.3 Risks related to Information Technology and Cybersecurity**

<b>Category</b>	<p>The Group relies heavily on the uninterrupted operation of its IT infrastructure, which consists of a complex and advanced set of computer systems, communication networks, supervisory control and data acquisition (SCADA) systems, data processing systems, and monitoring systems.</p> <p>If a failure occurs in the Group's IT infrastructure — such as a malfunction, disruption, or outage — it could result in a significant increase in costs (e.g., repair costs) along with a noticeable reduction in available production capacity, actual output, and access to critical data within the Group or its subsidiaries. This, in turn, could lead to financial losses for the Group and its subsidiaries.</p> <p>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 and operational systems. This could have a material adverse effect on the Group's business, operational results, financial position, or future outlook.</p>
<b>Risks</b>	<ul style="list-style-type: none"> <li>The company's technological systems are vulnerable to cyberattacks or cyber damage, which could disrupt operations that rely on its information technology infrastructure.</li> </ul>
<b>Factors</b>	<ul style="list-style-type: none"> <li>Advancement of cyberattack methods and techniques.</li> <li>Rapid and ongoing progress in the technology field.</li> </ul>
<b>Potential Impact</b>	<ul style="list-style-type: none"> <li>Operational system outages and leakage of sensitive data, impacting the quality of service and affecting the company's reputation.</li> <li>Financial losses related to system repairs and compliance with cybersecurity requirements.</li> </ul>
<b>Response Plans</b>	<p><b>Current Measures:</b></p> <ul style="list-style-type: none"> <li>Develop robust cybersecurity strategies that include advanced protection technologies.</li> <li>Conduct regular system tests and updates to reduce the likelihood of breaches.</li> <li>Ensure the Group's compliance with all requirements set by the National Cybersecurity Authority.</li> </ul> <p><b>Future Plans:</b></p> <ul style="list-style-type: none"> <li>Strengthening the technical infrastructure by upgrading critical systems and enhancing reliability levels.</li> <li>Continuously developing and improving Cyber Incident Response Plans and elevating the readiness of specialized teams.</li> </ul>

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

<b>Category</b>	<p>The lifespan of the Group's industrial facilities and assets is negatively affected over time. There is no guarantee that these facilities and assets 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 useful life.</p> <p>This could result in higher depreciation rates or an increased impairment rate, bringing assets 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.</p>
<b>Risks</b>	<ul style="list-style-type: none"> <li>Increased operational failures due to equipment reaching or nearing the end of its lifespan.</li> </ul>
<b>Factors</b>	<ul style="list-style-type: none"> <li>Use of outdated facilities without replacement or renewal.</li> <li>Lack of essential preventive maintenance.</li> </ul>
<b>Potential Impact</b>	<ul style="list-style-type: none"> <li>Frequent breakdowns, leading to higher repair costs and repeated outages.</li> <li>Decline in the operational performance of outdated equipment.</li> </ul>
<b>Response Plans</b>	<p><b>Current Measures:</b></p> <ul style="list-style-type: none"> <li>Conduct continuous reviews of operational assets and update or replace them as necessary.</li> </ul> <p><b>Future Plans:</b></p> <ul style="list-style-type: none"> <li>Developing a comprehensive Asset Lifecycle Management program to ensure early planning for replacements and refurbishments.</li> <li>Strengthening investment in modern technologies to improve asset efficiency and extend their operational lifespan.</li> <li>Establishing long-term financial plans to cover replacement and renewal costs, thereby mitigating the impact of depreciation on financial results.</li> </ul>

**2 – Financial risks related to the group's activities.****2.1 Risks related to insurance coverage**

<b>Category</b>	<p>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 insured at commercially reasonable rates.</p> <p>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. To address this, the Group has initiated a comprehensive program to reassess its insurance coverage with partners to ensure appropriate protection.</p>
<b>Risks</b>	<ul style="list-style-type: none"> <li>High insurance costs for the company.</li> <li>Inadequate insurance coverage for various aspects of the Group's operations.</li> </ul>
<b>Factors</b>	<ul style="list-style-type: none"> <li>Inability to obtain business interruption insurance coverage at reasonable commercial rates.</li> <li>Changes in insurance premiums due to market fluctuations.</li> </ul>
<b>Potential Impact</b>	<ul style="list-style-type: none"> <li>Incurring high repair costs without insurance support.</li> <li>Decreased profitability and difficulty in financial recovery after incidents.</li> </ul>
<b>Response Plans</b>	<p><b>Current Measures:</b></p> <ul style="list-style-type: none"> <li>Expanding insurance coverage as needed and based on economic feasibility.</li> <li>Regularly reviewing insurance policies to align them with changes in operations.</li> <li>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.</li> </ul> <p><b>Future Plans:</b></p> <ul style="list-style-type: none"> <li>Expanding the utilization of Marafiq Insurance Limited (MIL) to provide innovative and alternative insurance solutions that support financial sustainability.</li> </ul>

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

<b>Category</b>	<p>The Group pays interest based on interbank rates, such as the 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.</p> <p>The Group and its subsidiaries are exposed to interest rate fluctuations in relation to their financing arrangements when hedging arrangements expire, they are not protected from this volatility, or they fail to successfully implement strategies to mitigate interest rate risks. If the Group decides in the future to obtain new hedging arrangements, they may become more costly, potentially impacting its operations, financial position, or future projections.</p>
<b>Risks</b>	<ul style="list-style-type: none"> <li>Fluctuations in interest rates can impact loans and financing costs, putting pressure on cash flows.</li> </ul>
<b>Factors</b>	<ul style="list-style-type: none"> <li>Dependence on variable interest rate loans.</li> <li>Lack of a financial hedging plan to mitigate rate fluctuations.</li> </ul>
<b>Potential Impact</b>	<ul style="list-style-type: none"> <li>Strain on cash flows.</li> <li>Increased cost of banking transactions.</li> </ul>
<b>Response Plans</b>	<p><b>Current Measures:</b></p> <ul style="list-style-type: none"> <li>Develop strategies for interest rate hedging and reduce reliance on variable debt.</li> <li>Establish financial strategies to address and manage interest rate fluctuations.</li> </ul> <p><b>Future Plans:</b></p> <ul style="list-style-type: none"> <li>Strengthening financial hedging tools to ensure cost stability and mitigate the impact of interest rate fluctuations.</li> <li>Diversifying financing sources between fixed and variable rates to achieve a balance that minimizes risk exposure.</li> <li>Developing advanced financial analysis models to forecast interest rate movements and enable proactive decision-making.</li> <li>Periodically reviewing financing policies to ensure alignment with changing economic variables.</li> <li>Enhancing collaboration with financial institutions to secure flexible financing solutions with lower exposure to volatility.</li> </ul>

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

<b>Category</b>	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 overall 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.
<b>Risks</b>	<ul style="list-style-type: none"> <li>• Rising raw material costs affecting operating expenses.</li> </ul>
<b>Factors</b>	<ul style="list-style-type: none"> <li>• Inability to control power resource prices.</li> </ul>
<b>Potential Impact</b>	<ul style="list-style-type: none"> <li>• Reduced profitability due to increased operating costs.</li> </ul>
<b>Response Plans</b>	<p><b>Current Measures:</b></p> <ul style="list-style-type: none"> <li>• Coordination with energy suppliers regarding future price changes.</li> <li>• Efforts to compensate for energy price fluctuations with regulators, based on service tariffs.</li> </ul> <p><b>Future Plans:</b></p> <ul style="list-style-type: none"> <li>• Developing price forecasting models to enhance financial planning and support more accurate procurement decisions.</li> <li>• Improving energy and material consumption efficiency through process optimization initiatives and waste reduction.</li> </ul>

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

<b>Category</b>	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.
<b>Risks</b>	<ul style="list-style-type: none"> <li>• The mandatory changes and their implications regarding financial reporting standards and systems, which negatively affect the company's financial performance.</li> </ul>
<b>Factors</b>	<ul style="list-style-type: none"> <li>• Failure to keep up with updates or new releases of the adopted standards.</li> </ul>
<b>Potential Impact</b>	<ul style="list-style-type: none"> <li>• A significant negative impact on the group's operational results and financial position.</li> <li>• Potential regulatory or legal penalties</li> </ul>
<b>Response Plans</b>	<p><b>Current Measures:</b></p> <ul style="list-style-type: none"> <li>• Ongoing training and development for the specialized team.</li> <li>• Ensuring all relevant employees obtain accredited certifications and memberships.</li> <li>• Continuous evaluation of internal performance.</li> <li>• Engaging one of the Big Four auditing firms for external audits.</li> </ul> <p><b>Future Plans:</b></p> <ul style="list-style-type: none"> <li>• Enhancing the periodic monitoring system for updates issued by the IASB and SOCPA to ensure immediate compliance.</li> <li>• Developing a financial governance framework to assess the impact of accounting changes on financial results prior to implementation.</li> <li>• Investing in digital financial systems designed to support IFRS application with higher efficiency and reduced error rates.</li> <li>• Expanding specialized training programs to include practical application scenarios for newly updated standards.</li> <li>• Strengthening coordination between financial and operational departments to ensure the readiness of data required for updated financial reporting.</li> </ul>

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

### 3.1 Risks Related to Environmental Standards and Requirements

<b>Category</b>	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.
<b>Risks</b>	<ul style="list-style-type: none"> <li>• Failure to comply with environmental standards exposes the company to legal and financial penalties that could impact its reputation.</li> </ul>
<b>Factors</b>	<ul style="list-style-type: none"> <li>• Continuous regulatory changes.</li> <li>• Failure to update operations in line with new environmental requirements.</li> </ul>
<b>Potential Impact</b>	<ul style="list-style-type: none"> <li>• Incurring financial penalties and losing operating licenses.</li> <li>• Negative impact on the company's reputation and customer trust.</li> </ul>
<b>Response Plans</b>	<p><b>Current Measures:</b></p> <ul style="list-style-type: none"> <li>• Develop a system to monitor environmental compliance and update procedures.</li> <li>• Conduct regular reviews to ensure alignment with environmental standards.</li> </ul> <p><b>Future Plans:</b></p> <ul style="list-style-type: none"> <li>• Developing advanced environmental monitoring systems based on real-time analysis of emissions and potential violations.</li> <li>• Implementing internal awareness programs to elevate environmental compliance levels among employees across all departments.</li> <li>• Preparing proactive plans to address new regulatory requirements to minimize unforeseen costs.</li> <li>• Expanding environmental sustainability initiatives to improve performance and mitigate risks associated with standards and requirements</li> </ul>

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

<b>Category</b>	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.
<b>Risks</b>	<ul style="list-style-type: none"> <li>• Delays or non-compliance with licensing and permit requirements could expose the company to legal accountability and impact on the continuity of its operations.</li> </ul>
<b>Factors</b>	<ul style="list-style-type: none"> <li>• Changes in licensing and permit requirements.</li> <li>• Impact on routine contracts due to changes related to or resulting from licenses and permits.</li> </ul>
<b>Potential Impact</b>	<ul style="list-style-type: none"> <li>• License suspension or revocation, impacting service continuity.</li> <li>• Legal fines and regulatory accountability.</li> </ul>
<b>Response Plans</b>	<p><b>Current Measures:</b></p> <ul style="list-style-type: none"> <li>• Appointing a specialized team to manage licensing and permit requirements.</li> <li>• Developing a precise monitoring system for timely renewals.</li> </ul> <p><b>Future Plans:</b></p> <ul style="list-style-type: none"> <li>• Enhancing direct and continuous communication with regulatory authorities to ensure alignment with new requirements before implementation.</li> <li>• Developing contingency plans to address any delays or changes in license scope, ensuring business continuity.</li> <li>• Improving the readiness of the specialized team through ongoing training on evolving regulatory systems and laws.</li> </ul>

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

<b>Category</b>	<p>The company engages in its regular business dealings with various related parties, including its shareholders and affiliates such as the Royal Commission, Saudi Aramco, the Public Investment Fund, SABIC, Tawreed, JWAP, and MaSa. These transactions are conducted strictly on a commercial basis.</p> <p>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.</p> <p>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.</p>
<b>Risks</b>	<ul style="list-style-type: none"> <li>• Legal disputes arising from contractual agreements during routine business operations.</li> <li>• Non-renewal of critical contracts that are vital for the company's business continuity.</li> </ul>
<b>Factors</b>	<ul style="list-style-type: none"> <li>• Changes in the economic situation and financial position of certain contractual counterparties.</li> <li>• Shifts in the objectives and strategies of some contractual counterparties.</li> </ul>
<b>Potential Impact</b>	<ul style="list-style-type: none"> <li>• Legal disputes that may result in financial losses.</li> <li>• Deterioration of relationships with key partners and suppliers.</li> <li>• Potential impact on the company's image and reputation due to legal disputes.</li> </ul>
<b>Response Plans</b>	<p><b>Current Measures:</b></p> <ul style="list-style-type: none"> <li>• Regular review of contracts by the legal department and adherence to their terms.</li> </ul> <p><b>Future Plans:</b></p> <ul style="list-style-type: none"> <li>• Developing a centralized contract management system to provide proactive alerts before the expiration of material agreements.</li> <li>• Conducting periodic risk assessments for sensitive contracts to identify any dependencies that could impact business continuity.</li> <li>• Expanding the scope of legal reviews to include scenario analysis for the potential expiration or amendment of contracts.</li> <li>• Preparing contingency plans to ensure operational continuity in the event any major contract is not renewed.</li> </ul>

### 3.4 Risks related to Legal disputes

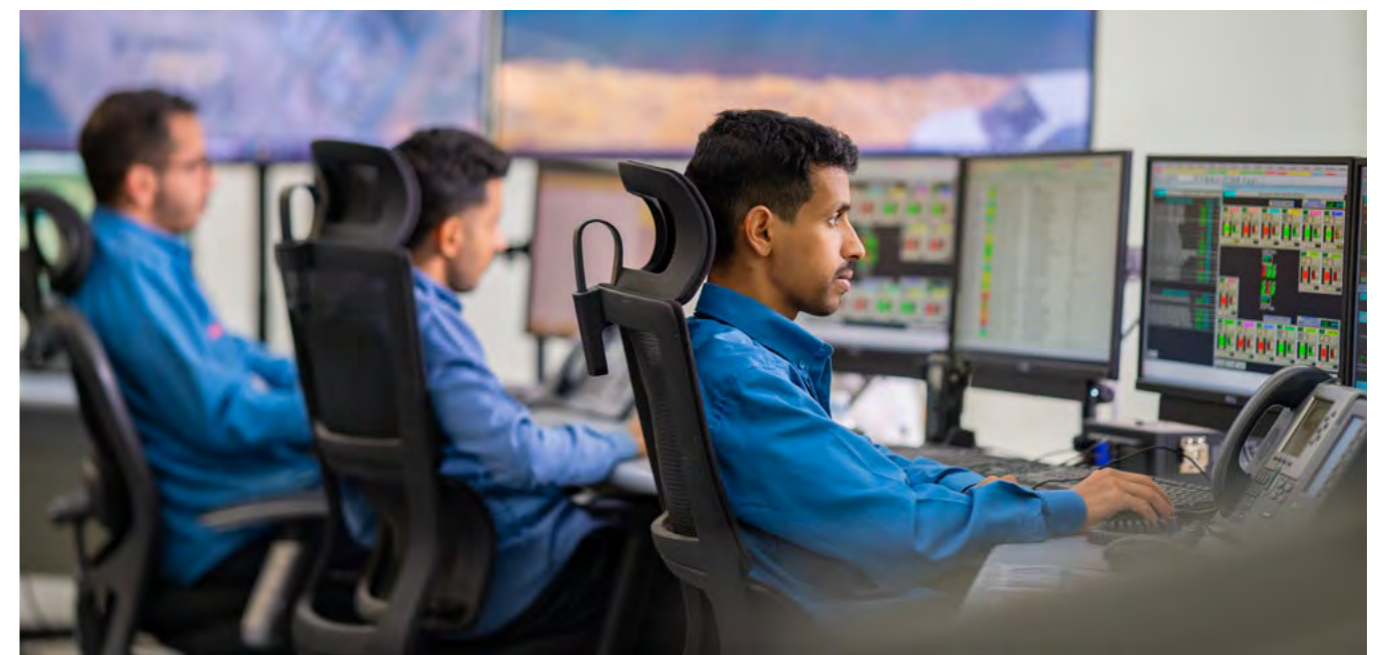
<b>Category</b>	<p>The group's operations carry potential risks of becoming involved in legal proceedings. It could face lawsuits from third parties, partners in subsidiaries and affiliates, suppliers, employees, or regulatory bodies. The final outcomes of these cases, as well as any financial costs 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.</p>
<b>Risks</b>	<ul style="list-style-type: none"> <li>• Legal disputes with clients or suppliers could lead to delays in operations and additional costs.</li> </ul>
<b>Factors</b>	<ul style="list-style-type: none"> <li>• Failure to settle complaints and disputes in an amicable or timely manner.</li> <li>• Poor management of relationships with stakeholders.</li> </ul>
<b>Potential Impact</b>	<ul style="list-style-type: none"> <li>• Legal costs and financial losses due to disputes.</li> <li>• Impact on the company's reputation and market position.</li> </ul>
<b>Response Plans</b>	<p><b>Current Measures:</b></p> <ul style="list-style-type: none"> <li>• Develop policies for resolving disputes amicably and quickly.</li> <li>• Establish a department for managing relationships and preventing legal disputes.</li> </ul> <p><b>Future Plans:</b></p> <ul style="list-style-type: none"> <li>• Enhancing early detection mechanisms for potential disputes by proactively monitoring contracts and operational transactions.</li> <li>• Expanding collaboration with specialized law firms to support complex cases and mitigate litigation risks.</li> <li>• Implementing internal awareness programs for employees regarding legal obligations and conflict avoidance strategies.</li> </ul>

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

<b>Category</b>	<p>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.</p>
<b>Risks</b>	<ul style="list-style-type: none"> <li>• Local and regional economic fluctuations could impact both direct and indirect operating costs.</li> </ul>
<b>Factors</b>	<ul style="list-style-type: none"> <li>• Heavy reliance on the economies of industrial areas only.</li> <li>• Weak periodic analysis of regional economic trends.</li> </ul>
<b>Potential Impact</b>	<ul style="list-style-type: none"> <li>• A significant increase in expenses and a direct impact on revenues.</li> <li>• Difficulty in executing projects.</li> </ul>
<b>Response Plans</b>	<p><b>Current Measures:</b></p> <ul style="list-style-type: none"> <li>• Keep track of local and regional economic trends and update policies as necessary.</li> </ul> <p><b>Future Plans:</b></p> <ul style="list-style-type: none"> <li>• Strengthening economic forecasting models to analyze the impact of local and regional changes on operations and enable proactive decision-making.</li> <li>• Developing flexible contracting and procurement plans to accommodate price fluctuations and varying economic conditions.</li> </ul>

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

<b>Category</b>	<p>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 the Kingdom's financial markets. Furthermore, there is no guarantee that these factors will not have a significant adverse effect on the group's operations, financial position, results of operations, or outlook.</p>
<b>Risks</b>	<ul style="list-style-type: none"> <li>• Increased insurance costs.</li> <li>• Disruption of global supply chains and rising costs.</li> </ul>
<b>Factors</b>	<ul style="list-style-type: none"> <li>• Political instability in surrounding regions.</li> </ul>
<b>Potential Impact</b>	<ul style="list-style-type: none"> <li>• A significant negative impact on the group's operations, financial position, results, or future projections.</li> </ul>
<b>Response Plans</b>	<p><b>Current Measures:</b></p> <ul style="list-style-type: none"> <li>• 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.</li> </ul> <p><b>Future Plans:</b></p> <ul style="list-style-type: none"> <li>• Enhancing coordination with governmental and economic entities to obtain early indicators regarding geopolitical risks.</li> <li>• Developing alternative operational and procurement plans to ensure service continuity in the event of market or supply chain disruptions.</li> </ul>



## Emerging Risks

By continuously monitoring the operating environment, Marafiq identifies emerging risks that could impact its operations.



### 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, such as floods or earthquakes, could destabilize infrastructure and affect the Company's ability to provide services.



### Economic Risks:

Fluctuations in financial markets or in the cost of raw materials may increase operational expenses, thereby impacting 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 demand, forcing the Company to adjust to meet customer needs.



## Technical Workshops & Collaborative Initiatives in 2025

### Promoting Safety Culture & Risk Management Integration

The year 2025 witnessed significant corporate activity focused on enhancing the workplace environment and fostering a culture of safety and compliance. The Company organized a series of technical workshops and collaborative meetings addressing pivotal themes in risk management, operations, and insurance. These initiatives were executed within a strategic framework aimed at aligning corporate concepts, integrating operational procedures, and boosting performance efficiency. This was achieved through knowledge-sharing with technical partners and consultants, alongside active participation from various regulatory and operational departments.

safety and performance KPIs. This initiative fostered enhanced coordination across Operations, Safety, and Engineering departments, leading to the development of an internal manual for alarm classification and response prioritization.

The third workshop addressed **Isolation Management**, focusing on procedures for isolating equipment and systems during maintenance or emergency operations. Emphasis was placed on the necessity of robust documentation and pre-verification to ensure the safety of field personnel. The session reviewed both physical and electronic isolation models along with joint review mechanisms. This resulted in the creation of a comprehensive guideline outlining isolation types and safety requirements, while updating protocols to incorporate mandatory joint technical reviews prior to execution.

### Collaborating with all operational and engineering departments through specialized Risk Engineering workshops

Several specialized workshops were conducted to address core operational concepts with a direct impact on safety, performance efficiency, and loss prevention, thereby fostering operational excellence and driving sustainability. The Risk Management department emphasized key frameworks, most notably **Management of Change (MoC)**. The sessions reviewed the mandatory criteria for MoC application to ensure asset integrity and business continuity. Furthermore, the workshops examined practical case studies, along with robust documentation and technical review mechanisms.

The second workshop focused on **Alarm Management**, highlighting the critical importance of configuring and systematically analyzing operational alarms to ensure effective response and minimize nuisance alarms. Global best practices were presented and aligned with

### Insurance Partnership: Workshop with "Tawuniya" company

As the Company's strategic insurance partner, Tawuniya Insurance Company conducted a specialized workshop titled **"Hot Work Permit Management"**. The session featured a comprehensive presentation on permit issuance protocols and safety controls associated with high-heat and spark-generating activities, such as cutting and welding. Complementing this was an interactive **"Comprehensive Fire Safety Training"** program, designed to elevate fire risk awareness and enhance practical response skills using advanced simulation technology.

The training covered essential modules, including fire dynamics and the Fire Triangle components, while providing participants with practical, hands-on experience in fire extinguisher deployment through realistic simulations. This initiative reinforces a proactive prevention culture and aligns fire safety protocols with overall operational safety procedures.

## Institutional Capacity Development: The “Risk Champions Workshop”

As part of the Institutional Risk Capacity Development Program, a specialized training session titled the “**Risk Champions Workshop**” was organized for departmental representatives designated as “Risk Champions.” The primary objective was to strengthen their role in implementing the Enterprise Risk Management (ERM) framework in alignment with the ISO 31000 standard. The workshop provided updates on the latest developments in ERM practices and addressed common challenges in risk management implementation, exploring effective strategies to overcome them. Participants engaged in practical risk assessment exercises and group discussions to foster applied understanding and cross-departmental integration.



The workshop successfully elevated corporate awareness of ERM concepts, linking them to operational plans and empowering participants to analyze and evaluate risks within their specific functional contexts, thereby supporting a unified risk management methodology across the organization.

## Collaborative Initiatives: Marafiq and SABIC Joint Meeting on Self-Insurance

Within the framework of collaborative initiatives, a strategic consultation was held between Marafiq and SABIC to explore partnership opportunities in **Self-Insurance**. The primary objective was to facilitate knowledge-sharing and investigate innovative insurance models that bolster business stability and enhance financial efficiency. The meeting reviewed both

companies’ experiences in establishing and operating self-insurance programs, while examining regulatory challenges and emerging opportunities within the local market. Furthermore, a series of joint initiatives were proposed to develop an insurance structure that serves the mutual interests of both organizations.

The engagement resulted in a strengthened corporate understanding of self-insurance models and the exchange of best practices in claims management and insurance governance. Furthermore, it established new channels for future cooperation in professional training and development. These outcomes reflect the shared commitment of both parties to building sustainable strategic partnerships in the field of financial risk management.

These workshops and engagements represent a strategic pillar in the ongoing evolution of the workplace environment, the institutionalization of a safety culture, and the integration of operational procedures. These initiatives positively impact corporate performance efficiency and contribute to building a comprehensive risk management and compliance ecosystem. Grounded in knowledge-sharing, collaboration, and innovation, this integrated approach supports business sustainability and ensures the attainment of the Group’s operational and regulatory objectives.

Throughout 2025, Marafiq has spearheaded a series of qualitative initiatives and strategic programs that have solidified its position as a leading institution in risk management and operational safety. Since the outset of the year, intensive efforts have seamlessly integrated robust planning with effective execution. These endeavors featured close synergy between local and international teams, operating within a framework of strategic partnerships dedicated to achieving corporate excellence and operational sustainability.

These integrated initiatives have formed the cornerstone of an advanced risk management ecosystem, built upon deep analysis, strategic planning, and continuous engagement between various departments and stakeholders. Furthermore, they have significantly enhanced the culture of safety and corporate behavior by embedding safety concepts into daily operations, developing human capital, and activating robust tools for assessment and continuous improvement.

## Initiatives and Programs Executed During the Year

### Risk Engineering Program

The Risk Management Deep Dive and Risk Engineering Project continued with increased momentum throughout 2024 and 2025, featuring semi-annual meetings and intensive workshops in Jubail and Yanbu Industrial Cities. These sessions engaged international experts alongside Marafiq’s Risk Management team and executive leadership to review overall performance, analyze study results, and define technical recommendations and future improvement plans. The Annual Review Meetings are held under the leadership of Enterprise Risk

Management (ERM), attended by the CEO, Mr. Mohammed Al-Zoubi. The meetings present the risk profile across the Company’s sites, analyze risk ratings, and provide data-driven insights to evolve risk management strategies and monitoring mechanisms in line with global best practices. Discussions also cover the 2025 insurance renewal plan and beyond, emphasizing infrastructure upgrades, operational efficiency, and the launch of initiatives to bolster corporate excellence. This reflects Marafiq’s commitment to transparency, governance, and operational sustainability, building on the successes to ensure resilient growth in the years ahead.



