

ANNUAL REPORT 2024

FOR FINANCAL YEAR



شركة أسمنت المنطقة الجنوبية
SOUTHERN PROVINCE CEMENT COMPANY



رؤية VISION
2030
المملكة العربية السعودية
KINGDOM OF SAUDI ARABIA

سعود بن عبد العزيز آل سعود



Annual Report of Southern Province Cement Company 2024

Over the decades, Southern Province Cement Company has charted a remarkable journey of excellence and growth, solidifying its position at the forefront of major national companies. Day by day, the company continues to enhance its successes in an advanced investment climate, supported by an ambitious vision and prudent policies. Since its inception, it has committed to being a leader in the cement industry, contributing to sustainable development and strengthening the national economy.

A Saudi Joint Stock Company
Authorized Capital: 1,400 million SAR, fully paid
Headquarters: Abha, Commercial Registration No.:
5850001443

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The Custodian of the Two Holy Mosques
King Salman bin Abdulaziz Al Saud
May Allah protect him



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

Members of the Board of Directors



Mr. Saad bin Abdulaziz Al-Karoud
Chairman of the Board



Mr. Mansour bin Abdulaziz Al-Sagheer
Vice Chairman of the Board



Eng. Thamer bin Mohammed Al-Muhaid
Board Member



Mr. Mohammed bin Nasser Al-Nabet
Board Member



Eng. Ahmed bin Saeed Al-Ghamdi
Board Member



Eng. Yahya bin Mohammed Al-Amini Al-Shanqeeti
Board Member



Mr. Khalid bin Ibrahim Al-Rubaia
Board Member



Eng. Fahad bin Eid Al-Hilal
Board Member



Mr. Abdulatif bin Ali Al-Saif
Board Member



Chairman's Message

Dear Shareholders of Southern Province Cement Company,

After warm greetings, I am pleased to present to you the 2024 Annual Report, which highlights the accomplishments of your leading company in the cement sector and reaffirms our continued commitment to sustainable development and to actively supporting the objectives of Saudi Vision 2030.

Throughout this year, the company has worked diligently to strengthen its market position by investing in operational efficiency, transitioning to clean energy, and achieving the highest standards of quality and environmental sustainability. Our factories in Jazan, Bisha, and Tihama have continued their development and modernization efforts, focusing on improving operational performance and enhancing production efficiency, ensuring the company's continued leadership in the cement sector.

In line with our responsibility towards our environment and community, we have taken significant steps to reduce carbon emissions, develop eco-friendly products, and invest in innovation and technology, contributing to sustainability and supporting the circular economy. Additionally, the company has maintained its commitment to social responsibility by supporting community initiatives and contributing to developmental programs that enhance the quality of life in the regions where our factories operate.

The relentless efforts of our team and the close collaboration across various sectors have been fundamental in achieving these accomplishments, reflecting our steadfast commitment to excellence, innovation, and sustainability.

In this context, I extend my heartfelt gratitude and appreciation to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and His Royal Highness Crown Prince and Prime Minister Mohammed bin Salman bin Abdulaziz Al Saud, for their unlimited support for the industrial sector. I also thank my fellow Board members, the company's team, and our esteemed shareholders for their support and trust, which have always been the driving force behind our journey toward the future.

Chairman of the Board
Mr. Saad bin Abdulaziz Al-Karoud



CEO's Message

Dear Esteemed Shareholders,

Warm greetings, Under the wise leadership of the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and His Royal Highness Crown Prince Mohammed bin Salman bin Abdulaziz Al Saud — and inspired by the Kingdom's Vision 2030 — Southern Province Cement Company continues its ambitious journey, embracing a forward-looking approach that strengthens its leadership in the cement sector and supports the transition toward a more efficient and sustainable industry.

The year 2024 was filled with challenges and opportunities, during which we focused on enhancing our competitiveness by investing in the latest technologies, developing human capital, and achieving environmental sustainability standards. We firmly believe that our success is not measured solely by numbers but by our ability to create a positive and sustainable impact on the sector and the community.

From this perspective, we have worked on improving production efficiency and reducing costs, which has contributed to enhancing our competitiveness and expanding our operations locally and regionally. We have also maintained our commitment to social responsibility through initiatives aimed at supporting sustainable development, empowering national talents, and fostering an integrated work environment that encourages creativity and excellence.

The successes we have achieved would not have been possible without the support of our wise leadership, the guidance of the Board of Directors, and the dedication of all the company's employees, who are the driving force behind our growth and achievements. Therefore, I extend my sincere thanks and appreciation to everyone who has contributed to advancing development and innovation and strengthening the company's position in the market.

As we confidently step into the future, we renew our commitment to continue working according to the highest standards of quality and sustainability, actively contributing to the objectives of Saudi Vision 2030, and being part of an economic and industrial renaissance that helps build a prosperous nation for future generations.

May Allah grant us success and guidance.

Eng. Aqeel bin Fatis bin Kadasah
Chief Executive Officer

Strategic Direction



Our Vision:

To be the first national choice in the cement industry and a key contributor to the Kingdom's sustainable development.



Our Mission:

- Maintain leadership
- Build exceptional customer relationships
- Lead the shift towards sustainable construction
- Pursue continuous improvement
- Explore available growth opportunities



Our Values:

Customer Focus

Prioritizing the end customer above all.

Self-Improvement

Striving for continuous hancement.

Courage

Operating beyond the comfort zone.

Teamwork

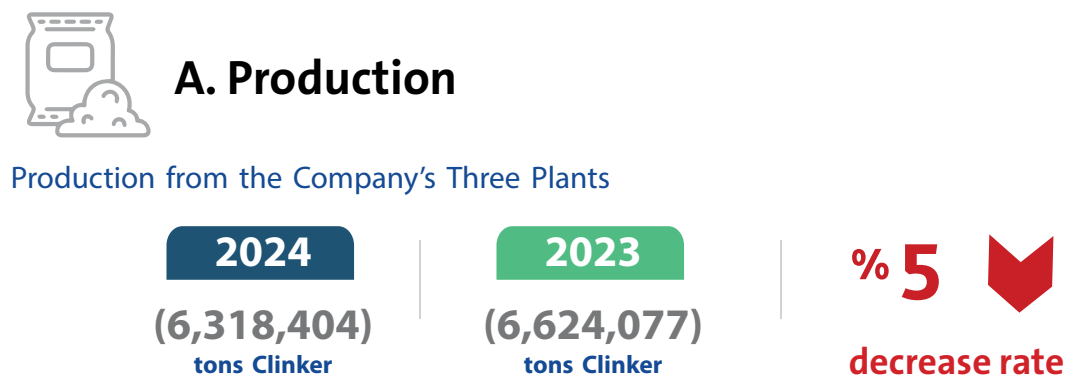
Actively collaborating across functions.

Positive Reinforcement

Rewarding strong performance

First: Company Activities

Over the past decades, Southern Province Cement Company has established a distinguished legacy of excellence and growth, positioning itself as one of the Kingdom’s leading national companies. Day by day, the company continues to enhance its achievements in an advanced investment climate, supported by an ambitious vision and prudent policies. Since its inception, the company has committed to being a pioneer in the cement industry, contributing to sustainable development and strengthening the national economy.

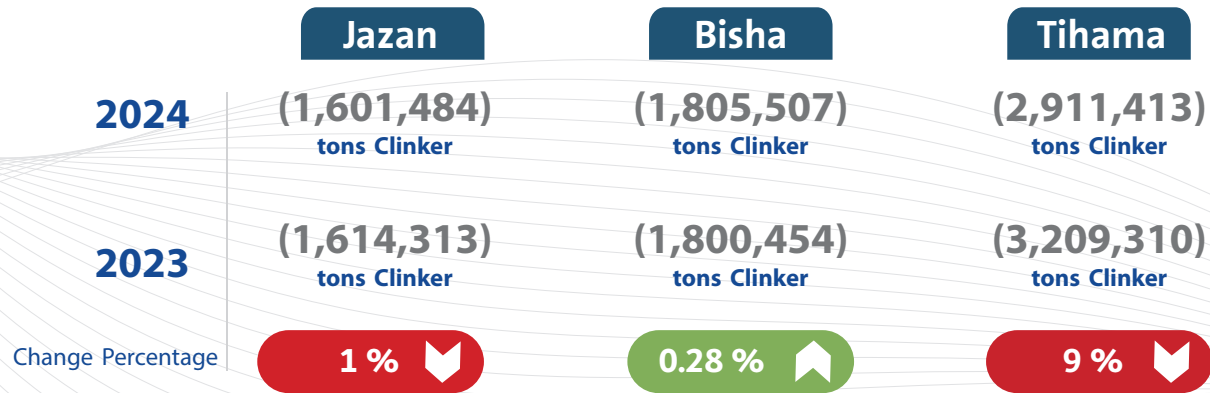


The total production in 2024 amounted to

2024

(6,300,000) tons

Production by Plant:

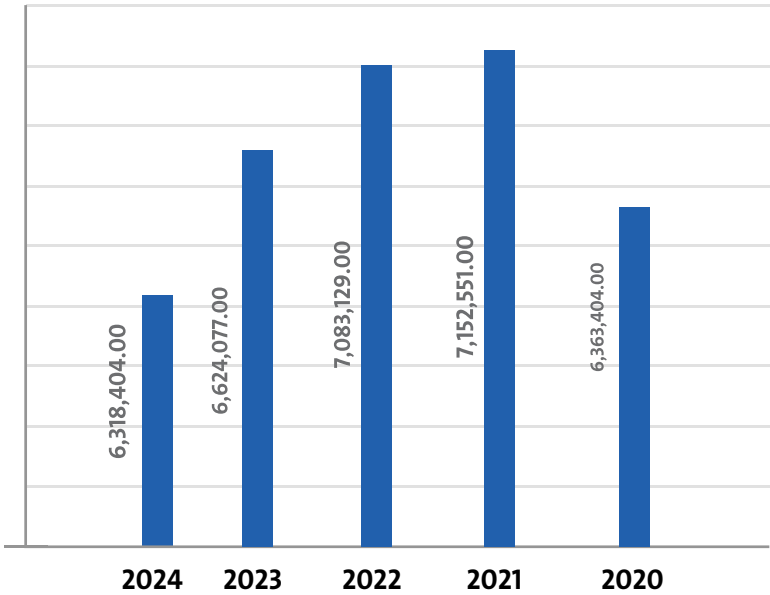


The actual production capacity of the Jazan plant in 2024 represents %106.77 of its design capacity, which is estimated at 1,500,000 tons of clinker.

The actual production capacity of the Bisha plant in 2024 represents %66.87 of its design capacity, which is estimated at 2,700,000 tons of clinker, aligning production with demand and inventory policy.

The actual production capacity of the Tihama plant in 2024 represents %64.70 of its design capacity, which is estimated at 4,500,000 tons of clinker, aligning production with demand, inventory policy, and supporting the Jazan plant.

Below is a chart illustrating clinker production across the three plants from 2020 to 2024.





B. Inventory

- At the end of 2024, the inventory amounted to 6,302,597 tons of clinker and 106,391 tons of cement, compared to 4,188,737 tons of clinker and 127,153 tons of cement at the end of 2023.

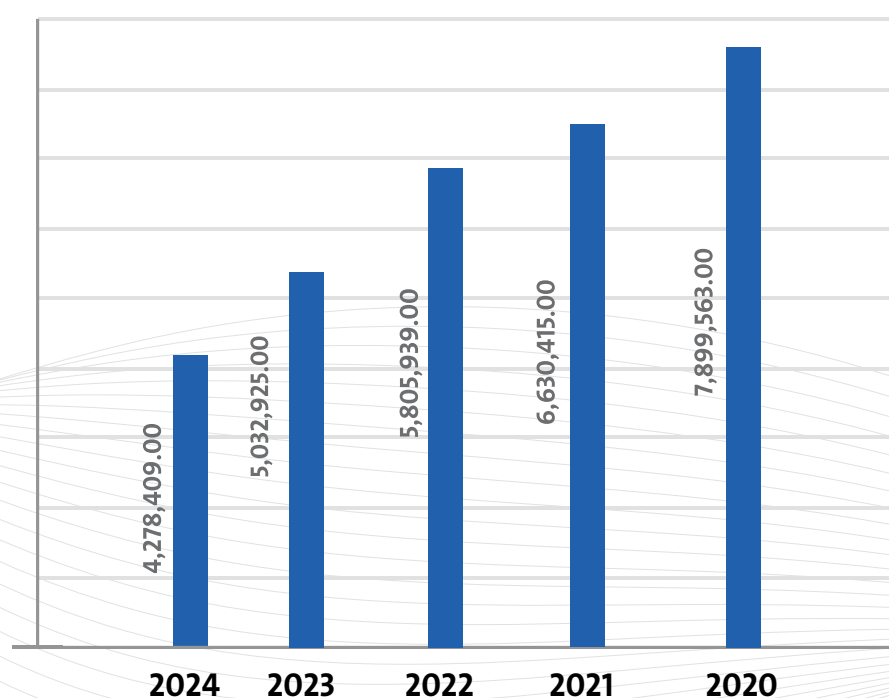


C. Sales

In 2024, local cement sales reached 4,278,409 tons, compared to 5,032,925 tons in 2023, representing a %15 decline. Jazan Cement Plant sold 1,268,158 tons in 2024, compared to 1,452,771 tons in 2023. Bisha Cement Plant sold 1,323,713 tons in 2024, compared to 1,548,153 tons in 2023. Tihama Cement Plant sold 1,686,537 tons in 2024, compared to 2,032,001 tons in 2023.

Exports in 2024 included 2,254 tons of cement and 344,100 tons of clinker, compared to 20,857 tons of cement and 1,108,063 tons of clinker in 2023.

Local Cement Sales (Tons):



Second: Geographical analysis of the company's total sales

Region	Value in Riyals
Asir	369,023,799
Jazan	384,934,487
Makkah	84,138,017
Al-Baha	44,652,557
Najran	650,511
Riyadh	7,209,222



Export Sales to
Yemen (Cement/Clinker)

44,420,258

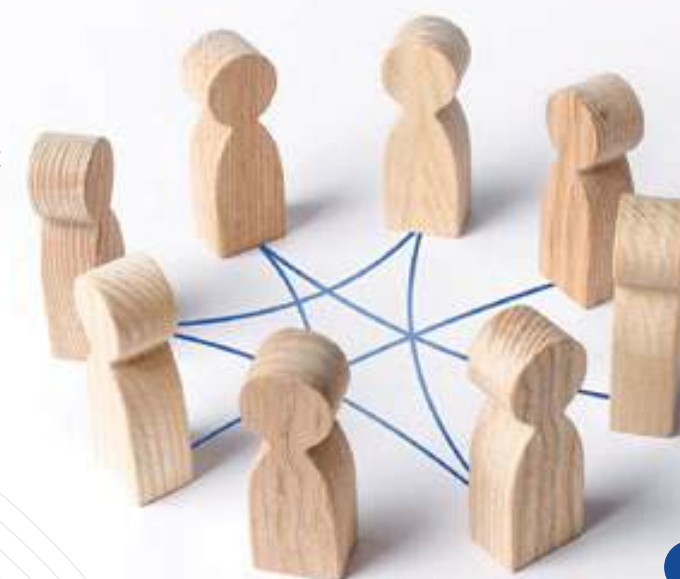


Total Company Sales:

935,028,851

Third: Human Resources Development

The company remains firmly committed to investing in human capital as a cornerstone of its strategic development. In 2024, a total of 657 employees underwent specialized training programs.



Fourth: Company Plans and Strategy:

The company's strategic plans center around optimizing production, marketing, and sales operations, while modernizing existing assets and launching new projects to preserve value and drive sustainable growth.

In this context, the Board of Directors approved, on August 2023 ,30, the company's five-year strategy (2028–2024), which emphasizes improving performance in operational and marketing sectors, accelerating digital transformation, and increasing local content. These efforts aim to enhance overall efficiency and strengthen the company's role in achieving the goals of Saudi Vision 2030.

First: Production Sector

- A) To optimize available production capacity, the company continues to enhance its operational efficiency through its factories in Jazan, Bisha, and Tihama. A new production line has been approved for the Jazan factory, with a design capacity of 5,000 tons of clinker per day. This line incorporates the latest cement manufacturing technologies, focusing on energy efficiency and reducing carbon emissions, in line with global standards. The project is expected to be completed in Q2026 1.
- B) As part of Saudi Vision 2030's goals to achieve carbon neutrality by 2060, the company is implementing a program to replace liquid fuel with gas and transition to clean energy sources. Efforts are underway to replace fuel oil used in the Jazan and Tihama factories with equivalent amounts of natural gas by 2028. Additionally, the company is collaborating with the Saudi Electricity Company to connect the Jazan and Bisha factories to the national electricity grid, with completion expected by the end of the First quarter of 2026. The company is also exploring solar energy production at its factories to support its renewable energy and sustainability strategies.
- C) To enhance operational efficiency and resource sustainability, the company has signed a contract with a specialized firm to develop mining operations at its three factory quarries. This project aims to implement advanced mining technologies in compliance with regulations set by the Ministry of Industry and Mineral Resources, which is expected to improve quarry operations.
- D) In alignment with Saudi Vision 2030's carbon neutrality goals, the company has contracted a consultancy to conduct a comprehensive Product Life Cycle Assessment to measure carbon emissions at every production stage. This will pave the way for obtaining an Environmental Product Declaration (EPD) certificate and developing actionable reduction plans.

As part of its commitment to environmental sustainability, the company has commenced the production of Green Cement (G.U Cement) — a product with a reduced clinker ratio and lower carbon emissions.

To further these efforts, the company established a Green Footprint Committee, chaired by the Executive Vice President of Operations, to implement a comprehensive afforestation strategy. A plan to plant 500,000 trees between 2025 and 2030 has been approved, with implementation starting in 2025 as part of the company's initiatives to support environmental sustainability and national goals for reducing emissions and enhancing quality of life.

Second: Sustainability

In line with its commitment to environmental and social governance (ESG) and sustainability principles, the company formed a Sustainability Committee chaired by the CEO, with executive vice presidents and department heads as members. This committee oversees sustainability reports and programs, ensuring their implementation aligns with global best practices.

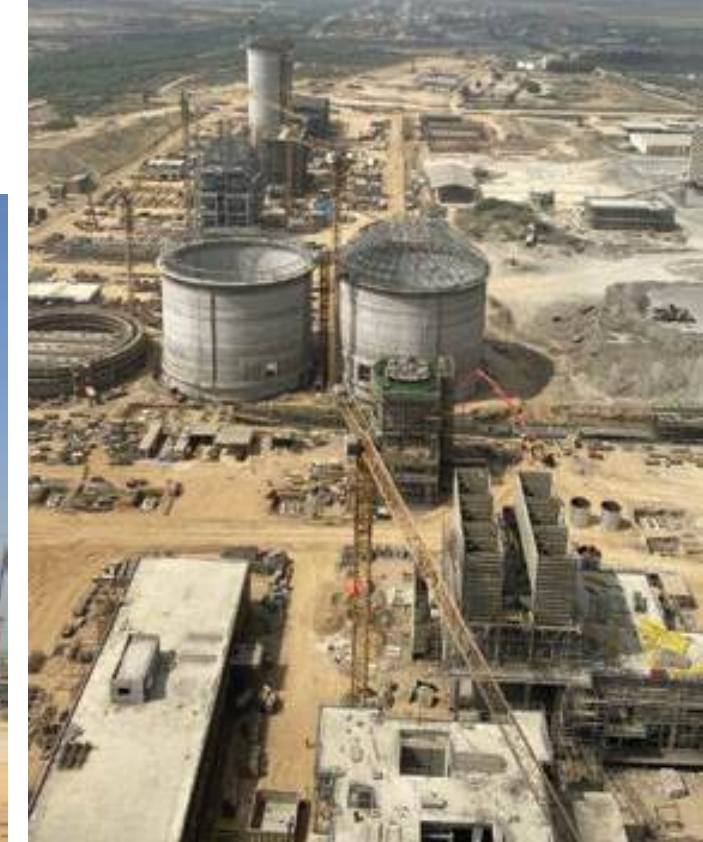
The company is currently collaborating with a specialized sustainability consultancy to prepare its periodic ESG Report, adhering to international standards. The report is expected to be completed by mid-2025, reflecting the company's commitment to transparency, social and environmental responsibility, and market competitiveness.

Third: Marketing Sector

The company places great importance on studying market characteristics and analyzing marketing data systematically to enhance its competitiveness and achieve the highest possible market share with optimal returns. This includes building strategic relationships with clients and expanding its operations by entering new local and international markets, thereby strengthening its presence and increasing the value of its brand.

Fourth: Digital Transformation

- A) In pursuit of operational excellence and technological advancement, the company successfully transitioned from the SAP ECC6 system to the more advanced SAP S/4HANA platform. This shift represents a significant leap in managing, planning, and executing operations. The new system has improved operational processes, introduced advanced digital services, streamlined workflows, enhanced performance efficiency, and improved data quality, supporting faster and more accurate decision-making.
- B) The company has also developed a range of electronic services for customers to enhance their experience and achieve comprehensive digital transformation. These services include electronic payment, online sales, digital customer reports, and automating the customer experience within the factory, reflecting the company's commitment to providing smart, advanced services that meet customer expectations efficiently and professionally.



Fifth: Risks Facing the Company and Their Management and Monitoring Mechanisms

Governance, risk, and compliance (GRC) are strategic pillars at Southern Province Cement Company, forming the foundation for business continuity, regulatory compliance, and proactive risk mitigation. The company adopts an integrated risk management framework based on best practices and international standards, including ISO 31000 and ISO 37000 for governance and risk management, as well as ISO 27001 and NIST for cybersecurity.

Identified risks included market competition, credit risks, cybersecurity threats, and energy cost increases. Mitigation strategies were developed accordingly. register, classify risks by severity, and develop effective mitigation plans linked to Key Risk Indicators (KRIs), which are periodically reviewed by senior management and the Board's Audit Committee.

- Comprehensive Risk Management Project – Company Risk Survey

Executing Entity: Governance, Risk, and Compliance Department

Objective: Conduct a comprehensive survey of corporate risks and develop strategic plans to mitigate and reduce their future impact, ensuring alignment with international standards and achieving operational sustainability and secure institutional transformation.

Project Goals:

- Comprehensive risk assessment across all departments and sites.
- Build and update a unified central risk register.
- Classify risks and prioritize them (Critical – High – Medium – Low).
- Develop risk mitigation and prevention plans.
- Ensure compliance with international standards (ISO 31000 / ISO 37000).
- Align risk management with digital transformation strategies and sustainable growth plans.
- Link project outcomes to performance indicators and analyze return on investment (ROI).

Analytical Tools Used:

- Risk Matrix for evaluation.
- Failure Mode and Effects Analysis (FMEA).
- Bowtie Analysis for preventive scenarios.

Supporting Activities:

- Prepare periodic reports on high-priority risks.
- Review strategic contracts from governance, compliance, and cybersecurity perspectives.
- Coordinate with operational departments to ensure an integrated response.

- Risk Monitoring and Control Mechanisms

- Quarterly updates to the risk register.
- Implementation of mitigation plans for priority risks.
- Linking risks to strategic initiatives and projects.
- Enhancing integration between departments (HR, Finance, Operations, Supply Chain, Cybersecurity).

- Key Risks Identified in 2024

Market and Operational Risks:

- Increased local competition.
- Reduced government spending on projects.

Mitigation: Diversifying markets and clients, improving operational efficiency.

Interest Rate Risks:

- Rising financing costs.

Mitigation: Diversifying funding sources and restructuring the portfolio.

Liquidity Risks:

- Insufficient liquidity to cover short-term obligations.

Mitigation: Monthly monitoring plans and periodic cash flow assessments.

Credit Risks:

- Delayed payments or client defaults.

Mitigation: Implementing stricter credit policies and linking receivables to analysis and classification procedures.

Currency Risk:

Currency risk arises from the fluctuation in the value of a financial instrument due to changes in foreign exchange rates. The company is not exposed to foreign exchange rate fluctuations during its normal business cycle, as the company's significant transactions during the year were conducted in Saudi Riyals and US Dollars. Since the US Dollar exchange rate is pegged to the Saudi Riyal, there are no significant risks associated with transactions and balances in US Dollars.

Fair Value Risk of Financial Instruments:

Fair value is the amount at which an asset is exchanged or a liability is settled for the company in a transaction between two knowledgeable and willing parties on a commercial basis. Management has determined that the fair value of bank balances, receivables, trade payables, and other current liabilities closely approximates their carrying value. Additionally, it has been determined that the carrying value of commission-bearing loans closely approximates their fair value, as they carry interest rates consistent with prevailing rates in the financing and loan market.

-Occupational Health and Safety Risks

- Work Environment:** Exposure to heat, dust, noise, and slips.
- Accidents:** Injuries from equipment or movement within work sites.
- Safety Culture:** Low awareness of safety procedures.
- Hazardous Materials:** Improper handling or disposal of industrial waste.

Commitment: The company applies the highest occupational health and safety standards through regular training programs, monitoring systems, and compliance with ISO 45001 and ISO 14001 certifications.

- Energy and Price Liberalization Risks

With the gradual liberalization of energy prices in Saudi Arabia, the company faces challenges related to increased operational costs due to rising electricity and fuel prices, potentially impacting profitability.

Mitigation Strategies:

- Conducting detailed studies on alternative energy (solar energy, alternative fuels, Waste Heat Recovery (WHR), and Refuse-Derived Fuel (RDF)).
- Utilizing waste heat energy in production processes.
- Enhancing operational efficiency in production lines to reduce energy consumption.
- Collaborating with consultancy firms to apply best practices.
- Incorporating sustainable energy projects into the digital and operational transformation plan.

- Cybersecurity Risks

In line with the company's digital transformation, a Cybersecurity Department was established in 2024 under the Governance, Risk, and Compliance Department to ensure independent oversight and control. This aligns with Saudi Arabia's updated cybersecurity regulations. A roadmap was developed to enhance strategic oversight of cyber threats.

Cybersecurity Executive Program:

- Phase (2025) 1:** Infrastructure – Firewalls, IAM/PAM, Encryption.
- Phase (2026) 2:** Business Continuity Projects, SIEM, SCADA System Security.
- Phase (2027) 3:** Zero Trust Model, Artificial Intelligence, Digital Forensics Tools.