### Operational Safety and Behavioral Excellence Program

On June 19, 2025, Marafiq launched a strategic program focused on Process Safety Management (PSM) and the enhancement of a Behavior-Based Safety (BBS) organizational culture. The initiative centered on conducting comprehensive safety and culture gap analyses, while embedding safety principles directly into maintenance workflows to ensure the long-term sustainability of safe practices. This strategic move has been instrumental in institutionalizing safety as an integral, inseparable core of the company’s daily work environment.

### Enterprise Risk Management Enhancement Project

The Enterprise Risk Management (ERM) Enhancement Project was launched with the objective of evolving policies, processes, and monitoring mechanisms, thereby strengthening the Company’s capability to manage operational and strategic risks with efficiency and agility. The accompanying workshop featured a review of the developmental roadmap and a discussion on industry’s best practices, alongside the design of a meticulous timeline for task execution. These efforts serve as a foundation for the upcoming phase, “Enterprise Risk Management 2.0,” scheduled for the third year of the project’s timeframe.

## Risk Engineering Program, Mid-Year Meeting in Yanbu Industrial City

September 11, 2025

As part of the project's timeline, Marafiq convened a mid-year meeting in Yanbu, focused on assessing current operational safety gaps at Yanbu 1 and Yanbu 2 plants. The session included an analysis of safety culture survey data and a review of lessons learned from industry losses. This meeting was instrumental in fostering integration among work teams and aligning visions regarding improvement priorities.

## Risk Engineering Program, Mid-Year Meeting in Jubail Industrial City

November 20, 2025

Marafiq convened the second mid-year meeting for its Jubail sites to review the progress of the 2025 Risk Engineering Program. The session was attended by the President of "MaSa" along with key technical experts. Discussions centered on analyzing operational data, reviewing observations and identifying improvement opportunities. Furthermore, a workshop on "Shift Handover Practices" was organized.



## Reviews and Results of the 2025 Risk Engineering Program

The 2025 Risk Engineering Program Reviews and Results event was held on January 21, 2026, under the patronage of the Vice President of Operation and Maintenance, Eng. Sami Al-Huways. The event was attended by senior executives of the company to review a comprehensive presentation of the results and progress achieved in the Risk Engineering Program during 2025, and to discuss plans and programs for 2026.

Throughout 2025, Enterprise Risk Management (ERM) achieved tangible results in advancing maturity and awareness across operational, environmental, and Health & Safety (HSE) excellence. This was further bolstered by the development of specialized training programs that significantly enhanced team competencies. These collective efforts directly facilitated the adoption of global best practices, broadening strategic insights and heightening awareness, ultimately empowering the Company to manage risks with greater efficiency.

Investing in these improvements during 2025 was a starting point toward a new phase, as the achieved results contributed to increasing the budget allocations for 2026 by 300% compared to 2025, with the aim of reaching higher levels of maturity and operational and institutional excellence. This expansion in investment reflects the company's commitment to enhancing development and improvement programs, including launching strategic initiatives in the fields of risk management, operational sustainability, security and safety, and operational and institutional excellence.

## Conclusion

With all professionalism, Marafiq concludes the year 2025 having achieved tangible progress in consolidating the risk management culture at the level of the organization and its subsidiaries. These efforts were reflected through a series of strategic initiatives, periodic meetings, and specialized workshops aimed at enhancing corporate awareness, improving operational performance, and developing relevant policies and procedures.

In 2026, a set of qualitative programs and initiatives will be launched, focusing on:

- Deepening advanced engineering applications in risk management.
- Raising the level of awareness through specialized training programs.
- Enhancing the integration between operational and environmental excellence, and security and safety.

These plans come as a completion of what was achieved in previous years, as the Deep Dive and Risk Engineering Project for Risk Management and Insurance during 2024 and 2025 was a successful model of cooperation between local and international work teams, which paved the way for achieving a qualitative leap in 2026 toward higher levels of maturity and institutional and operational excellence.



What has been achieved during this year represents an important step within a path of continuous improvement, and reflects Marafiq's firm commitment to applying the best global practices in risk management, and activating the role of all stakeholders in achieving sustainability goals, institutional and operational excellence, and enhancing sustainability. As the new year begins, Marafiq and its subsidiaries continue to build on these achievements, driven by a clear vision, effective leadership, and an integrated methodology that ensures its readiness to face future challenges and achieve sustainable growth.

# Sustainability Review

## Delivering Responsibility

Marafiq's sustainability framework, closely aligned with Saudi Vision 2030 and the UN SDGs, reflects the Company's commitment to driving environmental stewardship, social responsibility, and governance excellence.

### Environmental

**100%**  
used oil and fly ash are recycled or reused

Yanbu 2 Power Plant fuel conversion project launched in 2025

### Social

**87.41%**  
Saudization rate

The Leadership Development and Women Empowerment Program started in 2025

**SR 4,989,282.7**  
total CSR spending +9.1% vs 2024

### Governance

**60.6%**  
local content score +13.4 p.p. vs LC score issued in 2024

**Bronze ESG Integration Excellence of the Year and Saudi Arabia's ESG Program of the Year – Asian Power Awards 2025**



# Sustainability Approach

We contribute to a sustainable and resilient future for the Kingdom by addressing key ESG priorities and integrating them into its strategic objectives.

Marafiq is committed to environmental stewardship and operational efficiency, aligning its activities with Saudi Vision 2030 and the Kingdom's net-zero ambition for 2060. As the primary supplier of water and electricity in the Royal Commission Industrial Cities, we hold a significant responsibility to integrate sustainability into our daily practices, ensuring the well-being of the communities we serve. Our sustainability approach focuses on the following priority areas:

- Climate change and greenhouse gas emissions management
- Water-use optimization
- Circular economy practices
- Safe and healthy work environment

We are developing a comprehensive ESG Policy, which is currently under review by the ESG Steering Committee. Our long-term sustainability goals are designed

to strengthen operational excellence and service reliability. These include improving safety performance, reducing customer service interruptions, and optimizing resource utilization across all operations.

We support our employees' sustainability capabilities through the ESG Excellence: Reporting and Analysis training program. The program helps build a solid understanding of sustainability concepts and demonstrates how they inform our day-to-day operations and decision-making. We introduce our teams to leading tools and practical approaches for sustainability data collection, address common data management challenges, and emphasize data integrity. Recently, our efforts have been recognized by the Bronze ESG Integration Excellence of the Year and Saudi Arabia's ESG Program of the Year awards by the Asian Power Awards 2025.

## Sustainability Governance

Marafiq's leadership plays a central role in advancing our sustainability agenda, ensuring alignment with corporate objectives and regulatory requirements. The **Board of Directors** sets the Company's sustainability vision and strategy, while relevant departments, including environmental, operations, finance, and human resources, are responsible for implementation and performance measurement.

The **ESG Steering Committee**, chaired by the President & CEO and comprising senior executives from key functions, oversees the integration of sustainability standards across all our operations. The Committee identifies material risks and growth opportunities, supports the development and implementation of ESG strategies, policies, and programs, embeds sustainability considerations into strategic planning, investment evaluation, and long-term value creation, and monitors sustainability performance. To ensure effective execution, it also conducts field visits and regularly reviews ESG performance across operations. Its focus areas include:

1. Environmental practices: Addressing Marafiq's environmental footprint, including GHG emissions management, energy efficiency, waste management, and natural resource conservation, in line with applicable local and international standards.
2. Social practices: Managing the Company's relationships with employees, communities, and business partners, with a focus on workforce health and safety, diversity and inclusion, community engagement, and responsible employment practices.
3. Governance: Ensuring transparency, ethical conduct, effective stakeholder engagement, and robust internal controls to prevent conflicts of interest and unethical behavior.

Our **risk management** framework integrates a broad range of sustainability-related risks that could affect our operations, financial stability, and stakeholder relationships. These risks encompass energy, water, and waste management, hazardous chemicals, environmental compliance, health and safety, employment practices, customer satisfaction, data security, digitalization, cybersecurity, process safety, supply reliability, and stakeholder engagement.

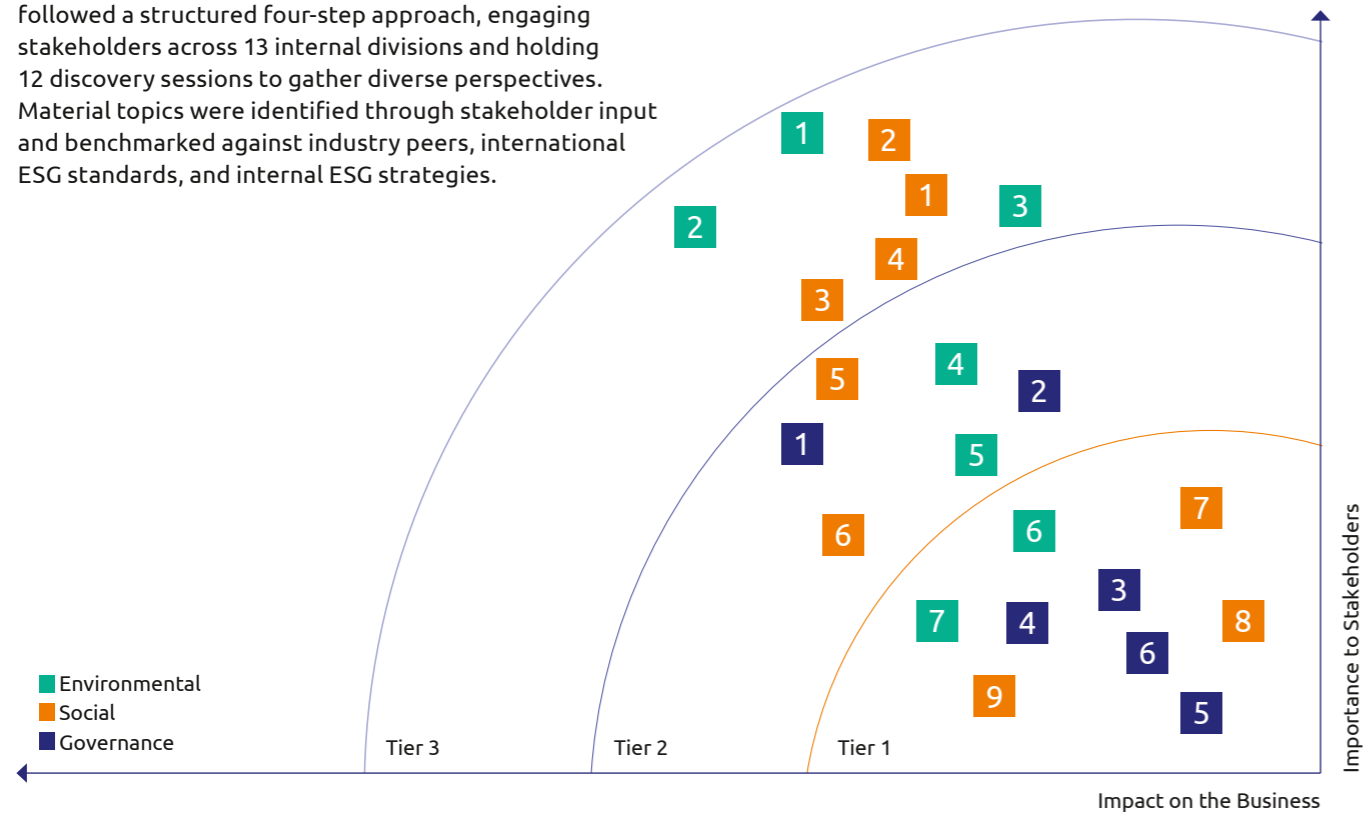
➔ Learn more in the [Risk Management](#) section



# Stakeholder Engagement and Materiality Assessment

In 2024, Marafiq conducted a materiality assessment to identify the sustainability topics most relevant to its operations and stakeholders. The evaluation followed a structured four-step approach, engaging stakeholders across 13 internal divisions and holding 12 discovery sessions to gather diverse perspectives. Material topics were identified through stakeholder input and benchmarked against industry peers, international ESG standards, and internal ESG strategies.

A scoring methodology was then applied to assess business and stakeholder impact, enabling a transparent, data-driven prioritization of material ESG topics.



Tier 1 – topics High impact and high stakeholder Importance	Tier 2 – topics Medium Impact and medium stakeholder importance	Tier 3 – topics Low impact and low stakeholder importance
<ul style="list-style-type: none"> <li>1. Energy, CHG Emissions, and Air Quality</li> <li>2. Environmental Compliance</li> <li>3. Water Management</li> </ul>	<ul style="list-style-type: none"> <li>4. Hazardous Chemicals</li> <li>5. Biodiversity</li> <li>5. Health &amp; Safety</li> <li>6. Saudization</li> </ul>	<ul style="list-style-type: none"> <li>6. Waste Management</li> <li>7. ESG Criteria for Projects</li> <li>7. Employment Practices &amp; Development</li> <li>8. Community Engagements &amp; Development</li> <li>9. Sustainable Procurement</li> </ul>
<ul style="list-style-type: none"> <li>1. Process Safety</li> <li>2. Reliability of Supply</li> <li>3. Customer Satisfaction</li> <li>4. Data Security</li> </ul>	<ul style="list-style-type: none"> <li>1. Cyber Security</li> <li>2. Business Ethics</li> </ul>	<ul style="list-style-type: none"> <li>3. Corporate Governance</li> <li>4. Stakeholder Engagement</li> <li>5. Sustainable Finance</li> <li>6. Digitalization</li> </ul>

# Alignment with National and International Standards

We integrate the UN Sustainable Development Goals (SDGs) and Saudi Vision 2030 into our operations, demonstrating our commitment to global and national sustainability priorities. This commitment is reflected in the following initiatives:

UN SDGs	Saudi Vision 2030 objectives	Marafiq's contribution in 2025	Material topics
	A more impactful non-profit sector	<ul style="list-style-type: none"> <li>Collaborating with the Nabiyah Charity Association, the Orphan Care Association in the Eastern Region (Bena'a), 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.</li> </ul>	8
	Living healthy, being healthy	<ul style="list-style-type: none"> <li>Committing to maintain a limit of less than 0.03 of the process safety incidents rate, and 0.0 incident rate for employees.</li> <li>Awareness sessions on blood sugar management and physical activity promotion.</li> <li>Seasonal flu vaccinations.</li> <li>Comprehensive medical insurance for employees.</li> <li>Safety Awareness Committee developing educational content and courses for employee safety and conducting surveys.</li> </ul>	5
	Vibrant society with strong foundations	<ul style="list-style-type: none"> <li>92 hours average annual training time per employee</li> <li>Promising Path Program in partnership with the Custodian of the Two Holy Mosques Scholarship Program.</li> <li>Interacting with local schools and providing an encouraging environment for students to learn more about STEM.</li> <li>Professional development program for university graduates.</li> <li>On-the-Job training program for school graduates.</li> </ul>	7, 8
	Providing equal opportunities	<ul style="list-style-type: none"> <li>Commitment to hiring more female employees.</li> <li>Collaborating with Radwa Women's Association in Yanbu Governorate to support women in need and provide them with employment in Marafiq's sustainable project (Sweets Factory).</li> <li>Providing equal opportunities and promoting women's roles at all levels of the company.</li> </ul>	7, 8
	Improving water efficiency	<ul style="list-style-type: none"> <li>Aiming to reach the Kingdom's goal of 100% wastewater recycling.</li> <li>Desalination plants in JWAP and Al-Fatah for reusable water.</li> </ul>	2, 3
	50% of KSA's power generated from renewable sources by 2030	<ul style="list-style-type: none"> <li>Focusing on energy intensity reduction.</li> <li>Redirecting thermal energy to steam generators for heat recovery to produce power.</li> <li>10,778,365.15 MWh of electricity produced with zero energy loss.</li> <li>Committed to reducing emissions by 20% by 2030 and aligning with the National Net-Zero Pledge of KSA.</li> </ul>	1
	Improving the business environment	<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>Focusing on local content in procurement.</li> </ul>	6, 7, 8, 9

UN SDGs	Saudi Vision 2030 objectives	Marafiq's contribution in 2025	Material topics
	Developing our cities	<ul style="list-style-type: none"> <li>Providing essential water, wastewater, and electricity services to industrial, commercial, residential, and governmental clients in Jubail and Yanbu.</li> </ul>	3
	Providing equal opportunities	<ul style="list-style-type: none"> <li>Ensuring that there are no pay discrepancies between males and females within the same role.</li> <li>Recruiting and retaining a diverse workforce to uphold an inclusive culture. Offering Saudi employees who meet specific criteria the chance to own houses.</li> </ul>	7
	Enjoy a good quality of life, a healthy lifestyle and an attractive living environment achieving environmental sustainability	<ul style="list-style-type: none"> <li>Providing recycled water for firefighters' stations.</li> </ul>	1
	Being responsible in business	<ul style="list-style-type: none"> <li>Reducing water loss to 7.01%.</li> <li>Saving over 5.2 million annually for the proper disposal and recycling of more than 1,623 tons of waste oil.</li> <li>Reuse of fly ash as an alternative power and energy source for local cement kilns.</li> <li>Launch of the Yanbu 2 Power Plant fuel conversion project.</li> </ul>	1, 2, 7
	50% of KSA's power generated from renewable sources by 2030 Net-zero emissions by 2060	<ul style="list-style-type: none"> <li>Committed to reducing emissions by 20% by 2030 and aligning with the National Net-Zero Pledge of KSA.</li> </ul>	1, 2
	Protecting 30% of terrestrial and marine areas by 2030 (under the Saudi Green Initiative)	<ul style="list-style-type: none"> <li>Ensuring that all processed water of the industrial cities in Yanbu and Jubail is adequately treated and compliant with the national standards before discharge.</li> <li>Working towards water loss reductions and complete wastewater reuse.</li> <li>Working towards the full treatment and reuse of industrial process water (2025: 44.3% in Yanbu).</li> </ul>	2, 5
	Protecting KSA's vital resources	<ul style="list-style-type: none"> <li>Providing treated sewage effluents for irrigation purposes.</li> </ul>	1, 8
	A more impactful non-profit sector	<ul style="list-style-type: none"> <li>Working on innovative projects to promote resource efficiency and environmental stewardship.</li> <li>Supporting the Ministry of Energy's Liquid Displacement Program.</li> <li>Collaborating with the Nabiyah Charity Association, the Orphan Care Association in the Eastern Region (Bena'a), 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.</li> </ul>	4

# Business Ethics

At Marafiq, we are committed to the highest standards of ethics, transparency, and integrity across every aspect of our operations.

All employees are required to comply with applicable laws and regulations, avoid conflicts of interest, and act in Marafiq's best interests at all times. Board Members and employees are strictly prohibited from participating in bids for Marafiq contracts or supplies. Any individual with a personal or family interest in an entity that does business with Marafiq must disclose this relationship to their line manager or to the Board for review and approval.

Our business ethics framework, established in accordance with the Capital Market Authority (CMA) regulations, incorporates a comprehensive suite of policies and charters that promote responsible leadership, transparency, and ethical conduct.

- ➔ [Anti-Corruption, Fraud and Whistleblowing Policy](#)
- ➔ [Conflict of Interest and Dealing with Related Parties Policy](#)
- ➔ [Code of Ethics and Conduct Policy](#)
- ➔ [View all policies](#)



## Anti-Corruption and Whistleblowing

We maintain a zero-tolerance approach to corruption, fraud, and unethical conduct. In line with the Corporate Governance Regulations issued by the Capital Market Authority of Saudi Arabia, our Anti-Corruption, Fraud and Whistleblowing Policy provides employees, contractors, and partners with secure and confidential channels to report suspected misconduct, including fraud, bribery, and abuse of authority.

We communicate our anti-corruption and anti-bribery policy to all employees, suppliers, and other third parties through our webpage and email communications. Preventive measures, such as awareness programs,

**0** corruption incidents identified in 2025

**0** incidents when contracts with business partners were terminated or not renewed due to violations related to corruption

employee training, and strengthened internal controls, complement this framework, ensuring that integrity remains central to all operations.

The Audit Committee oversees the implementation of the policy and reviews it periodically in collaboration with the Governance Department. Revisions are submitted to the Board for approval to ensure continued alignment with best practices and regulatory requirements.

Reports are managed confidentially by the Internal Audit Department through dedicated email and hotline channels. Whistleblowers are protected from retaliation, and all cases are investigated objectively under Audit Committee oversight. Individuals who report genuine concerns that help prevent financial or reputational harm may be recognized or rewarded.

## Conflicts of Interest

Marafiq's Conflict of Interest and Dealing with Related Parties Policy ensures that all business activities are conducted with integrity, transparency, and fairness. Developed in accordance with the CMA Corporate Governance Regulations, the policy safeguards stakeholder trust by preventing situations in which personal interests could influence, or appear to influence, the Company's decisions. The policy applies to the Board of Directors, its committees, senior executives, and all

**0** monetary losses as a result of legal proceedings associated with charges of bribery or corruption

**100%** share of governance bodies, employees, and business partners to which our anti-corruption policies and procedures have been communicated

employees. It defines clear principles and procedures for identifying, disclosing, and managing actual or potential conflicts of interest, as well as for regulating transactions with related parties.

**0** conflicts of interest reported in 2025

## Compliance

Compliance with all regulatory requirements is a top priority for Marafiq. We have established an action plan to ensure compliance with all regulations, with specific tasks assigned to the Risk Committee for oversight. Additionally, we are conducting a gap assessment on noncompliance risks, and developing action plans.

**4** significant instances of the Company's non-compliance with laws and regulations in 2025

## Environmental Stewardship

In Marafiq, environmental considerations are embedded throughout all stages of project planning and execution. We conduct Environmental Impact Assessments (EIAs) for significant projects, reduce our GHG emissions and resource use, and protect marine ecosystems by treating seawater discharge with the most advanced technologies.

Our projects prioritize efficient resource use, advanced water management systems, and the use of local materials where possible, while maintaining full compliance with national regulations. External audits confirm our adherence to environmental standards, and we develop dedicated action plans to address compliance

requirements under the Risk Committee's oversight. This includes ongoing gap assessments and targeted actions such as decommissioning older facilities to fully comply with environmental risks and safeguard our Environmental Permits (EPOs).

### Key Environmental Initiatives in 2025



In 2025, we focused our efforts on two priorities that deliver measurable environmental impact:

#### GHG Emissions Reduction

We continued implementing emission-reduction measures across our operations, including fuel conversion aligned with Saudi Arabia's Liquid Displacement Program, as well as energy-efficiency improvements and emissions control technologies.

#### Waste Recycling and Reuse

We expanded reuse and recycling programs, with particular focus on industrial by-products such as carbon ash and used oils.

### Environmental Compliance

Indicator	2023	2024	2025
Number of penalties in the reporting period	2	1	2
<b>Total amount of monetary losses as a result of legal proceedings associated with the Environment (M)</b>	<b>330,000</b>	<b>112,500</b>	<b>150,000<sup>1</sup></b>

<sup>1</sup> Off-specification wastewater discharges from industrial sources were causing odor issues at industrial lift stations. Mitigation measures have been requested from Marafiq to address and control these odors.



## Energy Management

We work to reduce power consumption across our operations by improving operational efficiency and implementing awareness programs that promote responsible energy use. Across our operations, including water desalination and wastewater treatment, we focus on improving processes to reduce overall power consumption while maintaining reliability and service quality.

In our offices, we encourage practical energy-saving behaviors, including turning off unused appliances, using energy-efficient LED lighting, and adjusting air-conditioning settings to reduce unnecessary energy use and improve efficiency.

### Fuel Consumption for Power Generation

	2023	2024	2025	Change 2025 vs 2024
Natural gas consumed for power generation (MMSCF)	30,468.9	34,594.1	41,357.2	+12.9%
Heavy fuel oil consumed for power generation (tons)	1,723,549.0	1,692,808.0	1,807,050.8	+2.6%
Arabian Light Crude oil consumed for power generation (tons)	170,254.0	96,835.0	400.6	-99.6%
Fuel consumed by company-owned vehicles (litres)	474,194.0	808,997.0	1,402,104.0	+73.3%

### Energy Production and Consumption

	2023	2024	2025	Change 2025 vs 2024
Total energy consumption (GJ)	115,939,623.0	109,733,566.0	118,235,183.2	+2.9%
Energy intensity ratio (GJ/kWh)	0.0117	0.0109	0.0110 <sup>1</sup>	+1.1%

<sup>1</sup> Actual energy content (GCV) in GJ divided by total power generation.

## Climate Change

Our energy-efficient strategies support global climate action while meeting the growing energy needs of Saudi Arabia's industrial and residential sectors. Senior management plays a central role in overseeing climate-related actions. Through the [ESG Steering Committee](#), executive leadership provides strategic direction, evaluates climate risks, approves mitigation plans, and monitors progress.

Our Carbon Neutrality Strategy sets out our long-term approach to reducing emissions and managing climate-related risks. Key initiatives include converting power generation from liquid fuels to natural gas, which is expected to reduce emissions by up to 20% by 2028, and redirecting thermal energy to steam generators to recover heat for energy production with minimal energy loss. This is expected to further reduce emissions by up to 20% by 2030. In parallel, we continue to explore carbon capture and utilization (CCS/CCU) options and work with stakeholders to develop and implement practical action plans.

We recognize both physical and transition climate risks, including changes in fuel types, fuel pricing, and evolving environmental regulations that may require technical upgrades or operational adjustments. While these changes can have financial impacts, they are essential to reducing emissions and aligning with national and global climate goals.



#### Targets:

- Reduce emissions by up to 20% by 2028
- Achieve ongoing annual reductions of 4%



### Climate Mitigation Measures



Carbon intensity reduction targets



Operational efficiency improvements



Thermal energy recovery for steam reuse



Minimizing the impact of sulfur and nitrogen oxides



Exploring carbon credit market assessments

## GHG Emissions

We monitor GHG emissions across Scope 1 and Scope 2. Scope 1 emissions arise from fuel combustion within our operations, including power generation activities, while Scope 2 emissions result from purchased electricity and steam.

Our Emissions Management Policy establishes clear targets to reduce GHG and other emissions across operations, supported by continuous monitoring, daily energy-efficiency improvements, and actions to reduce our overall carbon footprint. We conduct rigorous emissions testing for CO<sub>2</sub>, NO<sub>x</sub>, SO<sub>2</sub>, and particulate matter (PM), in line with Royal Commission environmental standards. Recent stack emission reports confirm that emissions remain within regulatory limits.

Marafiq uses advanced Continuous Emissions Monitoring Systems (CEMS) and U.S. EPA-approved testing methods to ensure accurate emission reporting. We also work to improve operational efficiency, reducing fuel consumption and setting targets to lower carbon intensity and limit sulfur and nitrogen oxide emissions. Advanced systems such as Selective Catalytic Reduction (SCR), Flue Gas Desulphurisation (FGD), and Electrostatic Precipitators (ESP) support these efforts.



The transformational Liquid Displacement Program, launched by the Kingdom as a part of Saudi Vision 2030, aims to displace 1 million barrels per day of liquid fuels across utilities, industry, and agriculture sectors by 2030. Marafiq contributes to this program by transitioning from oil to natural gas as the primary fuel for power generation.

Our cogeneration plants produce fewer GHG emissions while improving energy efficiency. One example is the Jubail IWPP Plant, a dual-purpose facility with a combined-cycle power-generation system. This plant generates up to 50% more electricity compared

to a single-cycle plant. It uses natural gas as fuel and produces additional power through steam turbines. The plant's waste heat is recovered using Heat Recovery Steam Generators (HRSGs) to generate thermal energy, further improving electricity generation efficiency. As a result, fuel consumption decreases, leading to lower emissions and a doubling of production. Another example of these efforts is the ongoing Yanbu 2 Power Plant fuel transition project (see below).

In 2025, our total GHG emissions grew by 4.7% due to increased operations. However, the growth rate was increased slightly due to power generation increased and reflecting the results of our efforts to reduce emissions intensity.

### How we calculate GHG emissions

**Scope 1 emissions** are calculated based on the type and source of each emission activity. The calculation approach varies by source category and follows standard emissions-accounting practices.

For **stationary combustion** sources, such as boilers and generators, we calculate emissions using actual fuel consumption data combined with fuel-specific emission factors. For **mobile combustion** sources, including company vehicles, we calculate emissions based on either fuel consumption data or distances traveled (kilometers), using appropriate emission factors.

We calculate **industrial process emissions** using activity-specific operational data and corresponding emission factors for each process. **Fugitive emissions**, such as refrigerant gas leaks, are estimated using data collected from refrigeration systems and maintenance records.

**Scope 2 emissions**, which arise from the consumption of purchased electricity and steam, are calculated in accordance with the GHG Protocol. Emissions are determined by applying recognized emission factors to electricity and steam consumption data within defined organizational boundaries.

### GHG Emissions Performance

Indicator	2023	2024	2025	Change 2025 vs 2024
Scope 1 emissions (tCO <sub>2</sub> e)	7,210,453	7,303,754	7,748,114	+6.1%
Scope 2 emissions (tCO <sub>2</sub> e)	318,634	330,658	246,935	-25.3%
<b>Total GHG emissions (tCO<sub>2</sub>e)</b>	<b>7,529,087</b>	<b>7,634,412</b>	<b>7,995,049</b>	<b>+4.7%</b>
Nitrogen oxides (NO <sub>x</sub> ) emissions (tons)	2,443	2,858	2,334	-18.3%
Sulphur oxides (SO <sub>x</sub> ) emissions (tons)	49,520	47,723	49,584	+3.9%
Particulate matter (PM10) emissions (tons)	836	805	834	+3.6%

### Adding Cleaner Power for Yanbu

In 2025, we accelerated our transition to cleaner energy through our liquid fuel displacement program, which focuses on converting existing oil-fired power assets to natural gas. A key milestone in this journey is the Yanbu 2 Power Plant fuel conversion project, in which we have partnered with Doosan Enerbility to modernize one of our major power-generation facilities serving Yanbu Industrial City.

Under the agreement, Doosan Enerbility will supply advanced gas power generation components and provide technical support during testing and commissioning. The project, valued at approximately USD90 million, is scheduled for completion by 2028 and will maintain the plant's full 825 MW generation capacity. Once completed, the conversion is expected to reduce GHG emissions by 20%, lower air pollutant emissions, and reduce the overall carbon intensity of industrial activities in Yanbu.



## Water Management

We manage water responsibly across our operations to ensure a reliable supply that meets environmental and health standards. Through efficiency improvements and sustainable water-use practices, we conserve resources and safeguard long-term availability for the communities and industries we serve.

Water efficiency and environmental considerations are integrated into site selection, project planning, design, and development. We conduct EIAs before major projects proceed to evaluate water-related risks and impacts. We select suitable locations that minimize resource consumption and design projects to incorporate efficient water systems, responsible wastewater management, and environmental risk mitigation measures throughout all phases of development.

We reduce operational water consumption by minimizing network losses and increasing the use of treated water for irrigation, conserving freshwater resources, and improving efficiency across our facilities. In our offices, we promote responsible water use through awareness campaigns that educate employees and customers on the importance of conserving water.

Water losses  
**7.01%** (-0.33 p.p.)  
 in 2025

### Water Withdrawal, Discharge, and Consumption

	2023	2024	2025	Change 2025 vs 2024
Seawater withdrawn ('000 m <sup>3</sup> )	10,805,000	10,225,000	10,552,318	+3.2%
Seawater discharged ('000 m <sup>3</sup> )	2,708,000	2,508,000	2,684,714	+7.05%
Seawater consumed ('000 m <sup>3</sup> ) <sup>1</sup>	8,097,000	7,717,000	7,540,604	-2.3%

## Waste Management

Our waste management approach is guided by the principles of the circular carbon economy, which focus on reduction, reuse, and recycling. The key practice is the reuse of volatile and carbon-based materials, converting fly ash left from power generation into a secondary fuel for cement industries. This approach directly supports sustainability by reducing reliance

Brine produced from desalination is discharged in accordance with environmental regulations to minimize impacts on marine life. In parallel, we are conducting a preliminary study with an investor to explore opportunities to extract and utilize concentrated minerals from brine as part of future recovery and sustainability initiatives.

Seawater used for cooling is chlorinated and treated before entering the cooling system and, after use, is desalinated and distributed. Treated water is supplied to the community as drinking water, while a separate stream is provided to factories for industrial use. Used seawater is treated once more before being discharged back into the sea, with strict controls on temperature and residual chlorine levels to meet regulatory requirements and protect marine ecosystems.

Wastewater is fully treated in accordance with the Royal Commission Environmental Regulations (RCER) and reused for irrigation, enabling us to maintain a zero-discharge approach. Treatment is carried out in three stages: primary treatment to remove solid materials, secondary biological treatment using microorganisms to break down organic matter, and final sterilization to eliminate pathogens and ensure the water is safe for agricultural use.

on primary fuels and lowering the carbon footprint. It also supports cleaner production processes within the cement industry by promoting the use of alternative fuels.

All generated fly ash is reused rather than sent to landfill, eliminating disposal costs previously incurred for landfill use and ensuring all produced quantities

are managed without financial burden. This practice delivers economic value to cement manufacturers by reducing fuel consumption and enhancing production efficiency. In addition, fly ash may be blended into cement products, resulting in materials with improved technical specifications and higher performance standards. Land conservation is also supported by the repurposing of land previously designated for waste disposal to serve local communities.

Marafiq is also committed to recycling used oils. This reduces waste disposal costs and creates value by reselling repurposed materials as inputs for new products.

### Waste Generation and Management

	2023	2024	2025	Change 2025 vs 2024
<b>Total waste generated (tons), including:</b>	<b>103,353</b>	<b>72,630</b>	<b>42,930</b>	<b>-40.9%</b>
• Hazardous waste generated (tons)	57,021	50,195	5,501	-89.0%
<b>Total waste directed to disposal (tons), including:</b>	<b>78,089</b>	<b>52,239</b>	<b>37,483</b>	<b>-28.2%</b>
• Waste directed to incineration (tons)	0	0	0	0
• Waste directed to landfilling (tons)	78,089	52,239	37,483	-28.2
• Waste directed to other disposal methods (tons)	0	0	0	0
<b>Total waste diverted from disposal (tons), including:</b>	<b>25,265</b>	<b>20,391</b>	<b>5,448</b>	<b>-73.3%</b>
• Waste reused (tons)	7,333	7,081	3,558	-49.8%
• Waste recycled (tons)	17,932	13,311	1,623	-87.8%
<b>Hazardous waste recycled and reused (tons), including: fly ash, waste oil &amp; sludge</b>	<b>25,265</b>	<b>20,392</b>	<b>5,448.43</b>	<b>73.3%</b>
• Fly ash reused (tons)	7,333	7,081	3,558.35	-49.7%
• Used oil recycled (tons)	17,932	13,311	1,623	-87.8%
• Sludge Reused	-	-	266.65	0%

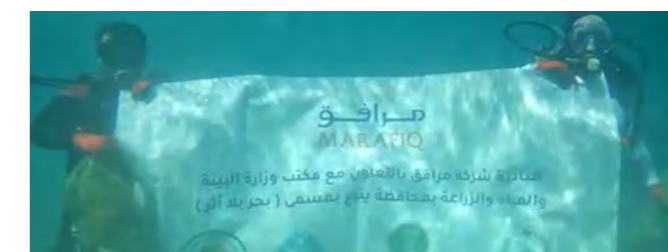
We also apply circular economy practices to improve resource efficiency. From 2022 to 2024, recovering base metals and plastics from waste streams helped avoid more than 673 tons of CO<sub>2</sub> emissions, with an additional 120 tons avoided in 2025.

The Company succeeded in recycling and using  
**100%**  
 of fly ash and used oils

## Protecting Marine Ecosystems

Before any wastewater reaches nearby marine areas or estuaries, we implement strict controls based on established environmental limits. These measures ensure that water quality does not negatively impact habitats or biodiversity. Additionally, we conduct regular environmental studies to assess potential impacts and confirm that our activities are not placing unnecessary strain on natural ecosystems.

In addition to these practices, we invest in nature-based solutions to enhance the environment where we operate. One of our initiatives is to plant 100,000 mangrove trees to support coastal ecosystems and promote biodiversity. In specific locations, we take further steps by maintaining zero-discharge practices to further minimize our environmental impact. Our efforts aim to reduce environmental risks, protect biodiversity, and support healthier coastal and marine environments in the long term.



<sup>1</sup> Water is consumed primarily for desalination, industrial operations, cooling, and related utility services.

# Employee Well-Being

Marafiq is committed to providing a safe, inclusive, and motivating work environment that enhances employee well-being and supports a healthy and sustainable balance between professional and personal life. The company continuously invests in learning and professional development programs aimed at strengthening the technical and leadership capabilities of its employees.

With operations spanning five locations across the Kingdom of Saudi Arabia, Marafiq places strong emphasis on attracting and retaining qualified talent, thereby enhancing workforce diversity and supporting the sustainability of its business and organizational performance.

The company's commitment to developing its human resources is reflected in its efforts to attract a diverse workforce, uphold human rights and the dignity of employees and suppliers, and promote transparency to reinforce principles of integrity and trust among employees, partners, suppliers, and customers. Marafiq also adopts a comprehensive framework of policies governing employee affairs, including the Human Resources Policy Manual, the Work Regulations, employee rights and responsibilities, and approved disciplinary procedures.

The [Code of Ethics and Conduct Policy](#) outlines the ethical and behavioral standards expected from employees, contractors, and members of the Board of Directors. These standards include maintaining confidentiality, avoiding conflicts of interest, demonstrating honesty and respect in the workplace, and prohibiting bribery, fraud, and misuse of company assets. The policy also clarifies mechanisms for submitting complaints and the corresponding disciplinary processes.

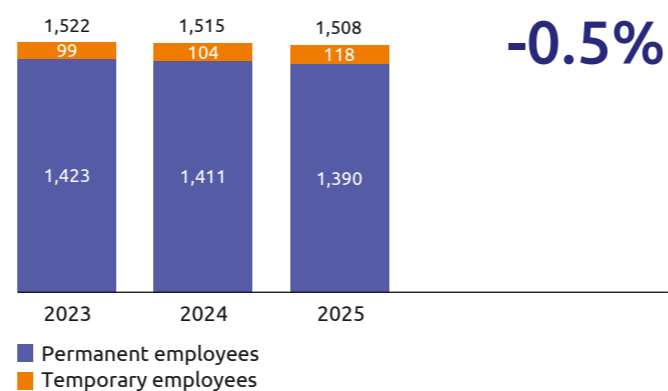
In line with its commitment to transparency, Marafiq ensures that employees are notified in advance—at least 30 days prior or in accordance with senior management directives—before implementing any major operational changes, such as restructuring, outsourcing, mergers, or expansion activities. The company also conducts consultation sessions and issues official communications to minimize any potential impact of organizational changes on employees.

## Employee Composition

The Company experienced changes in its workforce during 2025, reflecting natural developments in the business environment and labor market dynamics. The Company remains committed to maintaining the efficiency of its human resources and supporting operational stability, in line with its strategy and corporate objectives.

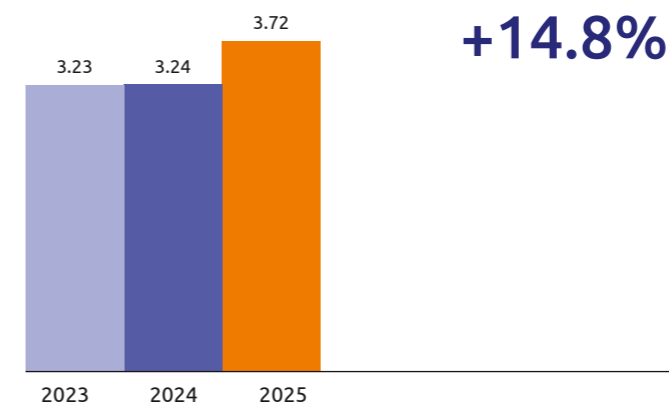
The Company employs all direct employees on a full-time basis, in line with the nature of its business and operational requirements. The Company also utilizes, as needed, off-payroll human resources to perform specific tasks in various technical and administrative fields.

Workforce Dynamics



Marafiq maintains a low annual turnover rate of less than 4%, aligning with industry standards and reflecting the stability of the work environment, high levels of employee engagement, and the sustainability of the workforce.

Turnover rate, %



Most of Marafiq's employees (75%) belong to the 31-50 age group, providing the Company with a solid foundation of experience and operational knowledge that contributes to achieving reliable performance and long-term business continuity. At the same time, the Company seeks to increase the percentage of employees under the age of 30, recognizing the role of young talents in innovation and future growth. This percentage has doubled from 4% in 2022 to 8% in 2025, and this category accounted for 39% of total new hires during 2025.

## Saudization

Saudization remains a strategic priority for Marafiq Company. In 2025, the rate of Saudi employees reached 87.41%, surpassing the national target and outperforming the Saudi Vision 2030 benchmark of 75% for the energy sector. This achievement reflects the Company's unwavering commitment to developing national talent, supporting local employment, and contributing to achieving the Kingdom's long-term economic diversification goals.

**87.41%**

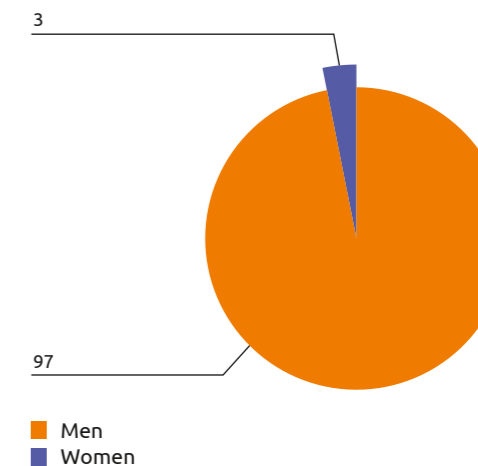
Saudization level in 2025

➔ See [Appendix](#) for additional information

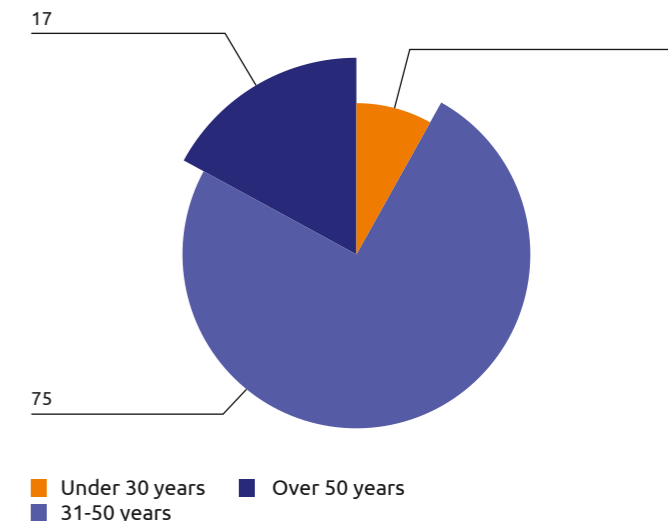
<sup>1</sup> Permanent and temporary employees.

Employee Composition in 2025<sup>1</sup>

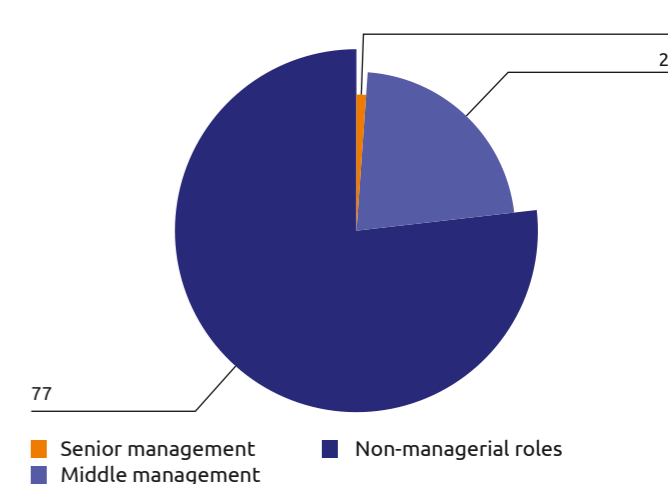
By gender, %



By age, %



By position, %



## Diversity and Equal Opportunity

Marafiq recognizes the importance of diversity and inclusion in the workplace and seeks to create an environment that enables all employees to develop and contribute effectively. The Diversity, Equality, and Non-discrimination Policy adopted by Marafiq promotes equal opportunities and prohibits discrimination on the basis of gender, nationality, religion, or disability, ensuring fairness in recruitment, development, and compensation.

Marafiq pays great attention to attracting and developing female talent. Some women have been employed in advisory roles of strategic importance and sensitivity, and the Company provides professional development paths and leadership preparation programs aimed at qualifying them for future leadership roles. The Company's strategic plans also include increasing the percentage of females within the workforce; women accounted for 15% of total new hires during 2025.

The Company's commitment to women's empowerment is embodied through several practices, most notably:

- Exerting targeted efforts to recruit women for specific positions.
- Reviewing all job advertisements to ensure the use of neutral and inclusive language.
- Including high-potential female employees in leadership development and women's empowerment programs, which include mentorship, qualification for executive roles, and participation in diverse projects.

Marafiq also looks forward to recruiting people with disabilities by applying fair employment practices and launching targeted initiatives in cooperation with government entities. In this context, the Company will ensure the provision of reasonable accommodation during the recruitment process and in the workplace, including adapting interview procedures to suit the individual needs of candidates and ensuring their access to appropriate facilities.

## Developing Future Leaders

Marafiq provides a comprehensive range of modern training and development programs to enhance employee capabilities and support its strategic goals. Our training centers are equipped with advanced learning technologies and qualified trainers with extensive experience in developing workforce skills.

Learning activities at Marafiq's training centers include professional certifications, e-learning and digital training, conferences, onboarding, and early career programs. Employees also participate in external courses, conferences, and workshops, both locally and internationally, to broaden their expertise and stay aligned with global best practices.

### Some of our key training programs by year:

#### 2025

- Power BI
- First Aid and CPR Certification
- Certified Energy Manager (CEM)
- Certified Digital Transformation (CDT)
- Plant Performance Technology Certification
- Plant Performance and Energy Conservation Optimization
- Certified Artificial Intelligence Professional (CAIP)
- Heavy Equipment Lifting License Renewal Courses
- Women's Empowerment
- Certified Security Management (CSM)
- Certified Access Management Specialist (CAMS)
- Practical Finance and Accounting Certification
- Financial Analysis Certification
- Certified Professional in Supply Management (CPSM)
- CILT Certified Supply Chain and Logistics Management (CSCLM)
- Treasury and Cash Management Certification
- Strategic Management and Balanced Scorecard Certification
- IAM Asset Management Certification
- Advanced Budgeting and Financial Forecasting Certification
- Event Management Certification
- International Financial Reporting Standards (IFRS) Certification
- Certified Security Supervision Operations (CSSO)
- Process Plant Technology and Continuous Improvement Certification

- Advanced Project Management Certification
- Certificate in Business and Commercial Law (CBCL)
- Security Management Certification
- Business Process Management: Planning and Improvement (BPMI)
- NEBOSH International General Certificate in Occupational Health and Safety (IGC)
- Sustainability Management Certification
- UPS Training Course Level 1
- UPS Training Course Level 1-2
- ISO 31000 Risk Management Standard
- ISM Certified Professional Negotiator
- IIBA Certified Business Analysis (HR Analyst)
- Advanced Measurement Techniques and Smart Gas Metering Systems
- Mastering Project Management Office (PMO) Management
- SANS ICS612: In-depth Industrial Control System Cybersecurity
- Mentorship Training and Preparation Workshops
- Artificial Intelligence for Accounting and Finance Professionals
- Certified Advanced Maintenance Management (CAMM)
- Artificial Intelligence in Project Management
- Environment-related Training / Certified Environmental Manager (CEM)

#### 2024

- Advanced Incident Investigation and Reporting
- Advanced Cash Flow and Working Capital Management
- Advanced Leadership Skills
- Agile Business Strategy and Organizational Development for Sustainable Growth
- Advanced Budgeting and Forecasting Certification
- Advanced Governance, Risk, and Compliance (GRC) Certification
- Certified Security Management (CSM)
- 500MVA Power Transformers Certification
- Gartner IT Symposium/Xpo (Global CIO and IT Executive Summit)
- Certified Arc Flash Training
- Certified Contractor Manager
- Certified Customer Journey Specialist
- Certified Information Security Manager (CISM)
- Certified Measurement and Verification Professional (CMVP)
- Certified Reliability Leader (CRL)
- Certified Security Leader (CSL)
- Certified Talent Acquisition Specialist
- Certified Training and Development Specialist
- IMD – Transition to Business Leadership Program
- International Accounting and Auditing Standards
- Laboratory Information Management System (LIMS)

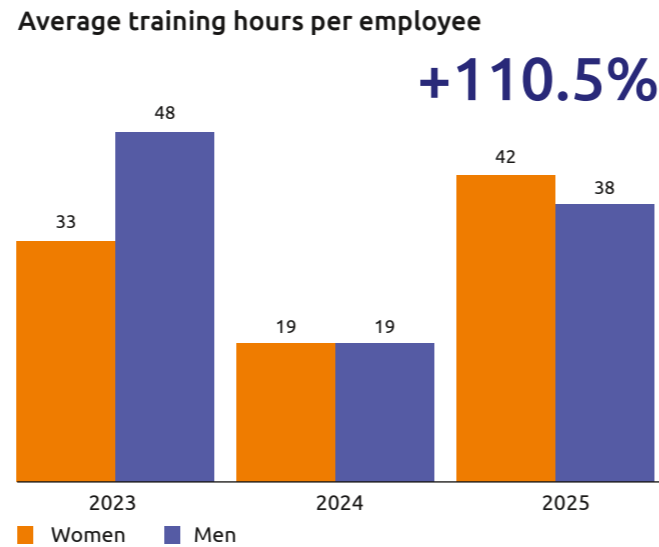
- ASQ Certified Manager of Quality/Organizational Excellence (CMQ/OE) Exam Preparation
- Project Portfolio Management (PPM)
- Saudi Zakat System

#### 2023

- Mini MBA in Energy, Electricity, and Industrial Infrastructure
- Achieving Supervisory Excellence
- Advanced Techniques for Electrical Troubleshooting, Repair, and Isolation
- Advanced International Cash and Treasury Management
- Tank Inspection, Repair, Alteration, and Reconstruction (API 653 Exam Preparation Program)
- Asset Integrity Management in Oil and Gas Industries
- Business Strategy and Planning for Managers
- Advanced Budgeting and Forecasting Certification
- Auditing Projects and Contracts Certification
- Competency Development and Implementation Certification
- Data Analysis Certification
- Certified Security Supervision Operations (CSSO)
- Certified Contract Manager
- Certified Customer Service Specialist (CCSS)
- Certified First Aid and CPR (RC Hospital)
- Certified Fixed Assets Specialist
- Certified in Planning and Inventory Management (CPIM - ASCM)
- Certified Objectives and Key Results (OKR) Specialist
- Certified Organization Development Specialist
- Certified Quality Management
- Certified Talent Acquisition Specialist
- CILT Certified Supply Chain and Logistics Management (CSCLM)
- CILT Certified Procurement Specialist
- CILT Certified Warehouse Operations and Management Program
- Core Leadership Program (CLP) Level G1
- Certified Maintenance Planner (CMP)
- CT/VT Testing using Omicron CT Analyzer & CPC 100
- Executive Mini MBA
- ISO 17025 Lead Auditor
- Leadership During Crisis
- Mastering Strategic Procurement for Professionals
- NFPA 1081: Industrial Fire Brigade Member – Exterior Level
- NFPA 1081: Incipient Industrial Fire Brigade Member
- Problem Solving and Decision Making for Engineers and Technical Professionals
- Process Control and Protection Systems
- Project Budgeting, Estimating Techniques, and Cost Saving
- Root Cause Failure Analysis (RCFA)
- Certified Executive Assistant Program

Furthermore, Marafiq engages external trainers and academic institutions to support employees' professional development and deepen their knowledge of international best practices. This was evident in 2025 through collaborations with institutions within and outside Saudi Arabia, such as MEIRC Training & Consulting, TÜV Training Institute, Ertiyad, The Knowledge Academy, Harvard University, GloMacs Training, Informa, London Business School, Oxford University, Anderson Training, the Saudi Energy Efficiency Center (SEEC), Leoron Institute, IESE Business School (University of Navarra), and the Saudi Organization for Chartered and Professional Accountants (SOCPA).