Performance Indicators:

- Number of detected incidents.
- Incident response time.
- Results of phishing tests and periodic assessments.

This plan was developed in collaboration with specialized consultancy firms and is part of the company's strategic digital transformation plan.

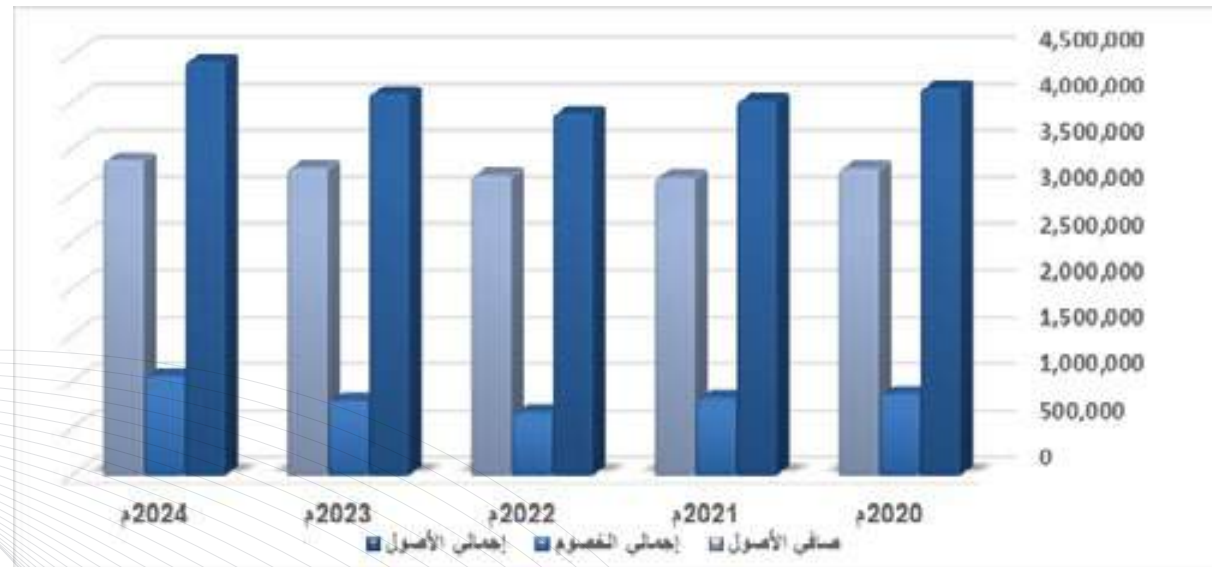
Sixth: The Company's Assets, Liabilities, and Performance Over the Last Five Years

The company's current assets primarily consist of cash and cash equivalents, receivables, and other miscellaneous assets. Financial liabilities include short-term bank facilities and other obligations.

The fair value of financial instruments does not differ significantly from their book value.

Comparison of Assets and Liabilities (in Thousand SAR):

Year	2020	2021	2022	2023	2024
Current Assets	1,173,636	1,178,407	1,110,134	1,251,711	1,335,753
Non-Current Assets	2,970,847	2,826,313	2,761,680	2,831,664	3,092,608
Total Assets	4,144,483	4,004,720	3,871,814	4,083,375	4,428,360
Current Liabilities	419,599	446,991	373,303	318,061	339,199
Non-Current Liabilities	445,170	371,261	292,917	479,110	717,692
Total Liabilities	864,769	818,252	666,220	797,171	1,056,891



Comparison of the Company's Performance Results (in Thousand SAR):

Year	2020	2021	2022	2023	2024
Revenue	1,653,108	1,339,350	1,222,409	1,070,264	935,029
Cost of Revenue	(974,256)	(833,946)	(861,354)	(793,758)	(591,712)
Gross Profit	678,852	505,405	361,055	276,506	343,317
Comprehensive Income	603,248	431,755	299,126	199,611	256,014

Seventh: Key Differences in Operational Results Compared to the Previous Year

Item	2023	2024	Change (+/-)	Change Percentage (%)
Revenue	1,070,264	935,029	(135,235)	(12.64)
Cost of Revenue	793,758	591,712	(202,046)	(25.45)
Gross Profit	276,506	343,317	66,811	24.16
Other Operating Expenses	76,517	81,716	5,199	6.80
Operating Profit	202,542	268,018	65,476	32.33

Eighth: Accounting Standards Adopted by the Saudi Organization for Certified Public Accountants

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted in Saudi Arabia. and other standards and publications issued by the Saudi Organization for Certified Public Accountants (SOCPA).

Ninth: Islamic Financing

Statement	Source of Financing	Current Portion of Loan - (SAR)	Non-Current Portion of Loan - (SAR)	Total (SAR)
Beginning Balance		1,211,639	361,164,950	362,376,589
Paid During the Year		0	0	0
Transferred from Current to Non-Current	Third National	41,607,924	(41,607,924)	0
Line Financing for Jazan Cement Plant	Commercial Bank	0	287,993,510	287,993,510
Rescheduling Losses	(NCB)	0	(1,211,639)	(1,211,639)
Ending Balance		42,819,563	606,338,897	649,158,460

The balance of Islamic financing from the National Commercial Bank as of 2024/12/31 amounted to 649,158,460 SAR. The non-current portion, amounting to 606,338,897 SAR, is due between 2025 and 2033, while the current portion, amounting to 42,819,563 SAR, will be settled during 2025. In 2023, the company rescheduled the existing loan balance of 233,397,000 SAR along with the new loan, which was intended to finance the establishment of a production line project at the Jazan Cement Factory. The loan is to be repaid over ten years, including a two-year grace period.

Tenth: In 2024, the company contributed SAR 1.8 million to various charitable and community initiatives.

No.	Description	Amount (SAR)
1	Ehsan Platform	500,000
2	Al-Bir Society in Abha	30,000
3	Al-Janoub Women's Association in Abha	25,000
4	Quran Memorization Society in Asir	20,000
5	Charity Quran Memorization Society in Khamis Mushait	20,000
6	Al-Bir Charity Society in Bisha	30,000
7	Humanitarian Health Association in Bisha	20,000
8	Charity for Gratitude in Bisha	20,000
9	Charity Quran Memorization Society in Jazan	20,000
10	Orphan Care Charity Foundation	25,000
11	Orphan Care Society in Namas	20,000
12	Tawasol Society for Family Violence Prevention	20,000
13	Blessings Preservation Society in Asir	35,000
14	National Committee for Prisoners and Families	25,000
15	Iradah Endowment for Disability Development	20,000
16	Autism Families Association	20,000
17	Manazel Housing Charity in Asir	20,000
18	Cooperative Office for Dawah in Ahad Al-Masarha	20,000
19	Al-Bir Charity Society in Al-Darb	20,000
20	Marfa Family Services Society in Jazan	20,000
21	Al-Bir Charity Society in Al-Haridah	20,000
22	Charity Society in Balasmar	20,000
23	Charity Society in Khamis Mushait	30,000
24	Charity Quran Memorization Society in Balasmar	20,000
25	Al-Bir Charity Society in Al-Farsha	20,000
26	Jazan Winter Care	250,000

No.	Description	Amount (SAR)
27	Charity Quran Memorization Society in Ahad Rufaidah	20,000
28	Charity Quran Memorization Society in Tanuma	20,000
29	Charity Society in Tanuma Bani Shahr	20,000
30	Muwasat for Honoring the Deceased	20,000
31	Charity Quran Memorization Society in Al-Wadiain	20,000
32	Al-Bir Charity Society in Al-Shaaf	20,000
33	Al-Bir Charity Society in Al-Harth	20,000
34	Humanitarian Services Society in King Fahd Dam	20,000
35	Orphan Care Charity Society in Bisha	25,000
36	Mishkat Quran Memorization Society in Bisha	20,000
37	Al-Bir Charity Society in Al-Areen	20,000
38	Charity Quran Memorization Society in Muhayil Asir	20,000
39	Charity Society in Ahad Al-Masarha	30,000
40	Quran Memorization Society in Ahad Al-Masarha	25,000
41	Zayed Blessings Preservation Society in Ahad Al-Masarha	20,000
42	Al-Waid Community Development Society	20,000
43	Al-Bir Charity Society in Al-Waid	25,000
44	Al-Bir Charity Society in Southern Al-Ardiyah	25,000
45	Al-Bir Charity Society in Al-Qunfudhah	25,000
46	Al-Bir Charity Society in Al-Majardah	25,000
47	Al-Bir Charity Society in Muhayil Asir	20,000
48	Community Development Society in Southern Al-Ardiyah	8,625
49	Saudi Chambers Federation	20,000
50	Support for Jazan Football Association	10,000
51	Ramadan Tournament in Jazan	15,000

 **Total Contributions**

1,803,625 SAR

Eleventh: The Board of Directors is composed of nine distinguished members, classified as Non-Executive and Independent.