In 2025, more than 1,500 employees from all departments participated in organized training courses covering over 86 topics. These included malware and ransomware prevention, data protection, Local Content and Government Procurement Authority workshops, secure web browsing, social media screening, and mobile device security. Additionally, more than 1,500 employees



benefited from e-learning programs covering specialized topics through the digital library, which contains more than 13,000 electronic programs.

environment and helping to bridge the gap between academic knowledge and practical application. Trainees' performance is evaluated in coordination with academic entities to support professional skill development and enhance labor market readiness. More than 60 trainees have benefited from the program, reflecting its role in building qualified national cadres for the future.

**On-The-Job Training Program (OJT)**

Over 52 weeks, the On-the-Job Training (OJT) program prepares Saudi trainees for entry-level positions within the Company. Participants receive hands-on training focused on developing technical skills and workplace readiness, ensuring the provision of a skilled talent pool ready to take on future roles.

**The Wa'ed Program Initiative**

Marafiq launched the Wa'ed Program Initiative in partnership with the Ministry of Industry and Mineral Resources and the Custodian of the Two Holy Mosques Scholarship Program. The initiative aims to equip citizens with the necessary skills and knowledge for high-demand sectors, in alignment with the goals of Saudi Vision 2030. It focuses on building qualified national capabilities that meet labor market needs and enhance the competitiveness of Saudi talent. During the reporting period, the initiative contributed to attracting and hiring 28 employees, reflecting its positive impact on supporting human capital development and talent sustainability.

**Investing in Promising Saudi Talent**

Driven by its belief that empowering Saudi youth is a vital strategic investment in their future, Marafiq is committed to developing national competencies by equipping them with the scientific, technical, and practical skills needed to excel.

**Professional Development Program (PDP)**

The Professional Development Program (PDP) provides new Saudi male and female graduates with a comprehensive set of technical, professional, and leadership skills that enhance their readiness to succeed in the workplace. The program relies on guided mentorship and applied tasks to build competencies and strengthen participants' leadership capabilities over the medium and long term.

**TAMHEER Program**

The "Tamheer" program is an initiative that develops human capital by providing practical training opportunities for Saudi male and female graduates in real-world work environments. The program aims to enhance participants' professional readiness and develop their technical and behavioral skills in line with labor market requirements. "Tamheer" contributes to building a pool of qualified national talent for entry-level positions and supporting talent sustainability.

**Program of Cooperation with Universities and Colleges (COOP)**

The Cooperative Training Program (COOP) provides real-world, practical experience for male and female university and college students by involving them in the actual work

**Job Task Standards program (JTS)**

In an operational work environment, accuracy, safety, and reliability are fundamental elements, making a structured system that ensures highly competent and well-trained employees essential.

For this reason, the Industrial Professional Certification System was developed based on Job Task Standards (JTS).

**What are Job Task Standards (JTS)?**

Job Task Standards (JTS) consist of clear and organized guidelines that define the core tasks, responsibilities, and performance expectations for each job role. It forms a solid foundation for:

- **Consistency:** Promoting unified standards and practices across all teams and departments.
- **Safety and Compliance:** Reducing risks through standardized procedures.
- **Quality Assurance:** Ensuring excellence in safe operations and service delivery.
- **Competency Development:** Assisting employees in identifying skill gaps and creating focused learning and development plans.

It is an internationally recognized system implemented by leading organizations that covers all daily tasks performed by employees.

**Why do we need Job Task Standards (JTS)?**

- Embedding a sustainability culture in operating and maintaining facilities safely and effectively.
- Providing unified job standards and enhancing professional competency levels.
- Ensuring employee commitment to operating the Company's business according to approved standards.
- Developing Knowledge, Skills, and Attitudes (KSA).
- Maintaining and ensuring the application of safety practices.
- Reducing operational costs.
- Improving work systems and documenting employee performance.
- Monitoring employee progress in professional development.
- Boosting work quality and productivity.
- Ensuring employees retain the required skills.



**Support for Higher Education and Professional Certifications**

Marafiq adopts a strategic approach to competency development by providing targeted support programs for employees pursuing academic qualifications or advanced professional certifications, in accordance with approved internal policies. This support is part

of the Company's ongoing commitment to building human capital capabilities and enhancing employee readiness by empowering them to develop their skills and knowledge in line with current role requirements and future growth needs. This direction enhances employee career paths and improves institutional efficiency, supporting the achievement of the Company's long-term goals.

➔ See [Appendix](#) for additional information

## Performance Management and Succession Planning

Marafiq's Competency Framework is the cornerstone of employee development and institutional excellence. It defines the skills, knowledge, and behaviors required for success across all roles, ensuring seamless alignment with the Company's strategic priorities.

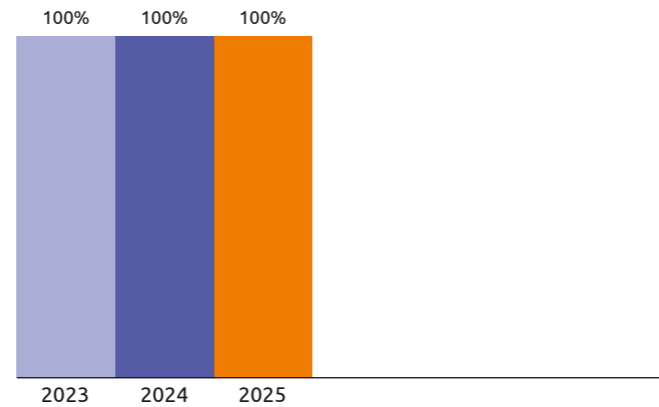
Through this structured framework, the Company can evaluate employee performance, identify skill gaps, and implement targeted development plans. Furthermore, the framework supports recruitment and succession planning, helping the Company build a high-performing workforce that keeps pace with industry advancements.

Marafiq adopts an integrated approach to succession planning, centered on talent development and management, and the cultivation of future leaders to ensure business continuity and talent sustainability. These efforts include implementing specialized programs for leadership preparation and developing managerial and technical capabilities, as well as initiatives to enable succession for leadership and critical positions. These programs aim to identify promising talent, provide clear development pathways, and enhance readiness for leadership roles, thereby supporting strategic objectives and mitigating the risks of future functional gaps.

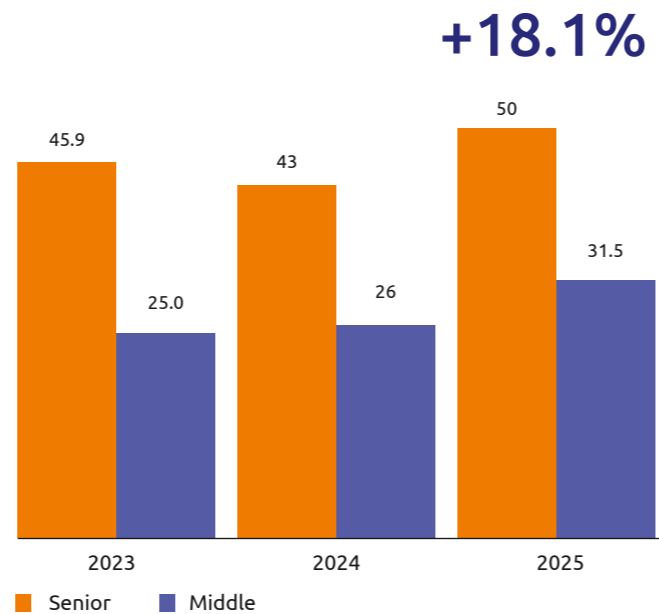
At Marafiq, we believe in the importance of building a sustainable generation of future leaders. Therefore, we strive to equip our employees with the essential skills, expertise, and the right mindset to adapt to change, drive innovation, and contribute to achieving the Company's strategic objectives.

Marafiq applies a Talent Management and Succession Planning Framework to identify, develop, and retain high-potential employees. The framework includes clear career pathways, assessment centers, leadership development programs, and targeted development plans for critical roles. Senior and middle management receive targeted training to develop the leadership skills needed to perform.

Percentage of employees who receive regular performance and career development assessments



Average training hours per manager



## Working Hours and Overtime Management

Marafiq is committed to organizing work hours in a manner that ensures operational requirements are met while maintaining employee comfort and well-being. The Company is dedicated to avoiding overtime assignments, except in exceptional circumstances where tasks cannot be completed within official working hours.

If work requires an employee to remain beyond authorized daily working hours, they are compensated with an overtime allowance in accordance with applicable Company policies, after completion of the official approval procedures.

## Grievance Management

Marafiq relies on an integrated grievance management system that ensures procedures are conducted in an organized and transparent manner, from the official receipt of the complaint through its review by a specialized committee to the notification of the employee of the results once approved. This enhances the protection of employee rights and ensures they are addressed fairly and effectively.

Employees can submit various inquiries, suggestions, and complaints via the "Tawasul" platform, a dedicated channel designed to strengthen communication between employees and relevant departments. The Company reviews and processes all requests received through the platform to benefit both employees and the organization, improving the work environment and enhancing transparency.



## Employee Well-Being and Benefits

Marafiq adopts a balanced approach to rewards and benefits management to attract, motivate, and retain top talent while enhancing employees' professional and personal lives. The Company provides a comprehensive benefits package aligned with market practices and industry standards, including elements that support financial stability, job security, and a sustainable, encouraging work environment. Benefits are granted in accordance with approved internal regulations and policies.

The Company continuously reviews its benefits system periodically to ensure competitiveness and alignment with evolving employee needs, strategic directions, and market benchmarks, thereby enhancing the employee experience and supporting long-term performance.

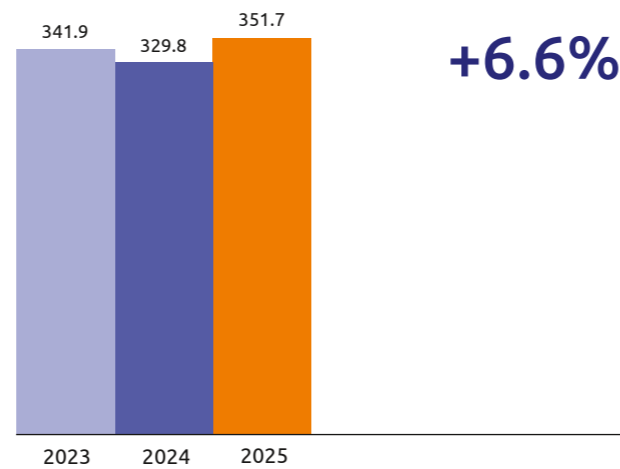
Marafiq is fully committed to complying with the requirements of the General Organization for Social Insurance (GOSI) by applying the mandatory contribution rates for both the Company and its employees. This commitment reflects Marafiq's dedication to providing social protection and enhancing long-term financial stability for its workforce, in line with the national social insurance framework.

Marafiq provides its employees with 12 weeks of fully paid maternity leave and three days of paternity leave. In 2025, 1,295 employees (1,280 men and 15 women) were entitled to parental leave, and 106 employees used this right (104 men and 2 women). Return-to-work and retention rates after return from parental leave were 100% for both men and women.

Marafiq is committed to systematically monitoring employee satisfaction by conducting a comprehensive survey to evaluate the work experience and identify areas for improvement. The survey covers a range of key pillars, including leadership, work environment, internal communication effectiveness, occupational health and safety, and career development and growth opportunities.

This survey provides quantitative and qualitative insights into job satisfaction trends, enabling the Company to develop data-driven action plans and monitor annual progress. The survey results serve as a fundamental input in the Company's efforts to enhance employee engagement and foster an attractive and sustainable work environment, reflecting Marafiq's commitment to continuous improvement and the empowerment of its human capital.

**Total wages and benefits provided to employees,**  
₪ million



### Celebrating Human Resources Day



See how Marafiq empowers colleagues and embodies institutional excellence in the workplace.

# Health and Safety

## Our Commitment to Safety Resilience

At Marafiq, we view Health and Safety (H&S) as a fundamental driver of **operational reliability and financial sustainability**. A robust safety culture minimizes downtime, protects our human capital, and ensures the uninterrupted delivery of essential services to our

customers and industrial partners. Our approach is governed by the **SALEM** (Safety Assurance and Leadership Engagement for Marafiq) framework, which embeds risk management into every layer of our organization.

## Health and Safety Management System

To uphold the highest safety standards, we have established the Safety & Reliability Committee (SRC), which oversees the implementation and continuous improvement of safety protocols across our operations.

The Committee ensures that all policies, compliance guidelines, and hazard management procedures align with regulatory requirements and recognized best practices.

Site walkthroughs continue to be a cornerstone of our efforts to strengthen Marafiq's safety culture. In parallel, the Executive Management Team and the Loss Prevention Department carry out regular inspections of contractor workplaces. These visits ensure that all activities align with Marafiq's safety requirements and provide an opportunity to identify potential risks early, address non-compliance, and promote continuous improvement across all operational areas.

We operate under the Safety Assurance and Leadership Engagement for Marafiq (SALEM) system, a comprehensive management framework based

on OSHA 3132 Process Safety Management standards and aligned with the SAIS requirements. SALEM governs the safe operation of facilities, the handling of hazardous materials, and the maintenance of critical equipment, helping to minimize risks to people, assets, and the environment.

In 2025, we implemented several forward-thinking initiatives to eliminate occupational hazards, reduce risks, and enhance the overall health and safety system. These include:

- Approving SALEM Loss Prevention Department procedures and completing the associated Management of Change (MOC) process.
- Updating our safety induction video and sharing it with all employees.
- Finalizing behavioral program topics on safe driving, safe systems of work, occupational hygiene, and process safety, supported by targeted awareness messages and a safety quiz.
- Conducting a formal Process Safety Management (PSM) assessment.

## Performance & Accountability: 2025 Retrospective

In 2025, Marafiq maintained a world-class safety record for its direct employees. However, we remain transparent regarding the challenges faced within our contractors'

workforce. These incidents have catalyzed a systemic overhaul of our contractor management protocols.

<sup>1</sup> The incentives marked with an asterisk are not granted to temporary employees.

### Safety Performance Benchmarks

Indicator	2023	2024	2025
Number of fatalities – Employees	0	0	0
Number of fatalities – Contractors	0	0	4
TRCF – Employees (per 200,000 work hours)	0.00	0.00	0.00
TRCF – Contractors (per 200,000 work hours)	0	0.04	0.09
LTIF – Employees (per 200,000 work hours)	0.00	0.00	0.00
LTIF – Contractors (per 200,000 work hours)	0.00	0.00	0.00
PSIR – Employees	0.00	0.06	0.00
PSIR – Contractors	0.15	0.00	0.00

### Investor Insight: Resilience in Crisis

The 2025 auxiliary unit fire at Yanbu served as a live stress test of our emergency readiness. The fire was successfully contained with **zero impact** on neighboring facilities or regional distribution. This rapid response validated our investment in emergency training and has led to a further hardening of our asset integrity protocols.



### Investing in Competency: The “1-Hour-A-Week” Standard

We believe that a highly trained workforce is the most effective safeguard against operational risk. In 2025, Marafiq achieved industry-leading training intensity, signaling a deep reinvestment in our human capital.

- **Training Intensity:** Our employees averaged **52 hours of safety training annually**—the equivalent of one hour every work-week. This is significantly above the regional industrial average, ensuring safety remains a constant operational habit.
- **Targeted Contractor Reform:** In response to 2025 contractor fatalities, we launched the **Contractor Safety Transformation Program**, delivering **4,200+** hours of specialized training in high-risk task management and critical safety controls.
- **Proactive Hazard Identification:** Our “Stop Work Authority” campaign resulted in a **22% increase in Near-Miss reporting**. By incentivizing the identification of hazards before they become incidents, we are building a predictive, rather than reactive, safety environment.



## Occupational Health & Holistic Wellbeing

Sustainability begins with the long-term health of our people. Marafiq provides 24/7 medical coverage through dedicated clinics in Jubail and Yanbu, ensuring both preventive and emergency care.

- **Preventive Screening:** 100% of employees in high-risk zones underwent periodic health surveillance, ensuring zero incidents of long-term occupational disease.

- **Leadership Engagement:** Recognizing that safety is behavioral, we conducted over **200 Leadership Safety Walks**, where senior executives engaged directly with site teams to mentor and reinforce our “Zero Harm” mindset.

## Hazard Identification and Risk Assessment

Marafiq uses a structured, preventive risk management approach supported by an integrated assessment framework to identify and control occupational, process, and environmental risks. Risks are managed in line with the ALARP (As Low As Reasonably Practicable) principle, ensuring that mitigation measures are proportionate and effective. A unified EHS Risk Management Standard guides consistent evaluation and oversight across operations, while a clear multi department review and approval process reinforces shared responsibility and accountability.



#### Core Safety Measures

Marafiq’s safety culture is reinforced through several key measures:

- **Stop Work Authority:** Empowers all personnel to halt work immediately if unsafe conditions are identified.
- **Safety Inspections and Observations:** Regular reviews to identify risks and strengthen preventive measures.
- **Incident Investigation Procedures:** A structured process to analyze and address any occupational injuries, illnesses, or asset damage.
- **Hierarchy of Controls:** Applies elimination, substitution, engineering, administrative, and personal protective equipment measures to reduce risk exposure.

## Operational and Chemical Safety Controls

Marafiq maintains strong safety performance through regular inspections, audits, and strict compliance protocols.

Chemicals are managed responsibly, with most consumables used before expiration and expired oils disposed of safely.

Employees receive ongoing training in the safe handling of hazardous chemicals, supported by secure chemical storage in dedicated warehouses and laboratory rooms

with routine inspections. Safety performance is reinforced through periodic and random audits, and Marafiq maintains established spill response and containment systems—without any incidents recorded to date.

Hazardous waste disposal is carried out by an approved external contractor in full alignment with Royal Commission regulations, with complete documentation ensuring compliance and accountability.

## Emergency Preparedness and Safety Training

We have an established incident reporting procedure that sets out detailed requirements for reporting, categorization, classification, and recordkeeping for all undesired or potential events, including:

- Occupational illness and injury
- Asset damage
- Environmental impacts
- Outages
- Process safety events
- Cybersecurity incidents
- Security incidents

The procedure applies to all activities and areas under Marafiq's control and covers direct employees, contract employees, affiliates, contractors, subcontractors, and visitors.

In addition, we maintain a formal Emergency Response Procedure and established Emergency Response and Drill Procedures that cover a range of potential scenarios. Awareness sessions and emergency response training are conducted regularly.

We also strengthen preparedness through ongoing training and annual emergency drills that reinforce employee readiness across all sites. These exercises simulate real-world scenarios to ensure rapid, coordinated responses to potential incidents.

Every year, we conduct more than 100 emergency drills, ensuring all personnel are equipped to identify, prevent, and respond to hazards effectively. All employees receive an average of 1 hour of training per work week.

### Safety & Health Training

Throughout the year, the Loss Prevention Department led a series of targeted awareness campaigns and conducted structured feedback surveys aimed at reinforcing safe work practices and enhancing employee engagement in safety initiatives. These efforts contributed significantly to strengthening the overall safety culture across the organization. And, in alignment with the Training and Development Department's annual schedule, a wide range of safety and health training courses were delivered. These sessions covered critical topics such as Confined Space Entry, Permit to Work, Safe Isolation, First Aid, Electrical Safety, and Working at Heights, among others. Each course is selected and assigned based on specific job requirements to ensure employees received the competencies necessary to perform their tasks safely and effectively.

### 🏠 Yanbu Fire Incident – Review and Lessons Learned

On January 30, 2025, a fire occurred in one of the auxiliary units of the sixth boiler within the steam turbine unit at a Marafiq facility in Yanbu Industrial City. At the time of the incident, the unit was fully shut down and undergoing scheduled annual maintenance. The fire was promptly contained and controlled, but four maintenance contractor workers lost their lives. This tragedy deeply affected the Company and underscored the tremendous human cost of safety failures.

Immediately following the incident, Marafiq coordinated closely with the relevant authorities to support emergency response efforts and initiate a formal investigation into the root causes. The Company also began a comprehensive assessment of damage. Throughout this process, Marafiq worked

transparently with regulators and stakeholders, ensuring timely disclosures in line with applicable requirements and extending appreciation to Civil Defense and the Yanbu Emergency Committee (YAMA) for their swift and effective response.

This incident served as a critical learning moment for Marafiq. In response, the Company have commissioned a comprehensive process safety assessment through a risk engineering consultancy that included:

- Process Safety Gap assessment.
- Process Safety Culture assessment.
- Operations Deep Dive.
- Maintenance Deep Dive.

## Community Engagement

At Marafiq, our role goes beyond delivering utilities. We are deeply connected to the communities we serve, and our long-term success is inseparable from their well-being and prosperity.

Through responsible resource management and meaningful partnerships, we work to enhance access to clean water and reliable energy, support public infrastructure, and deliver sustainable wastewater and sewage solutions that protect the environment and improve quality of life. At the same time, we invest in people, creating employment opportunities for Saudi nationals, supporting families, promoting women's leadership, and equipping graduates with practical skills to build successful careers.

Marafiq is committed to providing electricity and water services to all segments of society, including the poor and disadvantaged, without discrimination, and at a fair and equal quality level for everyone, in accordance with the Electricity Service Guide and the Water and Wastewater Service Guide.



## Sustainable Environmental Solutions

Clean water and reliable energy are fundamental to economic growth, industrial development, and quality of life. By supplying high-quality utilities to industrial, commercial, and residential customers, Marafiq plays a vital role in driving sustainable growth across its operating regions.

Continued investment in modern infrastructure and advanced technologies enables us to deliver services efficiently and responsibly. Our water production and treatment facilities ensure safe, clean water for communities, while our power generation capabilities provide the reliable energy needed to drive industry and social development.

We are committed to managing wastewater responsibly and in full compliance with environmental regulations. In Jubail, sanitary wastewater sludge is disposed of at Royal Commission–approved landfills, while industrial sludge is processed through Bee’ah, an RC-approved waste management facility.

Marafiq reuses all generated fly ash for cement manufacturing rather than sending it to landfill. This approach supports local cement producers by reducing

fuel consumption and improving production efficiency. By minimizing the need for waste disposal sites, we also free up land that can be repurposed to benefit local communities.

Working closely with government partners and aligning with national initiatives such as the Saudi Green Initiative, we continue to advance more efficient utility management and help safeguard essential resources for the future.

## Supporting Public Infrastructure

Marafiq contributes directly to community development by supporting public infrastructure that improves living conditions and strengthens social welfare.

In Al-Naba’a village, we partner with a local association to rehabilitate a housing unit provided by the King Abdullah Foundation for Developmental Housing. The project included maintenance work, furnishing, and establishing an office to deliver services to orphans, widows, and unemployed individuals. To support

the association’s long-term sustainability, we also funded the construction of its first investment endowment building, Ataa, which benefits 450 orphans through ongoing welfare programs.

In Jazan, Marafiq contributes to a major housing project that provides 112 residential units for families in need, helping address housing shortages and improve community stability.

## Education and Workforce Development

Marafiq invests in education as a foundation for long-term national development. Under the umbrella of its “Masar Al-Wa’ed” program, Marafiq has selected 28 students for recruitment, employment, and support through scholarships within structured training and development pathways.

In parallel, the Company supports educational efforts through collaboration with schools and engaging youth, particularly girls, in STEM (Science, Technology, Engineering, and Mathematics) programs. These initiatives also promote environmental awareness and encourage the adoption of responsible energy and water conservation practices, helping prepare a generation more conscious of the importance of sustainability.

In 2025, Marafiq hosted students in our facilities for technical tours, presentations, and awareness sessions. Additionally, we took several actions to make education more accessible for everyone:

- Donated 32 computers to a local school to support digital learning.
- Donated 45 computers to 2 charitable associations.
- Donated 30 devices to Safiyyah bint Al-Zubair School in Jubail, and 4 servers to the Dawah and Guidance Association in Jubail.
- Donated 30 Computers and 5 Laptops to Aljazeera school.
- Conducted interactive activities for 40 female and 40 male students, including technical tours and awareness sessions.

## Volunteering

In 2025, Marafiq’s employees contributed a total of 1,728 volunteering man-hours, 4.8 times more than in 2024. Volunteers cleaned up the beach at Abu Ali Island Reserve, removing approximately 1,000 kilograms of solid waste.



## Social Contribution Initiatives of 2025

In 2025, Marafiq introduced new initiatives to enhance the quality of life, support education and workforce development, and promote environmental sustainability across its operations.

- We supported the EFA (Association for the Care of Persons with Disabilities – Eastern Province) projects at the Prince Sultan Rehabilitation Complex, contributing to community rehabilitation services and initiatives that enhance quality of life in the Eastern Province.
- The Company hosted its annual Iftar gatherings in Jubail Industrial City and Yanbu Industrial City to strengthen employee connections, promote a positive workplace culture, and reinforce shared values across the organization.
- Marafiq was honored for its support of the Bena Association and its initiatives, including the launch of the “Kingdom’s Orphans Taxi” platform, which aims to support orphans and strengthen social care services in the Eastern Province.
- The Company became a strategic sponsor of the Eastern Province Governor’s Award for the Ideal Mother, organized by the Jubail Orphans Association, supporting family values and community well-being.

During the year, we have also supported:

- The Diabetic Foot Center project for the Health Endowment Association.

- The Ikram Center project of the Al-Ber Charity Association in the Eastern Province, which includes a grand mosque accommodating 5,000 worshippers.
- The National Committee for Prisoners, Released, and Their Families of the Eastern Province (Tarahum).
- Renovation of the investment Endowment of Al-Nabiya Charity Association.
- Esaad Association for Widows and Divorcees in the Eastern Province.
- Al-Bir and the Social Services Association in Yanbu
- Prince Mohammed bin Nasser bin Abdulaziz Association for Developmental Housing.
- Al-Nababh Humanitarian Services Association.
- Golden sponsorship for the graduation ceremony at Imam Asim Intermediate School for Qur’an Memorization in Jubail.
- Programs supporting 500 orphans and 180 widows at Jubail Orphans Association.
- The Al-Nibras Endowment Project of the Charity Association for Qur’an Memorization in Jubail, and the Yatloon Charity Association for Qur’an Memorization in Yanbu.

+9.1% vs. 2024

# SAR 4,989,282.7

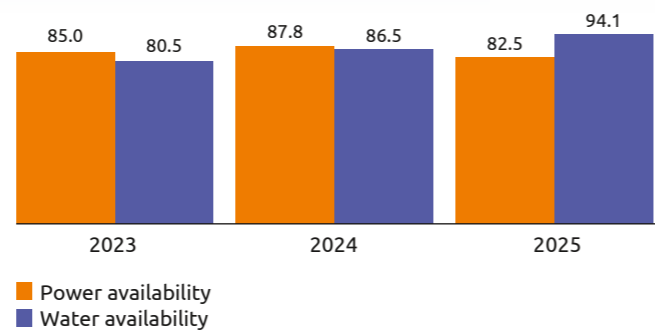
total CSR spending

# Customer Satisfaction

Our customers rely on us every day for critical services that keep sectors, businesses, and industry running. We are committed to making sure every customer receives dependable, efficient utilities that meet the highest standards of quality and reliability.

For Marafiq, customer satisfaction is a continuous process that shapes how we plan, operate, and improve. We listen to feedback, monitor performance closely, and adapt our services to changing needs. The Company uses advanced monitoring systems, preventive maintenance programs, and continuous performance evaluations to ensure uninterrupted, high-quality service. Robust infrastructure management and contingency planning further support our ability to respond to demand fluctuations and operational challenges without compromising service. In 2025, our power availability decreased by 5.3 p.p., while water availability grew by 7.6 p.p.

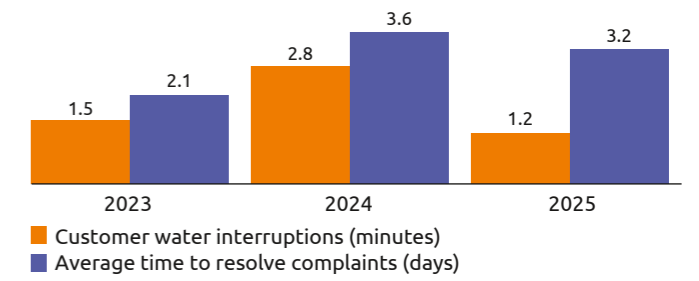
Key performance indicators (KPIs), %



# Customer Feedback and Complaint Management

We monitor customer feedback in real time using tracking metrics, such as average time to resolve complaints. This approach allows us to quickly identify and respond to potential issues, minimizing the duration and impact of any disruptions. We also set complaint KPI targets to maintain customer complaint resolution within defined standards and ensure a consistent focus on customer experience.

Customer service indicators



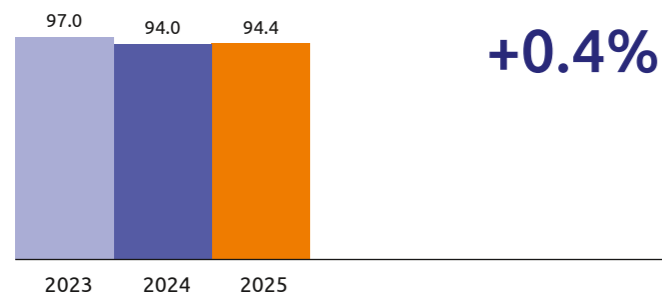
Customer grievance management indicators

	2023	2024	2025
Number of complaints	2,807	3,562	3,213
Percentage of addressed and resolved complaints	100%	100%	100%

# Customer Satisfaction Survey

To achieve high customer satisfaction, we implement a visit program, host an annual gathering for industrial customers, and conduct annual customer satisfaction surveys to understand how our services are perceived and where we can improve. These surveys provide structured feedback on billing, communication, complaints, and overall satisfaction. Survey results are reviewed by management, and strategic action plans are developed to address identified gaps. We also set annual improvement targets to drive continuous enhancement in satisfaction levels. Since 2023, we have consistently achieved customer satisfaction scores above 90%, reflecting our commitment to service excellence.

Customer satisfaction, %



# Responsible Supply Chain

Marafiq’s supply chain is a vital part of how we deliver value to our customers, support the national economy, and uphold our environmental and social responsibilities.

Our supply chain strategy is guided by the principles of transparency, sustainability, and regional value creation. We collaborate closely with key national stakeholders, including the Local Content and Government Procurement Authority (LCGPA), the Ministry of Energy (MoE), and the PIF, to localize procurement, support small and medium-sized enterprises (SMEs), and increase the participation of Saudi manufacturers across our operations.

Sustainable procurement at Marafiq is governed by our Supplier Code of Conduct, contract terms and conditions, and internal policies and procedures. These documents set the expectations for ethical behavior, environmental responsibility, competence, and compliance. In particular, all suppliers must commit to fair trade practices and respect for human rights, including the prohibition of child labor and forced labor. The Supplier Code of Conduct is part of the system registration requirements in SAP Ariba and must be acknowledged before suppliers are activated on our procurement platform.

To ensure that all purchased goods and services meet Marafiq’s high standards of quality, safety, and integrity, we maintain a formal supplier qualification and certification process. All suppliers are evaluated based on technical capability, financial stability, compliance with local regulations, and adherence to our ethical procurement principles. Prequalification criteria ensure that only approved vendors participate in tenders. Environmental and social criteria form part of technical evaluations and vary by contract type and risk profile.

Contractor performance is monitored through formal Contractor Performance Reports (CPR) during and after contract execution to ensure accountability and continuous improvement. We use digital platforms, including SAP Ariba, to enhance transparency, strengthen cybersecurity, and streamline supplier management throughout the procurement lifecycle. In 2026, we started the e-Streamline Business Process Project, which included expanded digital procurement workflows, enhanced cybersecurity controls, improved supplier experience, and initial adoption of AI-enabled process improvements.



## Local Content and SME Support

At Marafiq, we proudly champion the advancement of local content across all our operations. Our commitment is reflected in our prioritization of local suppliers and products, as well as the recruitment, development, and training of Saudi talent.

Local content—an essential national initiative and one of the core pillars of Vision 2030—represents the value added to the Kingdom’s economy from goods, services, and capabilities originating in Saudi Arabia. By fostering domestic production and leveraging national resources, local content strengthens economic resilience and supports long-term sustainability.

At Marafiq, we recognize the strategic importance of developing local content and embedding sustainable business practices into our operations. We remain dedicated to reinforcing its role within our company, the utility sector, and the communities we serve. Through a comprehensive framework designed to align and enhance all local content development efforts, Marafiq Local Content aims to significantly contribute to the Kingdom’s GDP in line with Vision 2030. Our mandate includes actively supporting, enabling, and advancing local industry participation within the domestic market.

As part of this commitment, we strongly support local manufacturers and give clear priority to suppliers offering “Made in Saudi” products, ensuring that national industry growth remains at the heart of our procurement strategy.

The Local Content Certificate, as a key measurement tool, reflects a steady and significant improvement in our local content performance, reaching 60.6% in 2025. Throughout this period, we identified several business categories suitable for transitioning from foreign OEMs and suppliers to Saudi-based alternatives. This shift has strengthened our commitment to prioritizing local OEMs, suppliers, and SMEs in our procurement and contracting processes.

**60.6%** +13.4 p.p. compared to LC score issued in 2024  
local content score

In addition, Marafiq continues to expand into business areas that meaningfully contribute to local content through enhanced recruitment, training, and investment in national human capital. These efforts reinforce our dedication to supporting the Kingdom’s economic development and aligning with Vision 2030 objectives.



# Corporate Governance

# 43%

of the Board members  
are independent directors

The Chairman of the Audit Committee  
is an independent director



# Governance Framework

Marafiq's corporate governance framework is fully aligned with the Corporate Governance Regulations issued by the Capital Market Authority (CMA) in the Kingdom of Saudi Arabia. This framework clearly outlines the roles, policies, and procedures that guide the Board of Directors, Executive Management, and stakeholders, supporting effective decision-making and ensuring clear accountability.

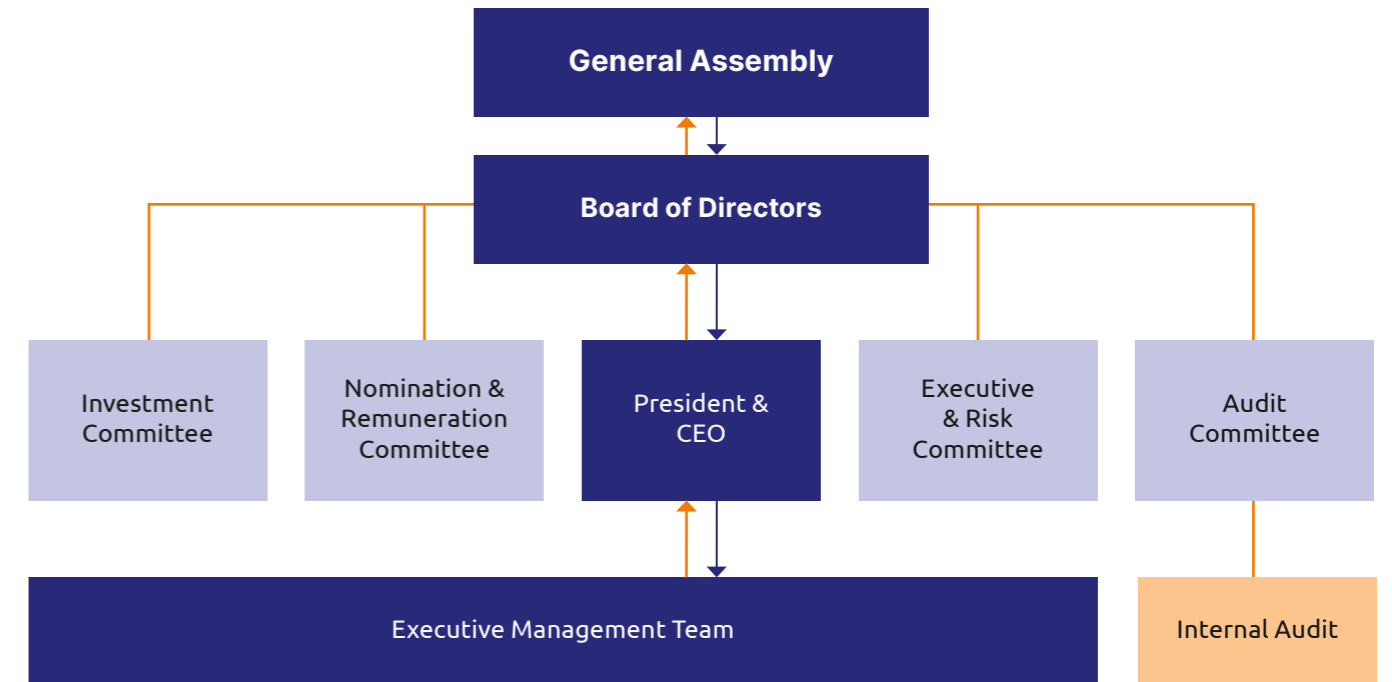
A strong governance model is essential to Marafiq's long-term strategy and growth. It enhances oversight and audit processes, promotes appropriate checks and balances, and helps protect our business, our employees, and the communities we serve.



# Governance Structure

The administrative structure of Marafiq comprises the Board of Directors, four (4) Board committees, and a team of executive officials.

The Board of Directors is responsible for establishing, overseeing, and auditing its governance principles and policies to ensure compliance with applicable regulations and to promote the Company's growth and sustainability.



# Investor Relations

Investor relations at Marafiq support a clear understanding of the Company's strategy and operational and financial performance through regular, transparent communication with investors, analysts, and other stakeholders. In 2025, we engaged with current and potential investors through conferences and promotional tours to broaden our investor base and share information on performance and outlook.

## Share Information

Listing date: November 23, 2022

Exchange: Saudi Exchange (Tadawul) – Main Exchange

Symbol: 2083

ISIN: SA15LON10HH3

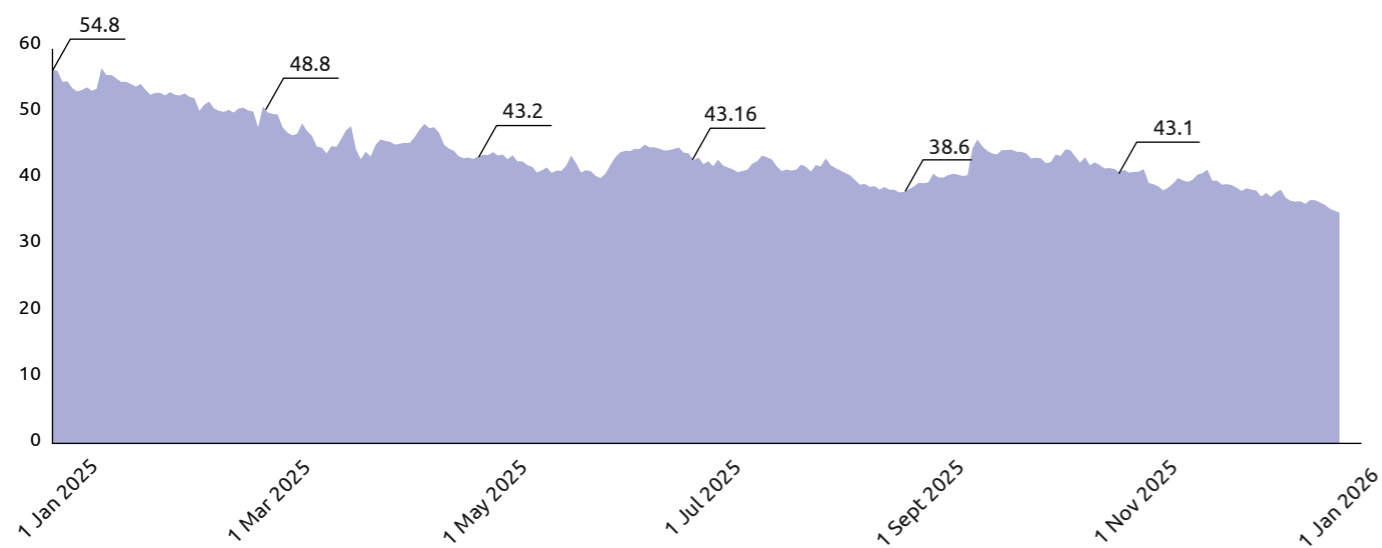
Number of shares as of December 31, 2025: 250,000,000

Closing price as of 31 December 2025: SAR 36.8

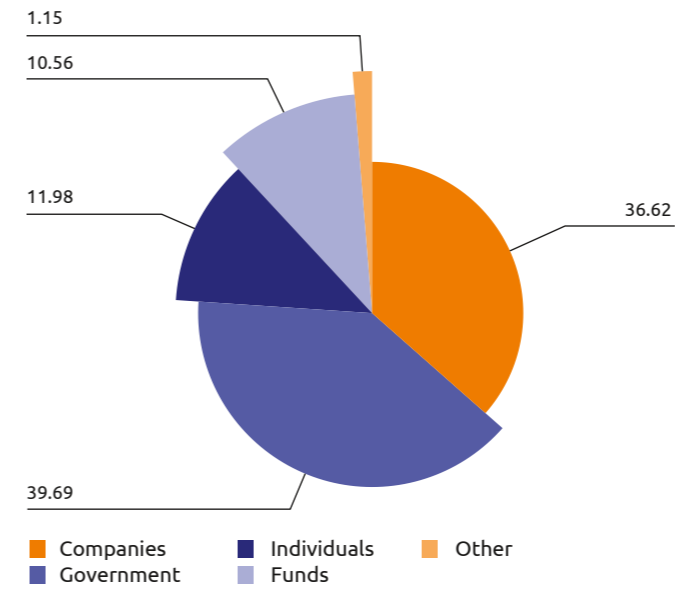
Market cap as of 31 December 2025: SAR 9,200,000,000

Share price performance, SAR

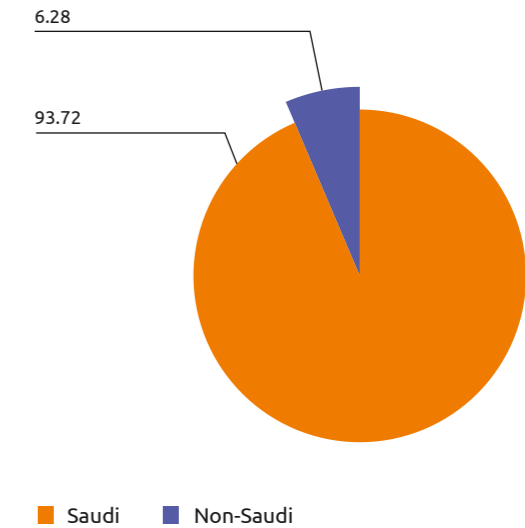
High SAR 55 Low SAR 36.14



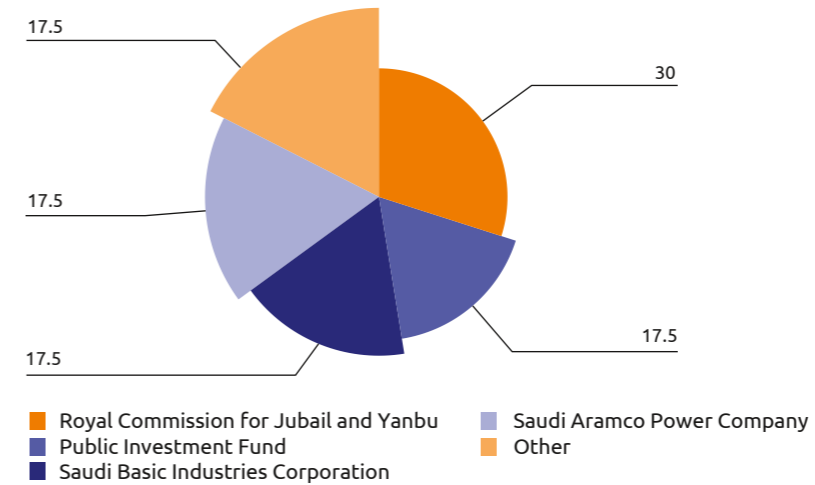
Shareholder distribution by type as of December 31, 2025, %



Nationality of investors as of December 31, 2025, %



Share ownership as of December 31, 2025, %



## Dividends distributed during 2025

There is no dividend distribution for the year 2025.

## Investor relations

➔ [marafiq.com.sa/en/investor-relations/overview](https://marafiq.com.sa/en/investor-relations/overview)

➔ [InvestorRelations@marafiq.com.sa](mailto:InvestorRelations@marafiq.com.sa)

# Shareholders' Report

The following table shows the dates of shareholder's date of request and the purpose for requesting them:

	Date of Request	Purpose of Request
1	26-01-2025	Preparing for Company's internal report
2	04-02-2025	Preparing for Company's internal report
3	02-03-2025	Preparing for Company's internal report
4	06-04-2025	Preparing for Company's internal report
5	16-04-2025	Ordinary General Assembly
6	01-05-2025	Preparing for Company's internal report
7	01-06-2025	Preparing for Company's internal report
8	01-07-2025	Preparing for Company's internal report
9	03-08-2025	Preparing for Company's internal report
10	31-08-2025	Preparing for Company's internal report
11	30-09-2025	Preparing for Company's internal report
12	02-11-2025	Preparing for Company's internal report
13	11-12-2025	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. In 2025 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.

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.

# Dividends Distribution Policy

Marafiq ensures the distribution of profits to its shareholders, subject to authorization by the General Assembly and requisite Board of Directors approvals. 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 the Dividends Distribution Policy approved by the General Assembly, which are stated as follows:

1. The Company's annual net profits shall be distributed after deducting all general expenses and other costs.
2. The General Assembly may, based on a proposal by the Board of Directors, allocate a portion of the net profits to form an additional reserve for specific purposes.
3. Dividends shall be distributed to shareholders from the Company's paid-up capital as determined by the General Assembly, which may delegate this authority to the Board of Directors.

4. The Company may distribute quarterly and semi-annual dividends in accordance with applicable regulations.
5. The remaining portion of the profits may be distributed to shareholders as additional dividends or carried forward to subsequent years, as decided by the General Assembly.



# General Assembly Meeting

In 2025, the Company held one (1) General Assembly Meeting for the Shareholders. The following table shows the date of the General Assembly and the names of the Directors attending.

Name	Ordinary General Assembly Meeting April 17, 2025
H.E. Engr. Khalid Mohammed Al-Salem	✓
Engr. Ahmed Mohammed Al-Jabr	✓
Mr. MUSAAD AHMED AL-SAYOUBI	✓
Mr. Badr Abdullah Al-Ghariry	✓
Mr. Soliman Abdulaziz Al-Hosain	✓
Mr. Amr Abdulaziz Al-Jallal	✓
Engr. Suliman Khalid Al-Mazroua	✓

# Board and Committee Members



**H.E. Engr. Khalid Mohamed Al-Salem (C)**  
Non-Executive Member



**Engr. Anas Yousef Kentab (VC)**  
Non-Executive Member



**Dr. Muhammad Tami Al-Hajri**  
Non-Executive Member



**Mr. Badr Abdullah Al-Ghariry**  
Non-Executive Member



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



**Mr. Fahad Abdullah Al-Semaih**  
Independent Member



**Mr. Mohammed Waleed Batterjee**  
Independent Member



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



**Engr. Khaled Suleman Al-Muhaisen**  
Non-Board Member



**Engr. Mahmoud Saleh Al-Theeb**  
Non-Board Member



**Mr. Bader Abdulmuhsen Al-Sheikh**  
Non-Board Member



-  Audit Committee
-  Nomination & Remuneration Committee
-  Executive & Risk Committee
-  Investment Committee
-  Chairman, (C)
-  Vice Chairman, (VC)
-  Board of Directors

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

Marafiq’s Board of Directors is the highest administrative body responsible to the General Assembly of Shareholders for the management of the Company in accordance with the Bylaws 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, 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.

The Company is committed to developing policies that regulate its relationship with stakeholders and protect their rights. This includes creating and adopting policies to ensure the implementation and enforcement of applicable laws and regulations. Additionally, the Company is committed to disclosing essential information about its performance to help shareholders and the investing public evaluate its assets and liabilities.

## Formation of the Board of Directors

The Bylaws of Marafiq state that the Board of Directors consists of seven (7) members elected by the General Assembly.

The Ordinary General Assembly, in its meeting held on April 17, 2025, elected the members of the current Board of Directors for a period of four (4) Gregorian years starting from April 20, 2025 and ending on April 19, 2029.

Name	Classification	Role
H.E. Engr. Khalid Mohamed Al-Salem	Non-Executive	Chairman, Board of Directors
Engr. Anas Yousef Kentab	Non-Executive	Vice Chairman, Board of Directors
Dr. Muhammad Tami Al-Hajri	Non-Executive	Member, Board of Directors
Mr. Badr Abdullah Al-Ghariry	Non-Executive	Member, Board of Directors
Engr. Suliman Khalid Al-Mazroua	Independent	Member, Board of Directors
Mr. Fahad Abdullah Al-Semaih	Independent	Member, Board of Directors
Mr. Mohammed Waleed Batterjee	Independent	Member, Board of Directors

## Biographies of the Board and Committee Members



### H.E. Engr. Khalid Mohamed Al-Salem

**Current position:**

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

**Previous jobs and experience:**

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

**Qualification:**

- Bachelor’s degree in Chemical Engineering, King Saud University, Saudi Arabia.
- Master’s degree in Business Administration, Thunderbird University, USA.

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

- Inside the Kingdom:
  - Saudi Investment Recycling Company (SIRC).
  - Jubail and Yanbu Industrial Cities Services Company.
- Outside the Kingdom:
  - N/A

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

- Inside the Kingdom:
  - Saudi Railway Company.
- Outside the Kingdom:
  - N/A



### Engr. Anas Yousef Kentab

**Current position:**

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

**Previous jobs and experience:**

- Executive Vice President of Strategy & Transformation, SABIC.
- Executive Vice President of Europe Repositioning, SABIC.
- Executive Vice President of Crude Oil to Chemical, SABIC.
- Executive Vice President of Agri-Nutrients SBU, SABIC.
- Vice President of Polyolefins, SABIC.

**Qualification:**

- Bachelor’s degree in Mechanical Engineering, King Saud University, Saudi Arabia.

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

- Inside the Kingdom:
  - SABIC Agri-Nutrients.
  - Saudi Yanbu Petrochemical Company (Yanpet).
  - Jubail Petrochemical Company (Kemya).
  - Maaden Phosphate Company.
  - Maaden Waad Al Shamal Phosphate Company.
- Outside the Kingdom:
  - Gulf Coast Growth Ventures.

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

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



### Dr. Muhammad Tami Al-Hajri

**Current position:**

Director of Regional Power Operations, Saudi Arabian Oil Company (Saudi Aramco).

**Previous jobs and experience:**

- Director of Power System Planning Department, Saudi Aramco.
- Director of Renewable Department, Saudi Aramco.
- Chief Operation Officer of Saudi Aramco Power Company (SAPCO).