No.	Member Name	Membership Classification
1	Mr. Saad bin Abdulaziz Al-Karoud	Non-Executive
2	Mr. Mansour bin Abdulaziz Al-Sagheer	Non-Executive
3	Mr. Mohammed bin Nasser Al-Nabet	Non-Executive
4	Eng. Thamer bin Mohammed Al-Muhaid	Independent
5	Eng. Ahmed bin Saeed Al-Ghamdi	Non-Executive
6	Mr. Khalid bin Ibrahim Al-Rubaia	Independent
7	Eng. Yahya bin Mohammed Al-Amini Al-Shanqeeti	Independent
8	Eng. Fahd bin Eid Al-Hilal	Independent
9	Mr. Abdulatif bin Ali Al-Saif	Independent

Twelfth: Names of Board Members, Committee Members, Executive Management, Current Positions, and Experience

1. Board Members

Mr. Saad bin Abdulaziz Al-Karoud



Current Position	Chief Administrator – Public Investment Fund (PIF)
Previous Position	Director of Stakeholder Management – Public Investment Fund (PIF)
Qualifications	Bachelor's in Finance - Master's in Management and Leadership
Experience	Secretary-General of the Board of Directors, PIF Chief Administrator, PIF (4 years) Head of Stakeholder Management, PIF (4 years) Vice President, Private Wealth and Diversification Management Company (Mayas) (2 years) Advisor to the Chairman, Abdul Latif Al-Issa Holding Group

Mr. Mansour bin Abdulaziz Al-Sagheer



Current Position	CEO – National Bank of Bahrain
Previous Position	Head of Business Development – SABB Bank
Qualifications	Bachelor's in Accounting - Master's in Business Administration
Experience	CEO, National Bank of Bahrain (5 years) Head of Business Development, SABB Bank (1 year) Regional Head of Corporate Banking Services (Central Region), SABB Bank (4 years) Head of Corporate Banking Services (Western Region), National Commercial Bank (6 years) Head of Corporate Banking Services (Western Region), Saudi Fransi Bank (1 year) Account Manager for Commercial and Retail Banking Services (Western Region), Saudi Hollandi Bank (3 years) Customer Relations Manager for Corporate Banking Services (Western Region), Saudi Hollandi Bank (1 year) Senior Customer Relations Manager for Corporate Banking Services (Western Region), Saudi Hollandi Bank (2 years) Assistant General Manager for Corporate Banking Services (Western Region), Saudi Fransi Bank (1 year) Senior Customer Relations Manager for Corporate Banking Services (Western Region), Saudi Investment Bank

Mr. Mohammed bin Nasser Al-Nabet



Current Position	Businessman
Previous Position	Not Applicable
Qualifications	Bachelor's in Business Administration
Experience	16 years as a Board Member, Southern Province Cement Company 13 years as a Board Member, Saudi Arabian Refineries Company 15 years as a Board Member, Red Sea Markets Limited Company 12 years as a Board Member, Arab Group for Education and Training 6 years as a Board Member, Khamis Mushait Hotel Company 17 years as Vice Chairman, Nasser bin Mohammed Al-Nabet and Sons Company

Twelfth: Names of Board Members, Committee Members, Executive Management, Current Positions, and Experience

1. Board Members (Continued)

Eng. Thamer bin Mohammed Al-Muhaid



Current Position	CEO and Managing Director – Saudi Chemical Holding Group
Previous Position	Deputy General Manager – Saudi Chemical Company Limited
Qualifications	Bachelor's in Civil Engineering - Master's in Business Administration (M&A Specialization) - Master's in Business Administration (Global Management Specialization)
Experience	CEO and Managing Director, Saudi Chemical Holding Group (2 years) Deputy General Manager, Saudi Chemical Company Limited and Managing Director of Sinco (2 years) General Manager, Food Unit, Almarai (less than 1 year) General Manager of Policies, Research, and Planning, Ministry of Commerce and Industry (20 years) Global Planning and Monitoring Manager, SABIC (2009) Global Operations Manager, GE-SABIC America (2 years) Royal Commission for Jubail and Yanbu

Eng. Ahmed bin Saeed Al-Ghamdi



Current Position	Senior Vice President, Middle East and North Africa Investments – Public Investment Fund (PIF)
Previous Position	Vice President, Middle East and North Africa Investments – Public Investment Fund (PIF)
Qualifications	Bachelor's in Chemical Engineering - Master's in Business Administration
Experience	Head of Construction and Building Sector Investments, Middle East and North Africa, PIF (1 year) Senior Vice President, Middle East and North Africa Investments, PIF (2 years) Vice President, Middle East and North Africa Investments, PIF (1 year) Senior Associate, Middle East and North Africa Investments, PIF (1 year) Business Development, Saudi Aramco (5 years) Strategic Transformation Office, Saudi Aramco (2 years) Operations Engineer, Downstream Operations, Saudi Aramco

Mr. Khalid bin Ibrahim Al-Rubaia



Current Position	Founder and Owner – Khalid Al-Rubaia Financial Consulting Office
Previous Position	CEO – Methanol Chemicals Company (Chemanol)
Qualifications	Bachelor's in Accounting
Experience	Chairman of the Audit Committee, ACWA Power (since 2018) Board Member, Investment Committee Member, and Chairman of the Risk Committee, Yanbu National Petrochemical Company (YANSAB) (since 2020) Board Member and Chairman of the Audit Committee, East Pipes Integrated Company for Industry (since 2021) Chairman of the Board, Arab Pharmaceutical and Medical Supplies Company (Jordan) (since 2020) Board Member and Audit Committee Member, Saudi Tunisian Bank (since 2020) Board Member and Chairman of the Audit and Risk Committee, Miyahuna (since 2022) Board Member and Chairman of the Audit Committee, Abdullah Al-Othaim Investment Company (since 2021) Chairman of the Audit and Risk Committee, Saudi Cooling Company (since 2019) Board Member, Chairman of the Audit Committee, and Nomination Committee Member, Southern Province Cement Company (since 2024) Advisor to the Board and Chairman of the Executive Committee, Al-Dhoyan Holding Company (since 2024) Board Member and Chairman of the Audit Committee, Tarabot Charity Association (since 2024)

Eng. Yahya bin Mohammed Al-Amini Al-Shanqeeti



Current Position	CEO – Al Masane Al Kobra Mining Company
Previous Position	Chairman of the Board – Drill Corp Sahara Saudi Drilling Company
Qualifications	Bachelor's in Mining Engineering - Master's in Industrial and Environmental Mineral Management
Experience	CEO, Al Masane Al Kobra Mining Company (2 years) Chairman of the Board, Drill Corp Sahara Saudi Drilling Company (3 years) Vice President, Ma'aden Gold and Base Metals Sector (4 years) President, Ma'aden Gold Company (8 years) General Manager of Operations, Ma'aden Gold Company (2 years) Mining Manager, Ma'aden Aluminum Project (2 years) Project Manager, Al-Duwayhi Mine (2 years) Mine Manager, Mahd Mine (6 years) Mining Engineer and Mine Superintendent (5 years)

Eng. Fahd bin Eid Al-Hilal



Current Position	Engineering Consultants
Previous Position	Vice President of Project Management – Saudi Aramco
Qualifications	Bachelor's in Chemical Engineering - Master's in Business Administration
Experience	Vice President of Project Management, Saudi Aramco (8 years) CEO, Yanbu Aramco Sinopec Refining Company (YASREF) (2 years) CEO, King Abdullah Petroleum Studies and Research Center (KAPSARC) (2 years) Progressed through various administrative positions at Saudi Aramco (12 years). 6 years as Chairman of the Board of Directors of Jasara Project Management Company, owned by the Public Investment Fund, Jacobs Engineering Group (USA), and Saudi Aramco.