**Qualification:**

- Bachelor's degree in Electrical Engineering, King Fahd University of Petroleum and Minerals (KFUPM), Saudi Arabia.
- Master's degree in Electrical Engineering, New Mexico State, USA.
- Doctor's degree in Electrical Engineering, Brunel, UK.

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

- Inside the Kingdom:
  - NA
- 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. Suliman Khalid Al-Mazroua

**Current Position:**

President, Saudi Ports Authority (MAWANI).

**Previous jobs and experience:**

- CEO of the National Industrial Development and Logistics Program (NIDLP).
- Operations Manager, NIDLP.
- Executive Director of the National Transformation Program (NTP).
- Director General of Delivery and Rapid Intervention Center.
- Systems Engineer and Operations Manager, Saudi Aramco.

**Qualification:**

- Bachelor's degree in Systems Engineering, King Fahd University of Petroleum and Minerals (KFUPM), Saudi Arabia.
- Master's degree in Business Administration, University of Hull, UK.

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

- Inside the Kingdom:
  - Centre for the Fourth Industrial Revolution (C4IR).
- 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. Badr Abdullah Al-Ghariry

**Current position:**

Senior Vice President of Energy and Public Utilities Sector, Public Investment Fund (PIF).

**Previous jobs and experience:**

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

**Qualification:**

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

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

- Inside the Kingdom:
  - Reviva.
- 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. Fahad Abdullah Al-Semaih

**Current Position:**

Part-time Consultant.

**Previous jobs and experience:**

- General Manager of Technology for Fertilizers Sector.
- Director General of Development and Research for Special Projects, Saudi Basic Industries Corporation (SABIC).

**Qualification:**

- Bachelor's degree in Chemistry, King Saud University, Saudi Arabia.

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

- Inside the Kingdom:
  - Saudi Chemical Holding 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



## Mr. Mohammed Waleed Batterjee

### Current position:

Chief Investment Officer, Al-Faisaliah Group.

### Previous jobs and experience:

- Vice President of Portfolio Management and M&A, Saudi Agricultural and Livestock Investment Company (SALIC).
- Regional Manager of Financial Institutions, The National Commercial Bank (NCB).
- Head of Portfolio Construction and Asset Allocation, Propriety Investments, NCB.
- Associate Vice President of the Private Equity and Principal Investments, Emirates National Bank of Dubai (NBD) Capital.

### Qualification:

- Bachelor's degree in Business Administration, Simon Fraser University, Canada.

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

- Inside the Kingdom:
  - SMSA Express.
- 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

(Non-Board External Committee Member)

### Current position:

Vice President, Digital Transformation, Saudi Basic Industries Corporation (SABIC).

### Previous job experience:

- Vice President of People & Organization (HR), SABIC.
- General Manager of People & Organization (HR), SABIC.
- Regional HR Leader of Americas, Based in Houston USA, SABIC.
- General Manager of 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.

### Qualification:

- Bachelor's degree in Computer Engineering, King Fahd University of Petroleum and Minerals (KFUPM), Saudi Arabia.

### Current Board membership of companies or their directors:

- Inside the Kingdom:
  - Saudi Yanbu Petrochemical Company (Yanpet).
  - 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



## Mr. Soliman Abdulaziz Al-Hosain

(Non-Board External Committee Member)

### Current position:

Part-time consultant.

### Previous job experience:

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

### Qualification:

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

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

- Inside the Kingdom:
  - SABIC Agri-Nutrients Company.
- Outside the Kingdom:
  - N/A

### Membership of previous board of directors or their directors:

- Inside the Kingdom:
  - Power and Water Utility Company for Jubail and Yanbu (Marafiq).
  - Rabigh Refining and Petrochemical Company (Petro Rabigh).
  - Arabian Industrial Fibers Company (Ibn Rushd).
  - Eastern Petrochemical Company (Sharq).
- Outside the Kingdom:
  - N/A



## Engr. Mahmoud Saleh Al-Theeb

(Non-Board External Committee Member)

### Current position:

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

### Previous job experience:

- Vice President of Operations and Maintenance, MARAFIQ.
- Vice President of Portfolio Management, Acwa Power.
- Vice President of Technical Affairs & Projects, Saudi International Petrochemical Company (Sipchem).
- Process Engineer, Operations Manager MTBE, Planning Logistics & Economics Manager at Saudi Petrochemical Company (SADAF).

### Qualification:

- Bachelor's degree in Chemical Engineering, King Fahd University of Petroleum and Minerals (KFUPM), Saudi Arabia.

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

- Inside the Kingdom:
  - N/A
- 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. Bader Abdulmuhsen Al-Sheikh

(Non-Board External Committee Member)

#### Current position:

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

#### Previous jobs and experience:

- Administrative Development Department, General Organization for Grain Silos and Flour Mills.
- Training and Development Center, Riyadh Chamber of Commerce and Industry.
- Administrative Development Department, Royal Commission for Jubail and Yanbu.
- Director of Organizational Excellence Department, Royal Commission for Jubail and Yanbu.
- Director General of Human Resources, Royal Commission for Jubail and Yanbu.
- Director General of Support Services, Royal Commission for Jubail and Yanbu.
- Advisor and General Supervisor of the President's Office, Royal Commission for Jubail and Yanbu.
- General Supervisor of Legal Affairs, Royal Commission for Jubail and Yanbu.

#### Qualification:

- Bachelor's degree in Business Administration, King Saud University.
- Master's degree in Administrative Sciences, Naif Arab University for Security Sciences.

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

- Inside the Kingdom:
  - Jabeen 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

## Share Ownership of Board Members

Name	Ownership Type	Ownership (%)	No. of Shares	Changes in (%)
H.E. Engr. Khalid Mohamed Al-Salem	Direct ownership	0	0	0
Engr. Anas Yousef Kentab	Direct ownership	0.004	10,000	0
Dr. Muhammad Tami Al-Hajri	Direct ownership	0	0	0
Mr. Badr Abdullah Al-Ghariry	Direct ownership	0	0	0
Engr. Suliman Khalid Al-Mazroua	Direct ownership	0	0	0
Mr. Fahad Abdullah Al-Semaih	Direct ownership	0.000004	10	0
Mr. Mohammed Waleed Batterjee	Direct ownership	0.0000004	1	0

## Board of Directors Meetings

In order to enhance its role and responsibilities, the Board of Directors held nine (9) meetings during the fiscal year ending on December 31, 2025.

The following table shows each member's attendance and the dates on which the meeting was held.

Names	1 Feb. 2	2 Feb. 26	3 Mar. 20	4 Apr. 24	5 May 7	6 Aug. 5	7 Nov. 4	8 Nov. 16	9 Dec. 10
H.E. Engr. Khalid Mohammed Al-Salem <sup>1</sup>	✓	✓	✓	✓	✓	✓	✓	✓	✓
Engr. Ahmed Mohammed Al-Jabr	✓	✓	✓	Board membership term ends on Apr. 19, 2025.					
Mr. Badr Abdullah Al-Ghariry <sup>1</sup>	A	✓	✓	✓	✓	✓	✓	✓	✓
Mr. MUSAAD AHMED Al-SAYOUHI	✓	✓	A	Board membership term ends on Apr. 19, 2025.					
Mr. Amr Abdulaziz Al-Jallal	✓	✓	✓	Board membership term ends on Apr. 19, 2025.					
Mr. Soliman Abdulaziz Al-Hosain	✓	✓	✓	Board membership term ends on Apr. 19, 2025.					
Engr. Suliman Khalid Al-Mazroua <sup>1</sup>	✓	✓	✓	✓	✓	✓	✓	✓	✓
Engr. Anas Yousef Kentab	Board membership term starts on Apr. 20, 2025.			✓	✓	✓	✓	✓	✓
Dr. Muhammad Tami Al-Hajri	Board membership term starts on Apr. 20, 2025.			✓	✓	✓	✓	✓	✓
Mr. Fahad Abdullah Al-Semaih	Board membership term starts on Apr. 20, 2025.			✓	✓	✓	✓	✓	✓
Mr. Mohammed Waleed Batterjee	Board membership term starts on Apr. 20, 2025.			✓	✓	✓	✓	✓	✓

<sup>1</sup> Board membership term ends on Apr. 19, 2025. Pursuant to the General Assembly approval the new term starts on Apr. 20, 2025.

## 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 Board of Directors of shareholders' opinions and discuss them. On the other hand, the Company's Bylaws guarantee that Directors participate in deliberations and discussions at General Assembly meetings, enhancing communication with 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, 2025.



# Board Committees

Marafiq Board 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, specifying the tasks, authorities, responsibilities, and powers of its members, as well as the committee meetings, to enable each committee to perform its duties.

## 1. Audit Committee

According to the Audit Committee Charter, 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 the 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.

The Audit Committee is responsible for monitoring the Company's activities as per Governance rules issued by the Capital Market Authority. Audit committee specifically includes the following:

5. Examine the accounting estimates related to significant matters presented in the financial reports.
6. Examine the accounting policies followed by the Company and provide opinions and recommendations on these policies to the Board of Directors.

## Internal Audit

1. Study and review the Company's internal and financial control, and risk management systems.
2. Review Internal audit reports and follow up on the implementation of corrective actions for the observations included therein.
3. Monitor and oversee the performance and activities of the Internal auditor and the Internal Audit Department to ensure the availability of necessary resources and the effectiveness of their execution of assigned activities and duties.
4. Recommend to the Board of Directors the appointment of the head of the Internal audit unit or department, or the Internal auditor, and propose their remuneration.

## Financial Reports

1. Review the Company's interim and annual financial statements before they are presented to the Board of Directors, and provide opinions and recommendations to ensure their integrity, fairness, and transparency.
2. Provide a technical opinion, upon the Board's request, on whether the Board's report and the Company's financial statements are fair, balanced, and understandable, and contain the information that enables shareholders and investors to evaluate the Company's financial position, performance, business model, and strategy.
3. Review any significant or non-familiar matters included in the financial reports.
4. Conduct a thorough investigation into any issues raised by the Company's Chief Financial Officer (or any person assuming these duties), the company's Compliance Officer, or the External auditor.

## External Auditor

1. Recommend to the Board of Directors the nomination, dismissal, and remuneration of External auditors, and evaluate their performance after verifying their independence, reviewing the scope of their work, and the terms of their engagement.
2. Verify the independence, objectivity, fairness, and effectiveness of the External auditor's work, taking into account the relevant rules and standards.

- Review the External auditor's plan and activities for the Company, ensure they do not provide any technical or administrative services outside the scope of their audit work, and provide the committee's views regarding this.
- Respond to inquiries from the Company's external auditor.
- Review the External auditor's reports and comments on the financial statements and follow up on the actions taken in response.
- Review and approve all non-audit services provided by the External auditors to ensure their independence.

## Ensuring Compliance

- Review the findings of reports issued by regulatory authorities and ensure that the Company has taken the necessary actions in response.
- Ensure the Company's compliance with applicable laws, regulations, policies, and relevant instructions.
- Review proposed contracts and transactions between the Company and related parties and provide recommendations to the Board of Directors in this regard.
- Inform the Board of any matters the committee deems necessary for action and submit the appropriate recommendations regarding the steps to be taken.

## Conducts and Ethics

- Review and evaluate the policies and procedures related to the Company's code of conduct and ethics.
- Review reports on compliance with laws, regulations, policies, unethical behavior, and similar matters.

## Governance

- Obtain the necessary assurances from the Company's management regarding the implementation of governance rules.

## Fraud, Money Laundering, and Corruption

- Oversee the management's arrangements for the prevention and combating of fraud, money laundering, and corruption.
- Ensure that appropriate actions are taken against individuals involved in fraud, money laundering, or corruption.

- Support the management in ensuring the existence of effective anti-fraud, anti-money laundering, and anti-corruption programs and controls.

## Internal Control

- Review the adequacy and completeness of the internal control system.
- Review the method and framework through which the management monitors operations and assess the suitability, scale, and effectiveness of the internal control systems in place, and how well they are implemented.

## Annual Report

The committee shall prepare an annual report that includes a comprehensive assessment of control and compliance processes, the committee's activities, its responsibilities, membership, number of meetings held, and attendance throughout the year. The Audit Committee report shall detail its performance in carrying out the duties and responsibilities outlined in these Charters. The report shall also include the committee's recommendations and its opinion on the adequacy of internal control, financial, and risk management systems. The Board of Directors shall provide sufficient copies of the Audit Committee's report at the Company's headquarters and publish it on both the Company's website and the stock exchange website when the notice for the General Assembly meeting is issued, to allow interested shareholders to obtain a copy. A summary of the report shall be read during the General Assembly meeting.

## Audit Committee Meetings

Marafiq's Board of Directors was elected at the Ordinary General Meeting on April 17, 2025, for a four-year term commencing April 20, 2025, and ending on April 19, 2029. The Audit Committee was subsequently formed on April 24, 2025, comprising of the following members:

- Mr. Fahad Abdullah Al-Semaih – Committee Chairman
- Dr. Muhammad Tami Al-Hajri – Member
- Mr. Badr Abdullah Al-Ghariry – Member
- Mr. Bader Abdulmohsen Al-Shaikh – Member

The Audit Committee consists of four (4) members and during the year 2025, the committee held six (6) 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.

The following table shows each member's attendance and the dates on which the meeting was held.

Names	Role	1 Feb. 25	2 Mar. 1	3 Mar. 2	4 May 6	5 Aug. 4	6 Nov. 3	
Mr. MUSAAD AHMED AL-SAYOUI	Chairman	✓	✓	✓			Committee membership term ends on Apr. 19, 2025.	
Mr. SOLIMAN ABDULAZIZ AL-HOSAIN	Member	✓	✓	✓			Committee membership term ends on Apr. 19, 2025.	
Mr. AMR ABDULAZIZ AL-JALLAL	Member	✓	✓	✓			Committee membership term ends on Apr. 19, 2025.	
Mr. BADR ABDULLAH AL-GHARIRY <sup>1</sup>	Member	✓	✓	✓	✓	✓	✓	
Mr. FAHAD ABDULLAH AL-SEMAIH	Chairman				Committee membership term starts on Apr. 24, 2025.	✓	✓	✓
Dr. MUHAMMAD TAMI AL-HAJRI	Member				Committee membership term starts on Apr. 24, 2025.	✓	✓	✓
Mr. BADER ABDULMUHSEN AL-SHEIKH	Member (non-board)				Committee membership term starts on Apr. 24, 2025.	✓	✓	✓

The Committee believes that it has fulfilled its responsibilities during the year and has provided effective oversight of the Company's financial reporting process, internal controls, risk management, and compliance.

## Audit Committee Opinion on the Effectiveness of 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, procedures, and systems.

The Committee is of the opinion that, as at 31 December 2025, and based on the discussions, views, presentations and reports submitted to its members by the Management, the Internal auditor and the External auditor, and within the limits of the duties and responsibilities included in the approved internal audit plan that there is substantial and material observations on the internal control system that affect the integrity and

fairness of the financial statements, and the Committee is of the opinion that the Company's internal and financial control systems are efficient keeping in mind that there is no internal control system can provide absolute assurances about its soundness and effectiveness.

The current External auditor Ernst & Young was appointed by shareholders during the extraordinary general assembly meeting held on 30 October 2023. Their appointment covers a three (3)-year term from 2024 to 2026 and includes review of the financial statements for Q1-2027. The Committee has reviewed the qualifications, independence, and performance of the External auditor.

The Committee has reviewed the performance and effectiveness of the Internal audit function. The Committee is satisfied that the Internal audit department has the necessary resources and authority to carry out its work.

The Committee has reviewed the Company's compliance program and is satisfied that it is adequate and effective, further Marafiq's governance is highly effective, supported by a governance framework aligned with regulatory requirements and best practices. It enhances transparency, accountability, and operational efficiency through well-defined roles and structured decision-making. Oversight by the Board ensures proper implementation and protection of the rights of all stakeholders.

<sup>1</sup> Committee membership term ends on Apr. 19, 2025. New term starts on Apr. 24, 2025.

## 2. Nomination & Remuneration Committee

The committee is formed from non-executive Board members, whether from shareholders or others. The number of members should be between three and five, with at least one independent Board member. The Board of Directors appoints its members.

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

1. Prepare a clear policy for the remuneration of members of the Board, the committees emanating from the Board, and the Executive Management, and to submit it to the Board for consideration in preparation for approval by the General Assembly, provided that performance-related standards are followed in that Regulation.
2. Clarify the relation between the paid rewards, the approved rewards policy, and indicate any material deviation from this Charter.
3. Review the remuneration policy periodically and evaluate its effectiveness in achieving its objectives.
4. Recommend to the Board the remuneration of its members, committee members, and Executive Management in accordance with the approved Charter.
5. Prepare clear policies and criteria for membership of the Board of Directors and Executive Management, and recommend them to the Board for approval by the General Assembly.
6. Recommend to the Board the nomination of its members, and re-nomination of them in accordance with the approved policies and membership criteria, taking into consideration not to nominate any person previously convicted of a crime involving moral turpitude or dishonesty.
7. Determine the time that the member should allocate for the work of the Board.
8. Review the structure of the Board and the Executive Management and make recommendations regarding changes that can be made to it.
9. Develop job descriptions for the executive, non-executive, and independent members of the Board and the Executive Management.
10. Set procedures to be followed in the event of a vacancy in the position of a member of the Board of Directors or an Executive Management.
11. Determine the strengths and weaknesses of the Board and propose solutions to address them in line with the interests of the Company.
12. Review the skills, knowledge, and experience required for the members of the Board, and prepare a description of the tasks and capabilities required when appointing any member.
13. Review the Company's leadership needs and its executive departments, with the aim of ensuring the Company has the continued ability to achieve its goals and strategies effectively.
14. Review the budgets of remuneration and benefits due to the members of the Board and the Executive Management, and recommend to the Board any changes in employee benefits policies and structures at the Company level.
15. Set appropriate standards and make recommendations to the Board regarding the independence of Board members and candidates for membership.
16. Ensure the independence of the independent Board members annually, and that there is no conflict of interest.
17. Recommend to the Board the general framework or Charter for the remuneration of the members of the Board and the Executive Management team, and the value of those remunerations.
18. Determine the total individual remuneration package for each/any member of the Board within the terms of the agreed Bylaws, including (as applicable) bonuses and other incentives.
19. Recommend to the Board the number of members, the competence and responsibilities of the committee, as well as the responsibilities of the chairman and members of each of the other committees, including providing advice regarding the appointments of the Board committees and their dismissal from the committee or the Board, the rotation of committee members and chairmen, and the structure and operations of the committees.
20. To make recommendations regarding recruitment, retention and termination policies for the Company's management and policies for management's participation in various forms of bonus benefits that may be considered and recommend relevant development programs and plans to the Board members.
21. Submit an annual report to the Board that includes an evaluation of the Board's performance.
22. Submit recommendations to the Board regarding criteria for selecting candidates for the Board membership.
23. Perform any other duties or responsibilities that the Board expressly assigns to the Committee from time to time.

## Nomination & Remuneration Committee Meetings

The Nomination & Remuneration Committee consists of four (4) members and held seven (7) meetings during the fiscal year ending on December 31, 2025.

The following table shows each member's attendance and the dates on which the meeting was held.

Names	Role	1 Jan. 8	2 Jan. 26	3 Feb. 9	4 Mar. 5	5 May 4	6 Jul. 6	7 Dec. 4
H.E. Engr. Khalid Mohammed Al-Salem <sup>1</sup>	Member	✓	✓	✓	✓	✓	✓	✓
Engr. Suliman Khalid Al-Mazroua <sup>1,2</sup>	Chairman/ Member	✓	✓	✓	✓	✓	✓	✓
Mr. Soliman Abdulaziz Al-Hosain <sup>3,4</sup>	Chairman/ Member (non-board)	✓	✓	✓	✓	✓	✓	✓
Engr. Khaled Suleman Al-Muhaisen <sup>5</sup>	Member (non-board)	✓	✓	✓	✓	✓	✓	✓

## 3. Executive & Risk Committee

The Board of Directors appoints members of the committee, at least three and no more than five. At least two of them should be 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:

1. Review operational plans, capital plans, and five-year business plans.
2. Review the Company's plans and performance with regard to the environment, health, and safety, and its compliance with relevant rules and regulations.
3. Set technical standards and performance standards for the Company's business and review them as necessary in the water, sewage, seawater cooling, and electricity sectors, and monitor compliance with and implementation of these technical standards.
4. Establish, review, monitor, and amend customer service standards as necessary.
5. Study and approve operational capital projects related to the Company or recommend them to the Board, as authorized.
6. Monitor the progress and implementation of capital projects.
7. Develop a comprehensive risk management strategy and policies commensurate with the nature and scale of the Company's activities. Continuously review the effectiveness of the Company's management in managing the company's approved risk systems, verify their implementation, and update them based on the company's internal and external variables.
8. Determine and maintain an acceptable level of risk to which the Company may be exposed and ensure that the Company does not exceed this level.
9. Oversee the risk management system, evaluate the effectiveness of the systems and mechanisms for identifying, measuring, and monitoring risks to which the Company may be exposed, and identify and address deficiencies therein.
10. Periodically reassess the Company's risk tolerance and exposure (ex. through conducting stress tests).
11. Ensure the availability of adequate resources and systems for risk management.
12. Ensure that risk management staff understand the risks surrounding the Company and work to increase awareness of the risk culture.
13. Review the organizational structure of the risk management and make recommendations regarding it prior to its approval by the Board.

<sup>1</sup> Committee membership term ends on Apr. 19, 2025. New term starts on Apr. 24, 2025.

<sup>2</sup> Chairmanship role starts on Apr. 24, 2025.

<sup>3</sup> Chairmanship role ends on Apr. 19, 2025.

<sup>4</sup> Board/Committee membership term ends on Apr. 19, 2025. Committee membership (non-board) new term starts on Apr. 24, 2025.

<sup>5</sup> Committee membership (non-board) term ends on Apr. 19, 2025. New term starts on Apr. 24, 2025.

14. Review any issues raised by the Audit Committee that may impact the Company’s risk management.
15. Prepare detailed reports on risk exposure and proposed steps to manage these risks and submit them to the Board of Directors.
16. Provide advice and recommendations to the Board of Directors regarding the risk management framework, including Company-wide risk management policies and procedures.
17. Review and approve the information to be included in the annual risk management report.
18. Verify the viability of the Company’s continuity and successful continuation of its operations, while identifying the risks that threaten its continuity in the short or long term.
19. When carrying out its assigned duties, the committee shall commit to submitting its decisions or recommendations to the Board

and the relevant authorities in the Company in writing, in accordance with the approved mandate, along with the justifications for the decisions, whenever possible.

### Executive & Risk Committee Meetings

The Executive & Risk Committee consists of four (4) members and held seven (7) meetings during the fiscal year ending on December 31, 2025.

The following table shows each member’s attendance and the dates on which the meeting was held.

Names	Role	1 Feb. 12	2 Mar. 26	3 May 19	4 Jun. 15	5 Jul. 16	6 Oct. 15	7 Nov. 16
Engr. Ahmed Mohammed Al-Jabr	Chairman	✓	✓	Committee membership term ends on Apr. 19, 2025.				
Mr. Badr Abdullah Al-Ghariry	Member	✓	✓	Committee membership term ends on Apr. 19, 2025.				
Engr. Suliman Khalid Al-Mazroua <sup>1</sup>	Member	✓	✓	✓	✓	✓	✓	✓
Engr. Anas Yousef Kentab	Chairman	Committee membership term starts on Apr. 24, 2025.		✓	✓	✓	✓	✓
Dr. Muhammad Tami Al-Hajri	Member	Committee membership term starts on Apr. 24, 2025.		✓	✓	✓	✓	✓
Engr. Mahmoud Saleh Al-Theeb	Member (non-board)	Committee membership term starts on Apr. 24, 2025.		✓	✓	✓	✓	✓

## 4. Investment Committee

The Board of Directors appoints the committee’s members, at least three and no more than five. At least two should be 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, the committee’s duties and responsibilities include the following:

1. Study investment opportunities for the business growth strategy and make recommendations to the Board in accordance with the guiding principles and governance, and review periodic reports from the Executive Management on the progress of these projects and investment opportunities, which include the following:

- 1.1. Growth opportunities through bilateral agreements.
- 1.2. Growth opportunities through competitive bidding.
- 1.3. Growth opportunities arising from the sustainability program related to the business growth strategy.
- 1.4. Ensure compliance with applicable regulations, rules, and relevant instructions, provide its views on these opportunities, and make recommendations to the Board regarding them, and follow up on the progress of their implementation until commercial operation is achieved, announce the start of the operation phase, and until the end of the project contract or concession period.



2. Study and propose amendments to the business growth strategy and present them to the Board for approval as needed or based on market changes.
3. Identify and prioritize proposed investment opportunities in line with the Company’s capabilities and potential, in accordance with the guiding principles and governance.
4. Evaluating and managing risks related to investment opportunities within the committee’s jurisdiction and working to avoid or mitigate their impact in a manner consistent with the Company’s objectives.
5. General supervision of investment activities proposed by the Company’s management, including, but not limited to:
  - 5.1. Establish appropriate procedures to measure and evaluate the Company’s investment performance periodically or as required by business operations.
  - 5.2. Mergers, acquisitions, or divestments of companies and assets.
  - 5.3. Joint ventures under partnership agreements, coalitions, or joint ventures

- 5.4. Invest in new or existing projects, or participating in their expansion, termination, sale, or exit within the committee’s jurisdiction.
- 5.5. Study financing possibilities for investment opportunities.
- 5.6. Ensure the availability of sufficient resources for investment.
- 5.7. Review periodic reports submitted by the Company on the progress of investment opportunities and make recommendations regarding them.

### Investment Committee Meetings

The Investment Committee consists of four (4) members and held seven (7) meetings during the fiscal year ending on December 31, 2025.

The following table shows each member’s attendance and the dates on which the meeting was held.