Twelfth: Names of Board Members, Committee Members, Executive Management, Current Positions, and Experience

1. Board Members (Continued)

Mr. Abdulatif bin Ali Al-Saif



Current Position	Managing Director and CEO – Sabani Investment Company
Previous Position	CEO – Al-Raedah Investment Company
Qualifications	Bachelor's in Business Administration - Master's in Economics - Master's in Business Administration - CPA - CFA
Experience	Managing Director and CEO, Sabani Investment Company (3 years) CEO, Al-Raedah Investment Company (3 years) Investment Advisor, Public Pension Agency (1 year) Executive Vice President and Head of Investments, King Abdullah Humanitarian Foundation (3 years) Portfolio Manager, Mask Company (2 years) Various roles at Saudi Aramco (11 years)

2. Committee Members from Outside the Board

Mr. Adeeb bin Mohammed Aba Manee



Current Position	Director of Audit and Advisory Services – Aba Manee Office
Previous Position	Employee at the Capital Market Authority (CMA)
Qualifications	Bachelor's in Accounting - Master's in Professional Accounting
Experience	12 years at the Saudi Fund for Development 1 year as Vice Dean, Shaqra University 4 years at the Capital Market Authority (CMA) Director of Audit and Advisory Services, Aba Manee Office

3. Executive Management

Eng. Aqeel bin Fatis bin Kadasah



Current Position	CEO
Previous Position	Executive Vice President of Manufacturing
Qualifications	Bachelor's in Applied Chemical Engineering
Experience	29 years of experience: Production Engineer, Yamama Cement Company Chemical Engineer, Saudi Electricity Company Production Manager, Bisha Cement Plant – Southern Province Cement Company Maintenance Manager, Bisha Cement Plant – Southern Province Cement Company Plant Manager, Bisha Cement Plant – Southern Province Cement Company Executive Vice President of Manufacturing – Southern Province Cement Company CEO – Southern Province Cement Company

Eng. Saud bin Safar Al-Barqan



Current Position	Executive Vice President of Operations and Maintenance
Previous Position	Director of Procurement and Contracts
Qualifications	Bachelor's in Applied Mechanical Engineering
Experience	24 years of experience: Al-Barqan Private Foundation Various roles in the Power Generation Projects Sector, Saudi Electricity Company Marketing and Sales Manager, Southern Province Cement Company Director of Business Planning and Development, Southern Province Cement Company Director of Engineering Services, Southern Province Cement Company Director of Procurement and Contracts, Southern Province Cement Company Executive Vice President of Operations and Maintenance, Southern Province Cement Company

Twelfth: Names of Board Members, Committee Members, Executive Management, Current Positions, and Experience

3. Executive Management (Continued)



Mr. Mohammed bin Ali Al-Thuwaie

Current Position	Executive Vice President of Financial Affairs
Previous Position	Chief Financial Officer (CFO)
Qualifications	Bachelor's in Accounting - Master's in Professional Accounting
Experience	28 years of experience: Accountant, Southern Province Cement Company Head of Accounts, Southern Province Cement Company Chief Financial Officer, Southern Province Cement Company Executive Vice President of Financial Affairs, Southern Province Cement Company



Mr. Ahmed Abdul-Ahad Bukhari

Current Position	Executive Vice President of Marketing and Sales
Previous Position	President, Al-Kaf Business Development Company
Qualifications	Master's in Executive Business Administration, King Abdulaziz University - Bachelor's in Industrial Management (Marketing), King Fahd University of Petroleum and Minerals
Experience	Over 15 years of experience: Director, Saudi Binladin Group Regional Marketing and Business Development Manager for the Arab Region, Tetra Pak Manufacturing Limited Regional Marketing Manager, Glaxo Arabia Sales Manager, Unilever Limited Sales Manager, Nestlé Business Development Consultant

Thirteenth: Companies Inside or Outside the Kingdom Where Board Members Hold or Have Held Memberships or Managerial Roles

Member Name	Companies Where the Board Member Holds Current Memberships or Managerial Roles	Inside/Outside the Kingdom	Legal Entity of the Company
Mr. Saad bin Abdulaziz Al-Karoud	Tameer Al-Balad Company Alinma Bank Diriyah Gate Development Company Saudi Development and Investment Company (TAQNIA) Dan Company Al-Saif Engineers & Contractors Company Al-Ahsa Development Company Gulf Coast Real Estate Development Company	Inside the Kingdom	Closed Joint Stock Company Publicly Listed Company Limited Liability Company Closed Joint Stock Company Closed Joint Stock Company Limited Liability Company Closed Joint Stock Company Closed Joint Stock Company
Mr. Mansour bin Abdulaziz Al-Sagheer	Saudi Fisheries Company United Cooperative Insurance Company Light Blocks Company – Siporex Al-Saif Commercial Agencies Company	Inside the Kingdom	Publicly Listed Company Publicly Listed Company Closed Joint Stock Company Closed Joint Stock Company
Mr. Mohammed bin Nasser Al-Nabet	Arab Group for Education and Training Holding Khamis Mushait Mercure Hotel Company Nasser bin Mohammed Al-Nabet & Sons Company Red Sea Markets Company	Inside the Kingdom	Unlisted Joint Stock Company Unlisted Joint Stock Company Unlisted Joint Stock Company Unlisted Joint Stock Company
Eng. Thamer bin Mohammed Al-Muhaid	Suez International Company Saudi Chemical Holding Company	Outside the Kingdom Inside the Kingdom	شركة ذات مسؤولية محدودة شركة مساهمة مدرجة
Eng. Ahmed bin Saeed Al-Ghamdi	Jasara Project Management Company Depa PLC Nesam Contracting Company	Inside the Kingdom Outside the Kingdom Inside the Kingdom	Limited Liability Company Publicly Listed Company Limited Liability Company

Thirteenth: As of December 2024 ,31, there were no significant changes in the share ownership of Board members.

Member Name	Companies Where the Board Member Holds Current Memberships or Managerial Roles	Inside/Outside the Kingdom	Legal Entity of the Company
Mr. Khalid bin Ibrahim Al-Rubaia	East Pipes Integrated Company for Industry	Inside the Kingdom	Publicly Listed Company
	Yanbu National Petrochemical Company (YANSAB)	Inside the Kingdom	Publicly Listed Company
	Abdullah Al-Othaim Investment Company	Inside the Kingdom	Closed Joint Stock Company
	Tunisian-Saudi Bank (Tunisia)	Outside the Kingdom	Closed Joint Stock Company
	Arab Pharmaceutical and Medical Supplies Company (Jordan)	Outside the Kingdom	Arab Joint Ownership
	Al-Dhoyan Holding Company	Inside the Kingdom	Closed Joint Stock Company
Eng. Yahya bin Mohammed Al-Amni Al-Shanqeeti	Miahona Company	Inside the Kingdom	Closed Joint Stock Company
	Tarabot Charity Association	Inside the Kingdom	Non-Profit Organization
Eng. Fahd bin Eid Al-Hilal	Jasara Project Management Company	Inside the Kingdom	Limited Liability Company
Mr. Abdulatif bin Ali Al-Saif	Al-Rajhi Bank	Inside the Kingdom	Publicly Listed Company
	Wasayah International Company	Inside the Kingdom	Limited Liability Company
	Sabani Investment Company	Inside the Kingdom	Closed Joint Stock Company
	Nahdi Medical Company	Inside the Kingdom	Publicly Listed Company
	Arab Internet and Communications Services Company	Inside the Kingdom	Publicly Listed Company
	Saudi Agricultural and Livestock Investment Company (SALIC)	Inside the Kingdom	Closed Joint Stock Company
	Al-Bilad Tourism Fund	Inside the Kingdom	Investment Fund
	Awqaf Investment Company	Inside the Kingdom	Closed joint-stock company
	Growth Catalyst Consulting Company	Inside the Kingdom	Limited liability company



Fourteenth: Ordinary General Assembly No. (51) was held on May 2024 ,20, with full attendance of Board members.

Member Name	Meeting 1 17/01	Meeting 2 13/03	Meeting 3 29/04	Meeting 4 24/07	Meeting 5 07/11	Meeting 6 23/12	Total
Mr. Saad bin Abdulaziz Al-Karoud	✓	✓	✓	✓	✓	✓	6
Mr. Mansour bin Abdulaziz Al-Sagheer	✓	✓	✓	✓	✓	✓	6
Mr. Mohammed bin Nasser Al-Nabet	✓	✓	✓	✓	✓	✓	6
Eng. Thamer bin Mohammed Al-Muhaideb	✓	✓	✓	✓	✓	✓	6
Eng. Ahmed bin Saeed Al-Ghamdi	✓	✓	✓	✓	✓	✓	6
Mr. Khalid bin Ibrahim Al-Rubaia	✓	✓	✓	✓	✓	✓	6
Eng. Yahya bin Mohammed Al-Amni Al-Shanqeeti	✓	✓	✓	✓	✓	✓	6
Eng. Fahd bin Eid Al-Hilal	✓	✓	✓	✓	✓	✓	6
Mr. Abdulatif bin Ali Al-Saif	✓	✓	✓	✓	✓	✓	6

Fifteenth: Statement of Dates of General Assemblies of Shareholders Held During the Last Fiscal Year and Names of Board Members Attending These Assemblies

Name	Attendance Record	
	Ordinary General Assembly Meeting (51) 20/05/2024	Total Meetings
Mr. Saad bin Abdulaziz Al-Karoud	☑	1
Mr. Mansour bin Abdulaziz Al-Sagheer	☑	1
Mr. Mohammed bin Nasser Al-Nabet	☑	1
Eng. Thamer bin Mohammed Al-Muhaideb	☑	1
Eng. Ahmed bin Saeed Al-Ghamdi	☑	1
Mr. Khalid bin Ibrahim Al-Rubaia	☑	1
Eng. Yahya bin Mohammed Al-Amni Al-Shanqeeti	☑	1
Eng. Fahd bin Eid Al-Hilal	☑	1
Mr. Abdulatif bin Ali Al-Saif	☑	1

Sixteenth: During the fiscal year 2024, Southern Province Cement Company was not subjected to any penalties, sanctions, or restrictions.

The company has not been subjected to any penalty, sanction, precautionary measure, or reserve restriction imposed by the authority or any supervisory, regulatory, or judicial body.

Seventeenth: The company has ensured active communication with shareholders, addressing their proposals and observations promptly.

To inform the Board of Directors of shareholders' proposals, the Board has undertaken the following actions:

- 1.Ensured that Board members receive complete, clear, accurate, and non-misleading information

- in a timely manner.
2. Verified that the Board discusses all key issues effectively and in a timely manner.
3. Encouraged Board members to perform their duties effectively in a way that serves the company's interests.
4. Ensured the existence of effective communication channels with shareholders and conveyed their opinions to the Board.
5. Promoted constructive relationships and active participation between the Board and the executive management, fostering a culture that encourages constructive criticism.
6. Prepared the agenda for Board meetings, taking into account any issues raised by Board members or auditors, and consulted with Board members and the CEO when preparing the agenda.



Eighteenth: Detailed disclosure of remuneration of Board members and top executives for the fiscal year 2024.

Based on Article (22) of the company's bylaws, the remuneration of the Board of Directors may consist of a fixed amount, an attendance allowance for meetings, in-kind benefits, or a specific percentage of net profits. It is permissible to combine two or more of the aforementioned types of remuneration. The Board of Directors' report to the General Assembly must include a statement of all amounts received by the Board members during the fiscal year, including remuneration, expense allowances, and other benefits. The report must also include a statement of amounts received by Board members in their capacity as employees or administrators, or for technical, administrative, or consultancy work. Additionally, it must include a statement of the number of Board meetings and the number of meetings attended by each member since the last General Assembly meeting.

Name	Fixed Amount for Board and Committee Membership	Attendance Allowance for Meetings	Total Attendance Allowance for Committees	In-Kind Benefits	Remuneration for Chairman Managing Director, or Secretary, (if a member)	Total	Profit Percentage	Periodic Bonuses	Short-Term Incentive Plans	Long-Term Incentive Plans	Granted Shares	Total Incentives	End-of-Service Benefits	Grand Total	Expense Allowance
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Independent Members

Eng. Thamer bin Mohammed bin Muqhim Al-Muhaideb	600,000	30,000	60,000	0	0	690,000	0	0	0	0	0	0	0	690,000	0
Mr. Khalid bin Ibrahim Al-Rubaia	600,000	30,000	60,000	0	0	690,000	0	0	0	0	0	0	0	690,000	0
Eng. Yahya bin Mohammed Al-Amni Al-Shanqeeti	600,000	30,000	85,000	0	0	715,000	0	0	0	0	0	0	0	715,000	0
Eng. Fahd bin Eid Al-Hilal	600,000	30,000	90,000	0	0	720,000	0	0	0	0	0	0	0	720,000	0
Mr. Abdulatif bin Ali Al-Saif	600,000	30,000	50,000	0	0	680,000	0	0	0	0	0	0	0	680,000	0

Non-Executive Members

Mr. Saad bin Abdulaziz Al-Karoud	450,000	30,000	20,000	0	250,000	750,000	0	0	0	0	0	0	0	750,000	0
Mr. Mansour bin Abdulaziz Al-Sagheer	600,000	30,000	80,000	0	0	710,000	0	0	0	0	0	0	0	710,000	0
Mr. Mohammed bin Nasser Al-Nabet	600,000	30,000	45,000	0	0	675,000	0	0	0	0	0	0	0	675,000	0
Eng. Ahmed bin Saeed Al-Ghamdi	750,000	30,000	105,000	0	0	885,000	0	0	0	0	0	0	0	885,000	0

Board Members' Remuneration

Six of the top executives who received the highest remuneration from the company.

Statement	Salaries	Allowances	In-Kind Benefits	Total	Periodic Bonuses	Profits	Short-Term Incentive Plans	Long-Term Incentive Plans	Granted Shares	Total Incentives	End-of-Service Benefits	Production Bonus	Total Executive Remuneration for the Board	Grand Total
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Six of the top executives who received the highest remuneration from the company

Six of the top executives who received the highest remuneration from the company	5,355,870	1,682,351	-	7,038,220	379,416	-	-	-	-	7,417,637	-	1,564,213	-	8,981,849
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Remuneration of Committee Members

Member Name	Fixed Remunerations	Attendance Allowances	Total
Executive Committee Members			
Mr. Saad bin Abdulaziz Al-Karoud	150,000	20,000	170,000
Mr. Mansour bin Abdulaziz Al-Sagheer	150,000	25,000	175,000
Mr. Mohammed bin Nasser Al-Nabet	150,000	20,000	170,000
Mr. Abdulatif bin Ali Al-Saif	150,000	25,000	175,000
Eng. Ahmed bin Saeed Al-Ghamdi	150,000	25,000	175,000
Investment and Strategy Committee Members			
Mr. Mansour bin Abdulaziz Al-Sagheer	150,000	55,000	205,000
Eng. Ahmed bin Saeed Al-Ghamdi	150,000	55,000	205,000
Eng. Yahya bin Mohammed Al-Amni Al-Shanqeeti	150,000	50,000	200,000
Eng. Fahd bin Eid Al-Hilal	150,000	55,000	205,000
Audit Committee Members			
Mr. Khalid bin Ibrahim Al-Rubaia	150,000	35,000	185,000
Eng. Thamer bin Mohammed bin Muqhim Al-Muhaideb	150,000	35,000	185,000
Eng. Yahya bin Mohammed Al-Amni Al-Shanqeeti	150,000	35,000	185,000
Eng. Fahd bin Eid Al-Hilal	150,000	35,000	185,000
Mr. Adeeb Mohammed Abanmi (External Member of the Audit Committee)	150,000	21,000	171,000
Nomination and Remuneration Committee Members			
Mr. Abdulatif bin Ali Al-Saif	150,000	25,000	175,000
Eng. Thamer bin Mohammed bin Muqhim Al-Muhaideb	150,000	25,000	175,000
Mr. Mohammed bin Nasser Al-Nabet	150,000	25,000	175,000
Mr. Khalid bin Ibrahim Al-Rubaia	150,000	25,000	175,000
Eng. Ahmed bin Saeed Al-Ghamdi	150,000	25,000	175,000

Nineteenth: Shares of Board Members, Senior Executives, Their Spouses, and Minor Children

Name	Number of Shares at the Beginning of the Year	Number of Shares at the End of the Year	Change in Shares
Mr. Saad bin Abdulaziz Al-Karoud	-	-	-
Mr. Mansour bin Abdulaziz Al-Sagheer	-	-	-
Mr. Mohammed bin Nasser Al-Nabet	1,000	1,000	-
Eng. Thamer bin Mohammed Al-Muhaideb	10	10	-
Eng. Ahmed bin Saeed Al-Ghamdi	-	-	-
Mr. Khalid bin Ibrahim Al-Rubaia	50	50	-
Eng. Yahya bin Mohammed Al-Amni Al-Shanqeeti	1,603	1,603	-
Eng. Fahd bin Eid Al-Hilal	1,200	1,200	-
Mr. Abdulatif bin Ali Al-Saif	-	-	-
Public Investment Fund	52,408,200	52,408,200	-
General Organization for Social Insurance	6,930,000	6,730,000	200,000
Eng. Aqeel Futeis Saeed Kadsa	-	-	-
Eng. Saud bin Safar Al-Burqan	-	-	-
Mr. Mohammed Ali Mohammed Al-Thouai	-	-	-
Mr. Ahmed Abdul Ahad Barqan	-	-	-
Total	59,342,063	59,142,063	200,000

Twentieth: Brief Description of Committee Responsibilities

A – Executive Committee

The tasks of the Executive Committee are limited to the following responsibilities:

- Reviewing the company's strategies and objectives and providing recommendations to the board.
- Reviewing business plans and providing recommendations to the board.
- Reviewing the company's annual budget and providing recommendations to the board.

- Reviewing periodic reports on the company's capital structure evaluation and providing recommendations to the board.
- Reviewing the company's management proposals related to mergers, acquisitions, and agreements, and providing recommendations to the board.
- Reviewing reports from the company's management regarding project implementation and expansion activities, and providing feedback.
- Approving company policies, except for accounting policies and procedures reviewed by the Audit Committee, and compensation policies reviewed and approved by the Nomination and Remuneration Committee.
- Studying proposals from the CEO related to productivity goals in factories and making appropriate decisions and recommendations to improve and develop work.
- Providing recommendations to the board regarding loans and mortgage operations.
- Receiving legal reports on lawsuits filed against the company, discussing them from legal and substantive perspectives, and providing recommendations to the board on necessary actions.
- General supervision of the company's performance and projects, requesting clarifications from management in case of deviations from approved plans and budgets.
- Approving capital expenditures within its authority as per the company's authority structure.
- Approving capital expenditures exceeding the approved budget as per the company's authority structure.
- Recommending to the board all decisions that exceed its authority.
- Performing any other responsibilities assigned by the board of directors.