Names	Role	1 Feb. 17	2 Apr. 8	3 Jun. 15	4 Jul. 8	5 Jul. 20	6 Oct. 20	7 Nov. 27
H.E. Engr. Khalid Mohammed Al-Salem <sup>1</sup>	Chairman	✓	✓	✓	✓	✓	✓	✓
Engr. Ahmed Mohammed Al-Jabr	Member	✓	✓	Committee membership term ends on Apr. 19, 2025.				
Mr. MUSAAD Ahmed Al-Sayouhi	Member	✓	✓	Committee membership term ends on Apr. 19, 2025.				
Mr. Amr Abdulaziz Al-Jallal	Member	A	✓	Committee membership term ends on Apr. 19, 2025.				
Engr. Anas Yousef Kentab	Member	Committee membership term starts on Apr. 24, 2025.		✓	✓	✓	✓	✓
Mr. Badr Abdullah Al-Ghariry	Member	Committee membership term starts on Apr. 24, 2025.		✓	✓	✓	✓	✓
Mr. Mohammed Waleed Batterjee	Member	Committee membership term starts on Apr. 24, 2025.		✓	✓	✓	✓	✓

<sup>1</sup> Committee membership term ends on Apr. 19, 2025. New term starts on Apr. 24, 2025.

<sup>1</sup> Committee membership term ends on Apr. 19, 2025. New term starts on Apr. 24, 2025.

# Executive Management

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



## Engr. Mohammed Berki Al-Zuabi

President & CEO

### Current Membership:

- Non-Executive Chairman of the Board, MaSa Services Company for Operation and Maintenance (MaSa Services).
- Non-Executive Chairman of the Board, Jubail Water and Power Company (JWAP).
- Non-Executive Member of the Board, Al-Haer Environmental Services Company (HESCO).

### Previous jobs and experience:

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

- Non-Executive Chairman of the Board, 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 (KFUPM).
- Master's degree in Construction Engineering and Management, King Fahd University of Petroleum and Minerals (KFUPM).
- Master's degree in Sustainable Electrical Energy, Georgia Institute of Technology, USA.



## Engr. Sultan Turki Al-Ruhaili

Vice President, Engineering

### Current Membership:

- Non-Executive Chairman of the Board, Jeddah Al-Thaniya Water Company (JAWC).
- Non-Executive Chairman of the Board, Aqua Renew Company.

### Previous jobs and experience:

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



## Engr. Sami Sulaiman Al-Huwais

Vice President, Operations

### Current Membership:

- Non-Executive Member of the Board, Arana Operation and Maintenance Company.

### Previous jobs and experience:

- Director, Abqaiq Plants Maintenance Department, Saudi Aramco.

- Director, North Ghawar Producing Department, Saudi Aramco.
- Director, Utilities Department, Saudi Aramco.

### Qualification:

- Bachelor's degree in Electrical Engineering, King Fahd University of Petroleum and Minerals (KFUPM).



## Mr. Muhammed Abdulhamid Al-Mulhim

Vice President, Finance

### Current Membership:

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

### Previous jobs and experience:

- Non-Executive Member of the Board, Jeddah Althaniya Water Company (JAWC).
- Non-Executive Member of the Board, Marafiq Insurance Company (MIL).
- Non-Executive Member of the Board, Marafiq Water and Power Supply Company (Tawreed)
- Non-Executive Member of the Board, 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 (KFUPM).

## Share Ownership of Executive Management

Name	Ownership %	No. of Shares	Change Percentage
Engr. Mohammed Berki Al-Zuabi	0	0	0
Engr. Sultan Turki Al-Ruhaili	0	0	0
Engr. Sami Sulaiman Al-Huwais	0	0	0
Mr. Muhammed 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 remuneration 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 remuneration 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 remuneration of one hundred and fifty thousand Saudi Riyals (ﷲ 150,000) for each member of the permanent committees. Remuneration shall be calculated according to the period of time they spent as a member of the Board or a committee during the year. Furthermore, the total amount a member receives for their membership on the Board and affiliated committees during the year should not exceed 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,

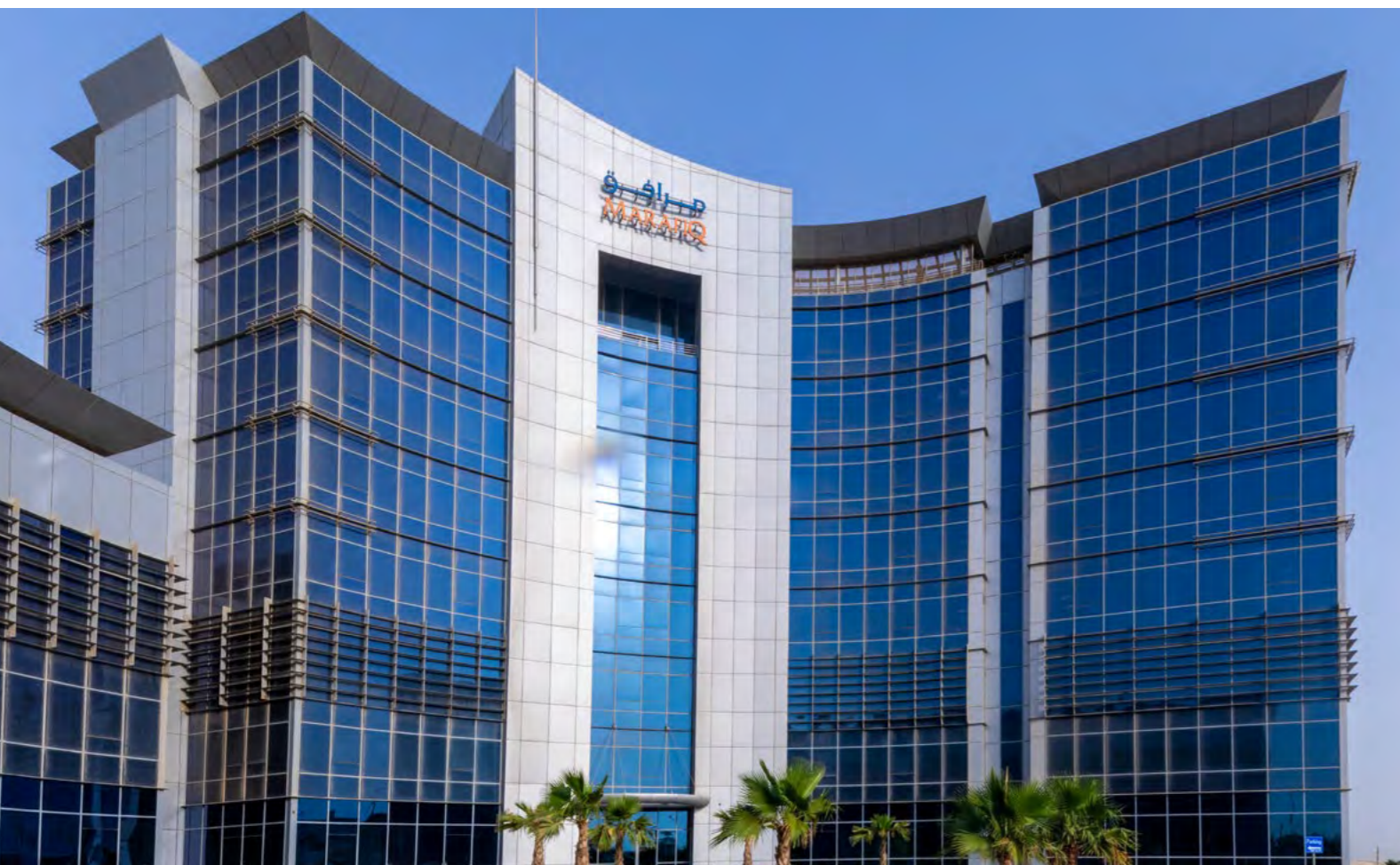
if it is consistent with the strategic principles and objectives of the Company. It shall serve as a factor motivating the Executive Management to achieve those goals and enhance the Company's ability to develop and sustain its business.

- 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 them 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 31/12/2025.

#### A. Board Member's Remuneration

Board Member's Name	Fixed Remuneration							Variable Remuneration								
	Fixed Remuneration <sup>1</sup>	Attending Board Meeting Allowance	Attending Committee Meeting Allowance	In-kind Allowance	Administrative Technical Work's Remuneration	Chairman of the Board or Secretary's Remuneration, if he is a member <sup>2</sup>	Total	Profit Percentage	Periodic Remuneration	Short-term Incentive Plan	Long-term Incentive Plan	Granted Shares	Total	End-Of-Service Remuneration	Total	Expense Allowance
<b>First: Independent Members</b>																
Mr. Soliman Abdulaziz Al-Hosain <sup>3</sup>	250,000	9,000	30,000	0	0	0	289,000	0	0	0	0	0	0	0	289,000	0
Mr. Amr Abdulaziz Al-Jallal <sup>3</sup>	250,000	9,000	12,000	0	0	0	271,000	0	0	0	0	0	0	0	271,000	4,457
Engr. Suliman Khalid Al-Mazroua	250,000	27,000	42,000	0	0	0	319,000	0	0	0	0	0	0	0	319,000	17,812
Mr. Fahad Abdullah Al-Semaih	Board term starts on 20/04/2025	18,000	9,000	0	0	0	27,000	0	0	0	0	0	0	0	27,000	13,539
Mr. Mohammed Waleed Batterjee	Board term starts on 20/04/2025	18,000	15,000	0	0	0	33,000	0	0	0	0	0	0	0	33,000	7,282
<b>Total (#)</b>	<b>750,000</b>	<b>81,000</b>	<b>108,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>939,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>939,000</b>	<b>43,090</b>
<b>Second: Non-Executive Members</b>																
H.E. Engr. Khalid Mohammed Al-Salem	250,000	27,000	42,000	0	0	250,000	569,000	0	0	0	0	0	0	0	569,000	23,653
Engr. Ahmed Mohammed Al-Jabr <sup>3</sup>	250,000	9,000	12,000	0	0	0	271,000	0	0	0	0	0	0	0	271,000	4,798.25
Mr. Musaad Ahmed Al-Sayouhi <sup>3</sup>	250,000	6,000	15,000	0	0	0	271,000	0	0	0	0	0	0	0	271,000	12,608
Mr. Badr Abdullah Al-Ghariry	250,000	24,000	39,000	0	0	0	313,000	0	0	0	0	0	0	0	313,000	13,355
Engr. Anas Yousef Kentab	Board term starts on 20/04/2025	18,000	30,000	0	0	0	48,000	0	0	0	0	0	0	0	48,000	13,139
Dr. Muhammad Tami Al-Hajri	Board term starts on 20/04/2025	18,000	24,000	0	0	0	42,000	0	0	0	0	0	0	0	42,000	13,145
<b>Total (#)</b>	<b>1,000,000</b>	<b>102,000</b>	<b>162,000</b>	<b>0</b>	<b>0</b>	<b>250,000</b>	<b>1,514,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,514,000</b>	<b>80,698.25</b>
<b>Total Amount (#)</b>	<b>1,750,000</b>	<b>183,000</b>	<b>270,000</b>	<b>0</b>	<b>0</b>	<b>250,000</b>	<b>2,453,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,453,000</b>	<b>123,788.25</b>

<sup>1</sup> The specified amount represents the annual remuneration for the board membership for the year 2024, which was paid in the year 2025. Furthermore, the total amount a member receives for his membership of the Board and Committees during the year should not exceed (# 500,000), in accordance with the Board, Committee and Executive Management Remuneration Policy (Clause 5.2).

<sup>2</sup> The specified amount represents the additional remuneration as the Chairman of the Board of Directors for the year 2024, which was paid in the year 2025 and should be excluded from the maximum capped mentioned under (Clause 5.2) in accordance with the Board, Committee and Executive Management Remuneration Policy (Clause 6.1).

<sup>3</sup> Board term ends on 19/04/2025.

**B. Committee Member's Remuneration**

Committee Member's Name	Fixed Remuneration <sup>1</sup>	Chairman of the Committee's Remuneration <sup>2</sup>	Attending Committee Meeting Allowance	Expense Allowance	Total (₹)
<b>Audit Committee</b>					
Mr. MUSAAD AHMED AL-SAYOUIH <sup>3</sup>	150,000	75,000	9,000	0	<b>234,000</b>
Mr. SOLIMAN ABDULAIZ AL-HOSAIN <sup>3</sup>	150,000	0	9,000	0	<b>159,000</b>
Mr. AMR ABDULAZIZ AL-JALLAL <sup>3</sup>	150,000	0	9,000	0	<b>159,000</b>
Mr. BADR ABDULLAH AL-GHARIRY	150,000	0	18,000	0	<b>168,000</b>
Dr. MUHAMMAD TAMI AL-HAJRI	Committee term starts on 24/04/2025	0	9,000	3,000	<b>12,000</b>
Mr. FAHAD ABDULLAH AL-SEMAIH	Committee term starts on 24/04/2025	0	9,000	3,000	<b>12,000</b>
Mr. BADER ABDULMUHSEN AL-SHEIKH <sup>4</sup>	Committee term starts on 24/04/2025	0	9,000	13,539	<b>22,539</b>
<b>Nomination &amp; Remuneration Committee</b>					
Mr. SOLIMAN ABDULAIZ AL-HOSAIN <sup>3,4</sup>	150,000	75,000	21,000	32,254.02	<b>278,254.02</b>
H.E. ENGR. KHALID MOHAMMED AL-SALEM	150,000	0	21,000	4,241	<b>175,241</b>
ENGR. SULIMAN KHALID AL-MAZROUA	150,000	0	21,000	4,241	<b>175,241</b>
ENGR. KHALED SULEMAN AL-MUHAISEN <sup>3,4</sup>	150,000 <sup>5</sup>	0	18,000	0	<b>168,000</b>
<b>Executive &amp; Risk Committee</b>					
ENGR. AHMED MOHAMMED AL-JABR <sup>3</sup>	150,000	75,000	6,000	0	<b>231,000</b>
Mr. BADR ABDULLAH AL-GHARIRY <sup>3</sup>	150,000	0	6,000	0	<b>156,000</b>
ENGR. SULIMAN KHALID AL-MAZROUA	150,000	0	21,000	0	<b>171,000</b>
Mr. AMR ABDULAZIZ AL-JALLAL <sup>3,6</sup>	60,246	0	0	0	<b>60,246</b>
ENGR. ANAS YOUSEF KENTAB	Committee term starts on 24/04/2025	0	15,000	4,041	<b>19,041</b>
Dr. MUHAMMAD TAMI AL-HAJRI	Committee term starts on 24/04/2025	0	15,000	1,000	<b>16,000</b>
ENGR. MAHMOUD SALEH AL-THEEB <sup>4</sup>	Committee term starts on 24/04/2025	0	15,000	4,241	<b>19,241</b>
<b>Investment Committee (Established on 27/05/2024)</b>					
H.E. ENGR. KHALID MOHAMMED AL-SALEM	89,754	44,877	21,000	0	<b>155,631</b>
ENGR. AHMED MOHAMMED AL-JABR <sup>3</sup>	89,754	0	6,000	0	<b>95,754</b>
Mr. MUSAAD AHMED AL-SAYOUIH <sup>3</sup>	89,754	0	6,000	0	<b>95,754</b>
Mr. AMR ABDULAZIZ AL-JALLAL <sup>3</sup>	89,754	0	3,000	0	<b>92,754</b>
ENGR. ANAS YOUSEF KENTAB	Committee term starts on 24/04/2025	0	15,000	0	<b>15,000</b>
Mr. BADR ABDULLAH AL-GHARIRY	Committee term starts on 24/04/2025	0	15,000	0	<b>15,000</b>
Mr. MOHAMMED WALEED BATTERJEE	Committee term starts on 24/04/2025	0	15,000	0	<b>15,000</b>

**C. Remuneration of the top five senior executives, including the CEO and CFO, for the fiscal year 2025:**

<b>Fixed Remunerations</b>	Salaries	6,072,162
	Allowance	2,209,278
	In-kind Allowance	9,990
	<b>Total (₹)</b>	<b>8,291,430</b>
<b>Variable Remunerations</b>	Periodic remuneration	
	Earnings	
	Short-term incentive plans	660,998
	Long-term incentive plans	1,207,467
	Awarded Shares	
	<b>Total (₹)</b>	<b>1,868,465</b>
End of service remuneration		6,230,682
<b>Total executive remuneration for the Board, if any</b>		
<b>Total (₹)</b>		<b>16,390,577</b>

➔ Please refer to the ["Community Engagement"](#) section for more details

<sup>1</sup> The specified amount represents the annual remuneration for the committee membership of the year 2024, which was paid in the year 2025. Furthermore, the total amount a member receives for his membership of the Board and Committees during the year should not exceed (₹ 500,000), in accordance with the Board, Committee and Executive Management Remuneration Policy (Clause 5.2).

<sup>2</sup> The specified amount represents the additional remuneration as the Chairman of the Board Committee for the year 2024, which was paid in the year 2025 and should be excluded from the maximum capped mentioned under (Clause 5.2) in accordance with the Board, Committee and Executive Management Remuneration Policy (Clause 6.1).

<sup>3</sup> Committee term ends on 19/04/2025.

<sup>4</sup> Committee term as a non-board member starts on 24/04/2025.

<sup>5</sup> The specified amount represents the annual remuneration for a non-board member for the year 2024, which was paid in the year 2025.

<sup>6</sup> Committee membership with the Executive & Risk Committee ends on 26/05/2024.

## Details of the Company's Social Contribution

In 2025, Marafiq introduced several initiatives to enhance the quality of life, support education and workforce development, and promote environmental sustainability across its areas of operation, including:

- Partnering with a local association in Al-Naba'a village to rehabilitate a housing unit provided by the King Abdullah Foundation for Developmental Housing.
- Contributing to a major housing project in Jazan.
- Cleaning up the beach at Abu Ali Island Reserve.

- Supporting the Ifa projects at the Prince Sultan Rehabilitation Complex.
- Hosting annual Iftar gatherings in Jubail and Yanbu Industrial Cities.
- Supporting the Bena Association and its initiatives.
- Becoming a strategic sponsor of the Eastern Province Governor's Award for the Ideal Mother.

➔ Please refer to the ["Community Engagement"](#) section for more details

## Description of the Main Scope of Business of the Company and Its Affiliates

➔ Please refer to the ["Management Report"](#) section

## Description of the Company's Significant Plans, Decisions, and Future Expectations

➔ Please refer to the ["Strategy and KPIs"](#) section

## Information on Risks Facing the Company and the Policy of Managing and Monitoring These Risks

➔ Please refer to the ["Risk Management"](#) section

## Summary of the Company's Assets, Liabilities, and Results of the Last Five Fiscal Years

➔ Please refer to the ["Financial Performance"](#) section

## Geographical Analysis of the Company and Its Affiliates' Revenues

➔ Please refer to the ["Financial Performance"](#) section

## Affiliate Companies

➔ Please refer to the ["Subsidiaries and Affiliates"](#) section

## Shares and Debt Instruments Issued for Each Affiliate Company

➔ Please refer to the ["Financial Performance"](#) section

## Loans and Total Indebtedness of the Company and Its Affiliates

➔ Please refer to the ["Financial Performance"](#) section

## Statutory Payments

➔ Please refer to the ["Financial Performance"](#) section

➔ Please refer to the ["Investor Relations"](#) section

## Means Used by the Board to Assess Its Performance

The assessment is conducted by means of questionnaire for the Board of Directors as well as each of its affiliated committees. The questionnaire has been recommended

by the Nomination and Remuneration Committee, approved by the Board of Directors, and is being executed on an annual basis at the beginning of each year.

# Declarations under the Corporate Governance Regulations

- Marafiq has adopted rational practices incorporating 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 comprehensive governance framework that outlines regulations and policies defining roles and responsibilities. This framework outlines how to make and implement decisions, and how to monitor their execution. It emphasizes the importance of transparency to ensure accountability and improve operational efficiency, while adhering to applicable 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.
- 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
<b>Article No. (39):</b>	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
<b>Article No. (84): Social Responsibility</b>	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

- The account records were prepared correctly, the internal control system was prepared on sound foundations and implemented effectively, and there is no significant doubt about the Company's ability to continue its activity.
- 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.
- The Company has an Internal Audit Department.
- 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 2025.
- 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 in any of them or any person related to them.
- The Company's consolidated financial statements were prepared during the fiscal year 2025 in accordance with the standards approved by the Saudi Organization for Certified Public Accountants.
- The Company did not issue or grant any transferable debt instruments, contractual securities, preemptive rights, or any similar rights during the fiscal year 2025.
- The Company shall not issue or grant any transfer or subscription rights under any transferable debt instruments, contractual securities, guarantees, or similar rights.



- There are no recoveries, purchases, or cancellations by the Company of any recoverable debt instruments.
- No contracts or agreements exist that permit a senior executive or member of the Board of Directors to forego pay or remuneration.
- No shareholder of the corporation has given up their entitlement to earnings through any arrangements or agreements.
- The auditor's report shows that the consolidated financial statements are free of any fundamental errors, and there are no reservations regarding them.
- The Board of Directors shall not issue a recommendation to change the auditor before the end of his appointed term.
- The Company maintains an Internal Audit Department reporting functionally to the Audit Committee and administratively to the President & CEO.
- There are no investments made, or reserves set up for the benefit of the Company's employees.
- There are no material differences in the operational results compared to the preceding year's results.
- Financial accounts and reports contain no inconsistency with the standards approved by the Saudi Organization for Chartered and Professional Accountants.
- There is no interest in a class of voting shares held by persons (other than the Company's Directors, Senior Executives and their relatives) who have notified the Company of their holdings pursuant to Article 85 of the Rules on the Offer of Securities and Continuing Obligations.

## Conclusion

This Annual Report underscores our continued focus on openness, responsible governance, and performance improvement as we respond to emerging challenges and opportunities. We sincerely thank our team and Executive Management for their dedication and high standards. We also appreciate our investors for their confidence and long-term partnership, and our current partners for their ongoing trust and cooperation.

Above all, we recognize the local communities we serve. It is their insights, participation, and support that help shape our priorities and guide our impact. As we move

forward, we will build on what we have achieved while approaching the future with fresh thinking, adaptability, and determination—Delivering on Our Commitments.

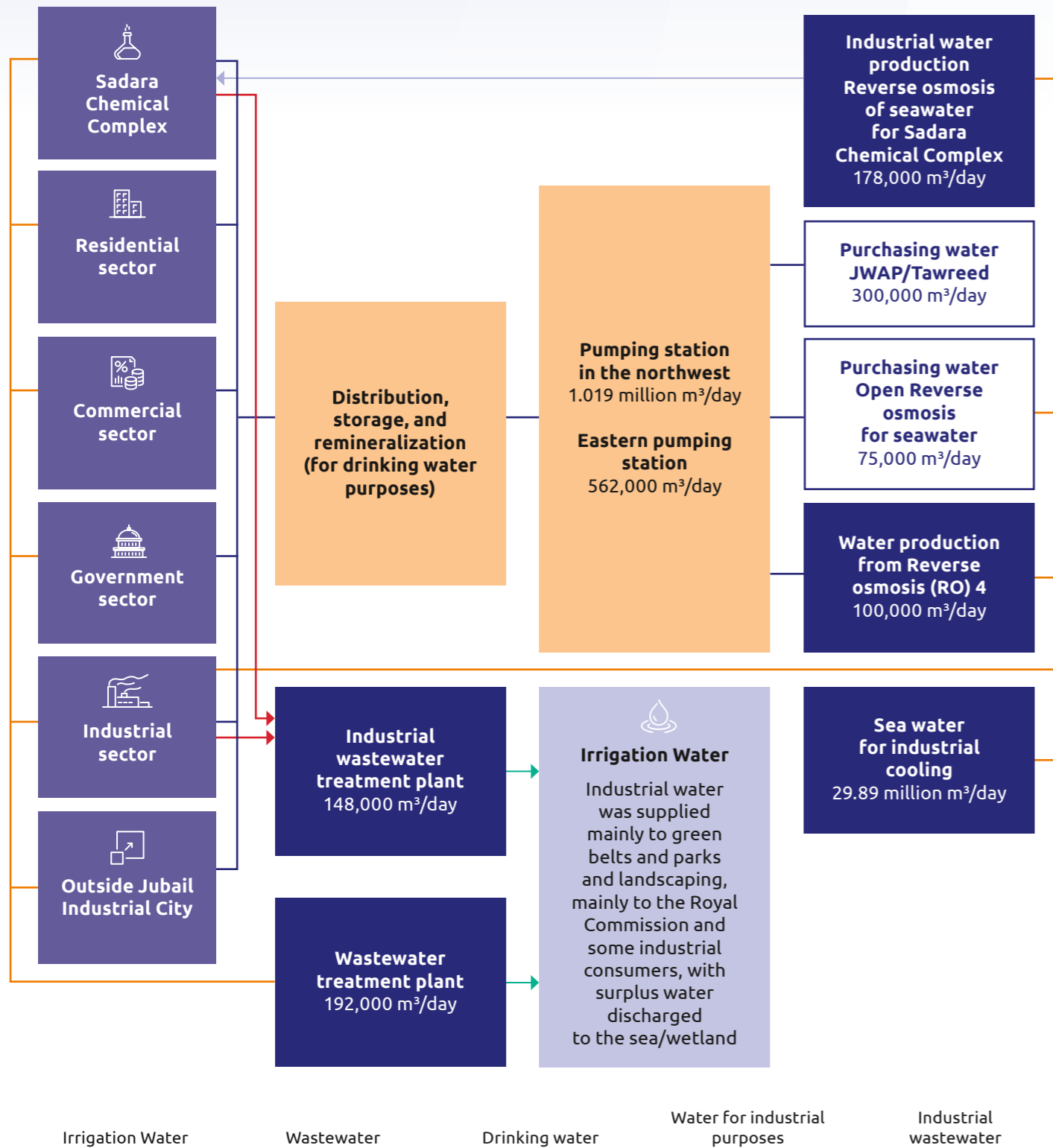
Last but not least, we extend our heartfelt gratitude to the readers of this Annual Report for taking the time to engage with our work and progress. Thank you for your continued interest and support.

# Appendix

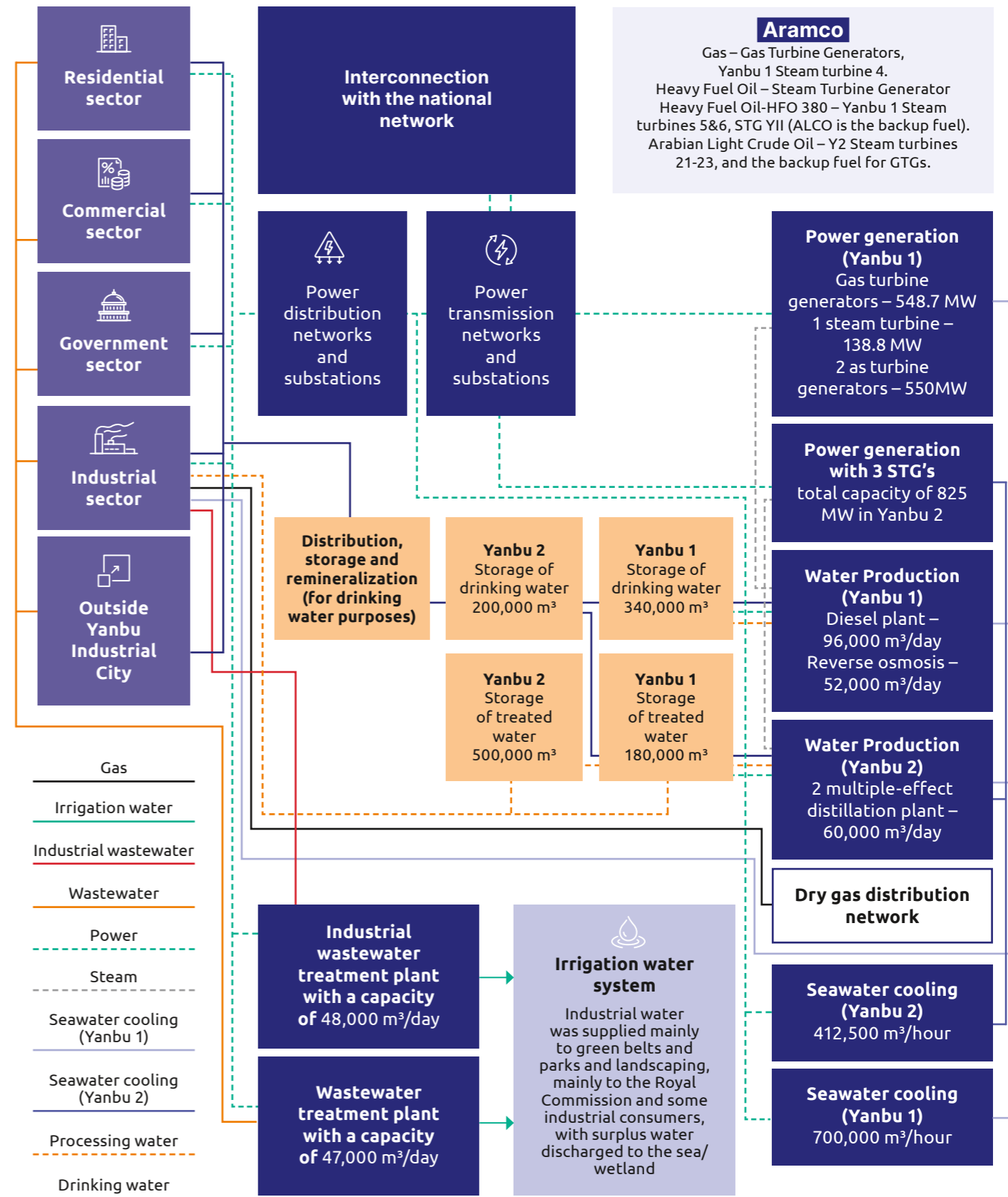


# Services Provided by the Company

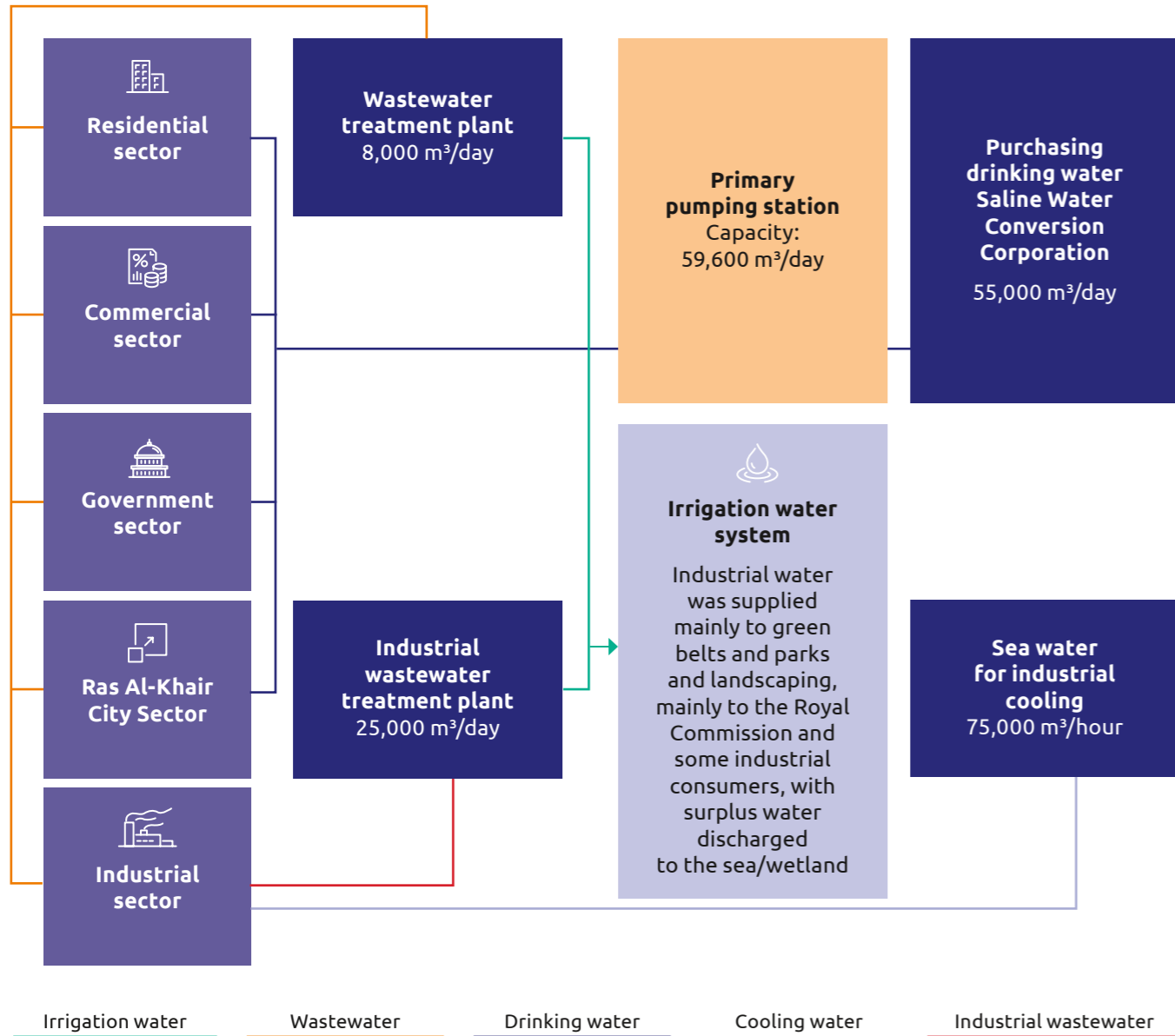
## Jubail Industrial City



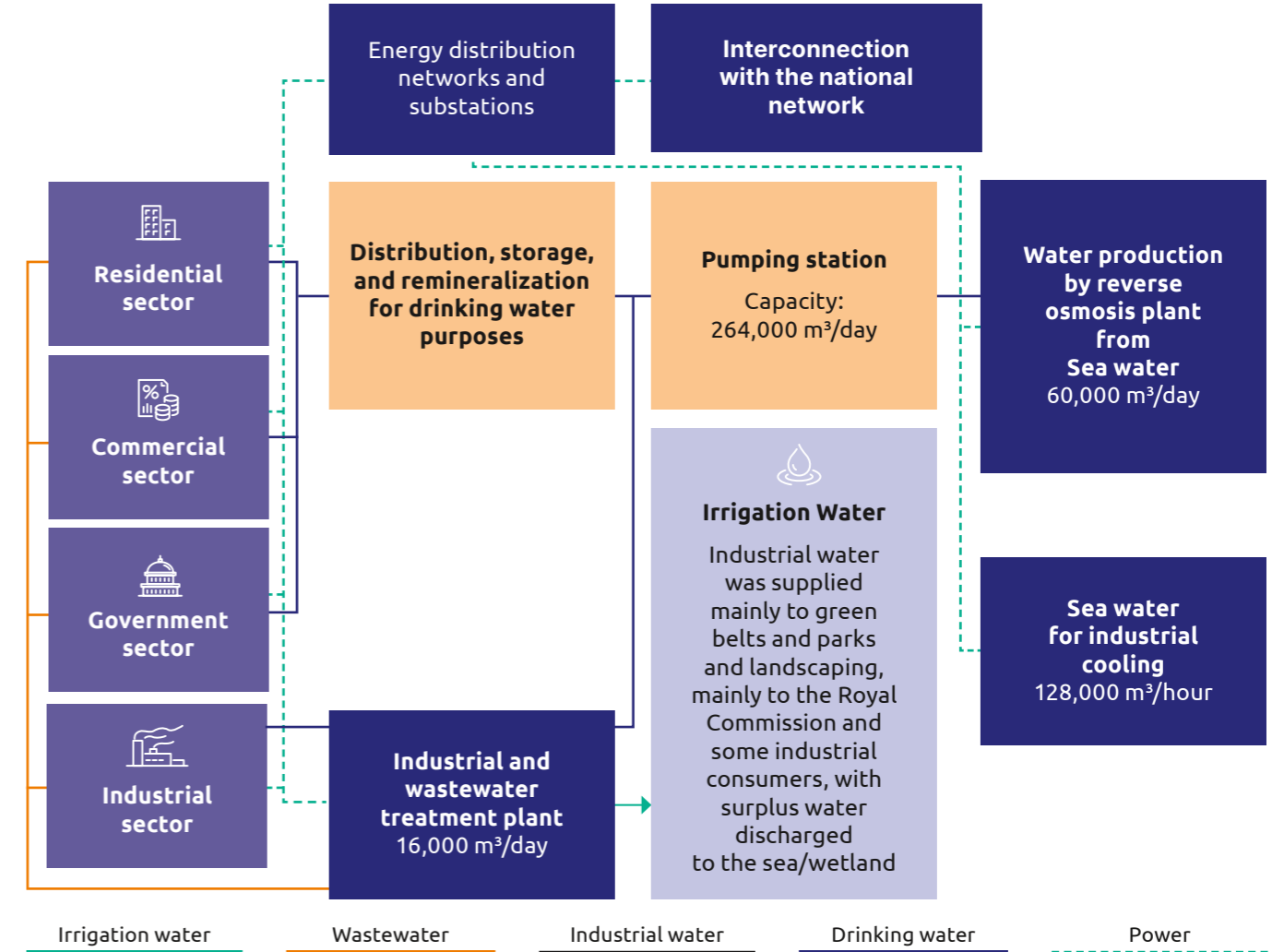
## Yanbu Industrial City



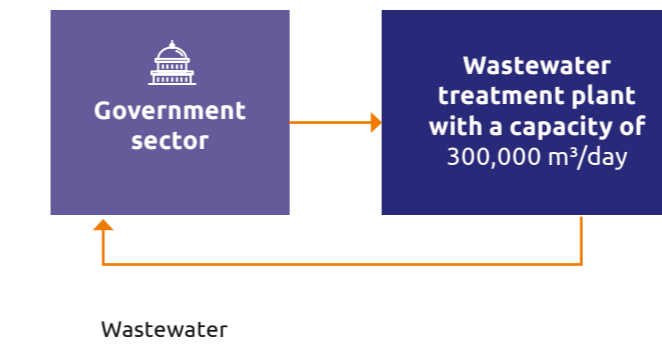
## Ras Al-Khair Industrial City



## Jazan City for Primary and Downstream Industries (JCPDI)



## Jeddah



# Licenses and Certifications

## Regulatory Licenses

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

- **Ministry of Energy**
  - License for the establishment, ownership, and operation of a local network for the distribution of dry gas (Yanbu Industrial)
- **Saudi Electricity Regulatory Authority**
  - Cogeneration License (Yanbu Industrial)
  - Electrical Transmission License (Yanbu Industrial)
  - Electricity Distribution and Retail Sales License (Yanbu and Jazan)
- **Saudi Water Authority**
  - License for Collecting and Transmitting of Sewage Wastewater (Jubail and Yanbu Industrial)
  - License for Sewage Treatment (Jubail and Yanbu Industrial)
  - License for Strategic Storage of Water (Jubail and Yanbu Industrial)
  - License for Transporting, Distributing, and Retail Sale of Treated Water (Jubail and Yanbu Industrial)
  - License for Distributing and Retail Sale of Desalinated and Selected Water (Jubail and Yanbu Industrial)
  - License for Desalinated Water Production (Jubail, Yanbu, and Jazan)

## 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.

- **ISO 9001:2015** – Quality Management
- **ISO 14001:2015** – Environmental Management
- **ISO 45001:2018** – Occupational Health and Safety Management
- **ISO/IEC 17025:2017** – General Requirements for the Competence of Testing and Calibration Laboratories

# Sustainability Data

## Fair compensation metrics

	2023	2024	2025
Ratio of basic salary and remuneration for female to male employees	1:1	1:1	1:1
Ratio of basic salary and compensation for female to male (at employee level)	1:1	1:1	1:1
Ratio of entry-level wage (at significant operational sites) to minimum wage by gender	1:1	1:1	1:1
<b>Total number of female employees receiving an entry-level wage</b>	<b>13</b>	<b>5</b>	<b>7</b>
<b>Total number of male employees receiving an entry-level wage</b>	<b>38</b>	<b>33</b>	<b>17</b>

## Employee training delivered

	2023	2024	2025	Change in 2025 compared to 2024
<b>Total number of employees trained</b>	<b>1,508</b>	<b>1,418</b>	<b>1,509</b>	<b>+6.4%</b>
Male	1,482	1,384	1,463	+5.7%
Female	26	34	46	+35.3%
<b>Total training hours provided</b>	<b>50,248</b>	<b>39,930</b>	<b>63,639</b>	<b>+59.3%</b>
Male	48,983	47,006	61,917	+31.7%
Female	1,265	2,924	1,722	-41.1%
<b>Total number of training programs</b>	<b>555</b>	<b>310</b>	<b>543</b>	<b>+75.2%</b>
Male	502	263	478	+81.7%
Female	53	47	65	+38.3%
Average training cost per employee (#)	2,230	3,876	3,000	-22.6%

## Management training delivered

	2023	2024	2025	Change in 2025 compared to 2024
<b>Total number of managers trained</b>	<b>424</b>	<b>374</b>	<b>304</b>	<b>-18.7%</b>
Middle Management	350	295	237	-19.6%
Senior Management	74	79	67	-15.2%
<b>Total training hours for managers</b>	<b>17,908</b>	<b>14,686</b>	<b>13,863</b>	<b>-5.6%</b>
Middle Management	16,060	12,651	11,752	-7.1%
Senior Management	1,848	2,035	2,111	+3.7%
<b>Total number of training programs</b>	<b>342</b>	<b>179</b>	<b>280</b>	<b>+56.4%</b>
Middle Management	268	118	187	+58.5%
Senior Management	74	61	93	+52.5%

# GRI Content Index

<b>Statement of use</b>	Power and Water Utility Company for Jubail and Yanbu (Marafiq) has reported the information cited in this GRI content index for the period from January 1, 2025, to December 31, 2025 with reference to the GRI Standards.	
<b>GRI 1 used</b>	GRI 1: Foundation 2021	
GRI Standard	Disclosure	Location
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	<a href="#">➤ Report Overview</a> <a href="#">➤ Company Overview</a> <a href="#">➤ Marafiq's Presence</a>
	2-2 Entities included in the organization's sustainability reporting	<a href="#">➤ Report Overview</a> <a href="#">➤ Subsidiaries and Affiliates</a>
	2-3 Reporting period, frequency and contact point	<a href="#">➤ Report Overview</a>
	2-4 Restatements of information	<a href="#">➤ Report Overview</a>
	2-5 External assurance	<a href="#">➤ Report Overview</a>
	2-6 Activities, value chain and other business relationships	<a href="#">➤ Company Overview</a> <a href="#">➤ Business Model</a> <a href="#">➤ Marafiq's Presence</a> <a href="#">➤ Responsible Supply Chain</a>
	2-7 Employees	<a href="#">➤ Employee Well-Being</a>
	2-8 Workers who are not employees	<a href="#">➤ Employee Well-Being</a>
	2-9 Governance structure and composition	<a href="#">➤ Sustainability Governance</a> <a href="#">➤ Governance Structure</a>
	2-11 Chair of the highest governance body	The Board Chairman is not a senior executive of the Company.
	2-12 Role of the highest governance body in overseeing the management of impacts	<a href="#">➤ Sustainability Governance</a>
	2-13 Delegation of responsibility for managing impacts	<a href="#">➤ Sustainability Governance</a>
	2-14 Role of the highest governance body in sustainability reporting	<a href="#">➤ Sustainability Governance</a>
	2-15 Conflicts of interest	<a href="#">➤ Business Ethics</a>
	2-19 Remuneration policies	<a href="#">➤ Employee Well-Being and Benefits</a>

GRI Standard	Disclosure	Location	
<b>GRI 2: General Disclosures 2021</b>	2-20 Process to determine remuneration	<a href="#">➤ Board Committees</a> <a href="#">➤ Employee Well-Being and Benefits</a>	
	2-22 Statement on sustainable development strategy	<a href="#">➤ Sustainability Approach</a>	
	2-23 Policy commitments	<a href="#">➤ Sustainability Approach</a> <a href="#">➤ Business Ethics</a> <a href="#">➤ Environmental Stewardship</a> <a href="#">➤ Employee Well-Being</a> <a href="#">➤ Health and Safety</a> <a href="#">➤ Governance Framework</a>	
	2-24 Embedding policy commitments	<a href="#">➤ Sustainability Approach</a> <a href="#">➤ Business Ethics</a> <a href="#">➤ Environmental Stewardship</a> <a href="#">➤ Employee Well-Being</a> <a href="#">➤ Health and Safety</a> <a href="#">➤ Board Committees</a>	
	2-25 Processes to remediate negative impacts	<a href="#">➤ Employee Well-Being</a>	
	2-28 Membership associations	<a href="#">➤ Sustainability Approach</a> <a href="#">➤ Community Engagement</a>	
	2-29 Approach to stakeholder engagement	<a href="#">➤ Business Model</a> <a href="#">➤ Sustainability Approach</a>	
	<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	<a href="#">➤ Stakeholder Engagement and Materiality Assessment</a>
		3-2 List of material topics	<a href="#">➤ Stakeholder Engagement and Materiality Assessment</a>
	<b>GRI 101: Biodiversity 2024</b>	101-2 Management of biodiversity impacts	<a href="#">➤ Protecting Marine Ecosystems</a>
101-4 Identification of biodiversity impacts		<a href="#">➤ Protecting Marine Ecosystems</a>	
<b>GRI 102: Climate Change 2025</b>	102-4 GHG emissions reduction targets and progress	<a href="#">➤ Climate Change</a>	
	102-5 Scope 1 GHG emissions	<a href="#">➤ GHG Emissions</a>	
	102-6 Scope 2 GHG emissions	<a href="#">➤ GHG Emissions</a>	

GRI Standard	Disclosure	Location
<b>GRI 103: Energy 2025</b>	103-2 Energy consumption and self-generation within the organization	➤ Energy Management
	103-3 Upstream and downstream energy consumption	➤ Power Sector
	103-4 Energy intensity	➤ Energy Management
	103-5 Reduction in energy consumption	➤ Energy Management
<b>GRI 201: Economic Performance 2016</b>	201-3 Defined benefit plan obligations and other retirement plans	➤ Employee Well-Being and Benefits
<b>GRI 202: Market Presence 2016</b>	202-1 Ratios of standard entry-level wage by gender compared to local minimum wage	➤ Sustainability Data
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	➤ Company Overview
		➤ Business Model
		➤ Water Sector
		➤ Community Engagement
		➤ Moving Forward in 2025
	203-2 Significant indirect economic impacts	➤ Business Results
		➤ Community Engagement
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	➤ Responsible Supply Chain
<b>GRI 205: Anti-corruption 2016</b>	205-2 Communication and training about anti-corruption policies and procedures	➤ Business Ethics
	205-3 Confirmed incidents of corruption and actions taken	➤ Business Ethics
<b>GRI 301: Materials 2016</b>	301-2 Recycled input materials used	➤ Waste Management
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	➤ Water Management
	303-2 Management of water discharge-related impacts	➤ Water Management
	303-3 Water withdrawal	➤ Water Management
	303-4 Water discharge	➤ Water Management
	303-5 Water consumption	➤ Water Management

GRI Standard	Disclosure	Location
<b>GRI 306: Waste 2020</b>	306-2 Management of significant waste-related impacts	➤ Waste Management
	306-3 Waste generated	➤ Waste Management
	306-4 Waste diverted from disposal	➤ Waste Management
	306-5 Waste directed to disposal	➤ Waste Management
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	➤ Employee Composition
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	➤ Employee Well-Being and Benefits
	401-3 Parental leave	➤ Employee Well-Being and Benefits
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	➤ Health and Safety
	403-2 Hazard identification, risk assessment, and incident investigation	➤ Health and Safety
	403-3 Occupational health services	➤ Health and Safety
	403-4 Worker participation, consultation, and communication on occupational health and safety	➤ Health and Safety
	403-5 Worker training on occupational health and safety	➤ Health and Safety
	403-6 Promotion of worker health	➤ Health and Safety
	403-9 Work-related injuries	➤ Health and Safety
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	➤ Developing Future Leaders
		➤ Sustainability Data
	404-2 Programs for upgrading employee skills and transition assistance programs	➤ Developing Future Leaders
	404-3 Percentage of employees receiving regular performance and career development reviews	➤ Performance Management and Succession Planning
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	➤ Diversity and Equal Opportunity
		➤ Employee Composition
		➤ Board and Committee Members
		➤ Executive Management
	405-2 Ratio of basic salary and remuneration of women to men	➤ Sustainability Data
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	➤ Stakeholder Engagement and Materiality Assessment
		➤ Community Engagement

# Saudi Exchange ESG Disclosure Themes

## ESG themes and key issues

ESG	Themes	Key issues	The 2025 annual report section
E	Climate Change	GHG Emissions	➡ Climate Change
			➡ GHG Emissions
		Product Carbon Footprint	➡ Climate Change
			➡ GHG Emissions
	Natural Resources	Biodiversity and Land Use	➡ Protecting Marine Ecosystems
			➡ Company Overview
		Water Stress	➡ Business Model
			➡ Water Sector
			➡ Independent Sector
			➡ Risk Management
➡ Water Management			
➡ Protecting Marine Ecosystems			
➡ Sustainable Environmental Solutions			
➡ Waste Management			
Raw Materials Sourcing	➡ Responsible Supply Chain		
	➡ Waste Management		
Pollutions and Waste	Toxic Emissions and Waste	➡ GHG Emissions	
		➡ Waste Management	
Environmental Opportunities	Opportunities in Clean Tech	➡ Moving Forward in 2025	
		➡ GHG Emissions	
		➡ Sustainable Environmental Solutions	
S	Human Capital	Labor Management	➡ Employee Well-Being
		Health and Safety	➡ Health and Safety
		Human Capital Development	➡ Developing Future Leaders
		Supply Chain Labor Standard	➡ Responsible Supply Chain
	Product Liability	Product Safety and Quality	➡ Customer Satisfaction
		Chemical Safety	➡ Operational and Chemical Safety Controls
G	Corporate Governance	Privacy and Data Security	➡ Cybersecurity
		Board	➡ Board and Committee Members ➡ Board Committees
		Tax Transparency	➡ Governance Report
		Pay	➡ Employee Well-Being and Benefits
		Ownership & Control	➡ Investor Relations ➡ Shareholders' Report
		Accounting	➡ Governance Report
	Corporate Behavior	Business Ethics	➡ Business Ethics

# SASB Content Index

Electric Utilities & Power Generators 2023-12, Water Utilities & Services 2023-12

Topic	Metric	Measure units	Codes	Location in the 2025 report
Greenhouse Gas Emissions	(1) Gross global Scope 1 emissions	tCO <sub>2</sub> e	IF-EU-110a.1	➡ GHG Emissions
	Greenhouse gas (GHG) emissions associated with power deliveries	tCO <sub>2</sub> e	IF-EU-110a.2	➡ GHG Emissions
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and analysis	IF-EU-110a.3	➡ GHG Emissions
Air quality	Air emissions of the following pollutants: (1) NO <sub>x</sub> (excluding N <sub>2</sub> O), (2) SO <sub>x</sub>	t	IF-EU-120a.1	➡ GHG Emissions
Water management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	'000 m <sup>3</sup> Percentage (%)	IF-EU-140a.1, RR-ST-140a.1	➡ Water Management
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and analysis	IF-EU-140a.3, RR-ST-140a.2	➡ Water Management
Waste management	Amount of hazardous waste generated, percentage recycled	t Percentage (%)	RR-ST-150a.1	➡ Waste Management
Workforce health & safety	(1) Total recordable incident rate (TRIR), (2) fatality rate	Rate	IF-EU-320a.1	➡ Incident Reporting and Performance Indicators
Activity metrics	Total electricity generated, percentage by major energy source	Megawatt hours (MWh) Percentage (%)	IF-EU-000.D	➡ Power Sector