Executive Committee Meetings for the Year 2024

Name	Role	Meeting 1 (27/02)	Meeting 2 (25/04)	Meeting 3 (22/07)	Meeting 4 (05/11)	Meeting 5 (11/12)	Total Meetings
Mr. Saad bin Abdulaziz Al-Karoud	Chairman	☑	☑	☑	✗	☑	4
Mr. Mansour bin Abdulaziz Al-Sagheer	Member	☑	☑	☑	☑	☑	5
Mr. Mohammed bin Nasser Al-Nabet	Member	☑	☑	☑	☑	✗	4
Mr. Abdulatif bin Ali Al-Saif	Member	☑	☑	☑	☑	☑	5
Eng. Ahmed bin Saeed Al-Ghamdi	Member	☑	☑	☑	☑	☑	5



Investment and Strategy Committee

The committee's responsibilities are limited to:

1. Studying the company's strategic policies, procedures, and investment programs, and recommending their approval to the Board of Directors.
2. Reviewing the company's plan to diversify investments in line with the company's needs and acceptable risk levels, and recommending it to the Board of Directors for approval.
3. Reviewing all proposed investment projects and major expansion activities in accordance with the approved strategies and business plans, and providing recommendations to the Board.
4. Studying the company's management proposals related to handling the company's available liquidity and ways to invest it, and recommending them to the Board of Directors.
5. Monitoring the management of the company's funds through company management reports and discussing them during committee meetings.
6. Discussing periodic reports on the company's investment performance, comparing actual investment returns with expected returns, ensuring the company's adherence to approved investment policies and potential investment risk levels, and making appropriate decisions regarding delegated investment operations.
7. Reviewing company management reports on all investment operations requiring Board approval and providing recommendations to the Board.
8. Studying and evaluating the company's management proposals for investment projects and recommending them to the Board.
9. Performing any other duties assigned to it by the Board.
10. Recommending to the Board all decisions that exceed its authority.

Statement of Investment and Strategy Committee Meetings for the Year 2024

Name	Membership Type	Meeting 1 (19/02)	Meeting 2 (02/04)	Meeting 3 (28/04)	Meeting 4 (29/05)	Meeting 5 (26/06)	Meeting 6 (23/07)	Meeting 7 (28/08)	Meeting 8 (29/09)	Meeting 9 (29/10)	Meeting 10 (26/11)	Meeting 11 (22/12)	Total Meetings
H.E. Mr. Mansour Abdulaziz Al-Sagheer Representative of the Public Investment Fund	Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
H.E. Eng. Ahmed bin Saeed Al-Ghamdi Representative of the Public Investment Fund	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
H.E. Eng. Yahya bin Mohammed Al-Amni Al-Shanqeeti	Member	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	10
H.E. Eng. Fahad bin Eid Al-Hilal	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11



Audit Committee

The Audit Committee is responsible for monitoring the company's operations and ensuring the integrity and transparency of its financial reports and internal control systems. The committee's specific duties include the following:

A. Financial Reports:

1. Reviewing the company's interim and annual financial statements before presenting them to the Board of Directors, providing opinions, and making recommendations to ensure their integrity, fairness, and transparency.
2. Providing a technical opinion—upon the Board's request—on whether the Board's report and the company's financial statements are fair, balanced, understandable, and include information that enables shareholders and investors to assess the company's financial position, performance, business model, and strategy.
3. Examining any significant or unusual issues included in the financial reports.
4. Investigating any matters raised by the company's Chief Financial Officer, compliance officer, external auditor, or internal auditor.
5. Verifying the accounting estimates in material matters included in the financial reports.
6. Reviewing the company's accounting policies, providing opinions, and making recommendations to the Board regarding them.

B. Internal Audit:

1. Reviewing and evaluating the company's internal control, financial, and risk management systems.
2. Reviewing internal audit reports and following up on the implementation of corrective actions for the observations mentioned in them.
3. Supervising and monitoring the performance and activities of the internal auditor and the internal audit department, ensuring the availability of necessary resources for the department to perform its duties effectively.
4. Recommending to the Board the appointment of the internal auditor and proposing their remuneration.

C. External Auditor:

1. Recommending to the Board the nomination, dismissal, and determination of fees for external auditors, evaluating their performance, and ensuring their independence.
2. Verifying the independence, objectivity, and fairness of the external auditor and the effectiveness of their audit work, considering relevant rules and standards.
3. Reviewing the external auditor's audit plan and activities, ensuring they do not provide technical, administrative, or consultancy services outside the scope of the audit, and providing feedback on this.
4. Responding to inquiries from the company's external auditor.
5. Reviewing the external auditor's report and their observations on the financial statements and following up on actions taken regarding them.
6. Ensuring the external auditor verifies the company's compliance with regulations and relevant policies.
7. Observing the external auditor's provision of advice to the company's financial departments at the start of their work, including reviewing accounting entries and their adjustments, as well as disbursement templates.

D. Compliance Officer:

1. Reviewing the results of regulatory authority reports and ensuring the company takes necessary actions regarding them.
2. Verifying the company's compliance with relevant laws, regulations, policies, and instructions.
3. Reviewing proposed contracts and transactions between the company and related parties, and providing feedback to the Board of Directors.
4. Raising any issues deemed necessary for action to the Board of Directors and providing recommendations on the required measures.

Statement of Audit Committee Meetings for the Year 2024

Name	Membership Type	Meeting 1 (30/01)	Meeting 2 (04/03)	Meeting 3 (11/03)	Meeting 4 (13/05)	Meeting 5 (29/07)	Meeting 6 (04/08)	Meeting 7 (03/11)	Total Meetings
Mr. Khalid bin Ibrahim Al-Rubaia	Chairman	✓	✓	✓	✓	✓	✓	✓	7
H.E. Eng. Thamer bin Mohammed Al-Muhaide	Member	✓	✓	✓	✓	✓	✓	✓	7
H.E. Eng. Yahya bin Mohammed Al-Amni Al-Shanqeeti	Member	✓	✓	✓	✓	✓	✓	✓	7
H.E. Eng. Fahad bin Eid Al-Hilal	Member	✓	✓	✓	✓	✓	✓	✓	7
Mr. Adeeb Mohammed Abamane (External Member)	External Member (Audit Committee)	✓	✓	✓	✓	✓	✓	✓	7



D – Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for the following duties and responsibilities:

A. Duties and Responsibilities Related to Nominations:

1. Recommending to the Board of Directors the nomination of members for the Board and its committees, as well as their re-nomination, taking into account several factors when evaluating candidates for Board membership, including but not limited to:
 - 1.1 Leadership Ability: Possessing leadership skills that enable effective contribution to guiding the Board's and its committees' activities to achieve the company's objectives, enhance performance, apply best practices in effective management, and adhere to professional values and ethics.
 - 1.2 Competence: Having the appropriate academic qualifications, professional skills, relevant practical experience, and personal attributes related to the company's activities.
 - 1.3 Ability to Provide Guidance: Possessing technical capabilities, decision-making speed, understanding of technical requirements related to the company's operations, and the ability to provide strategic direction, planning, and a clear future vision.
 - 1.4 Financial Knowledge: Being capable of reading and understanding financial statements and reports.
 - 1.5 Health Fitness: Having no health issues that would prevent the member from performing their duties and responsibilities.
2. Approving a description of the skills and qualifications required for Board and committee membership and for executive management positions.
3. Determining the time commitment required from members for Board activities.
4. Periodically reviewing the necessary skills and expertise required for Board and committee membership and executive management positions.
5. Reviewing the structure of the Board and executive management and providing recommendations regarding potential changes.
6. Annually verifying the independence of independent members and ensuring no conflicts of interest exist.
7. Approving job descriptions for executive, non-executive, and independent members, as well as senior executives.
8. Approving procedures to be followed in the event of a vacancy in the position of a Board member or senior executive.
9. Preparing an annual report identifying the strengths and weaknesses of the Board and its committees, and proposing solutions to address deficiencies in alignment with the company's interests.
10. Ensuring the existence of an orientation program for new Board and committee members and a continuous training program for all members.
11. Proposing criteria for evaluating the performance of the Board, its Chairman, and its committees, and

monitoring their implementation after Board approval.

12. Conducting an annual evaluation of the committee's performance and its members.
13. Recommending matters related to the appointment and dismissal of the CEO, as well as determining their employment terms, salary, allowances, and annual bonuses.
14. Establishing criteria for evaluating the CEO's performance and conducting an annual evaluation in coordination with the Board Chairman.
15. Reviewing the succession planning for leadership positions in the company, as prepared by the CEO.
16. Proposing the total amount for the company's performance-based bonuses.

B. Nomination Procedures:

1. The Nomination Committee, when nominating members for the Board of Directors, must adhere to the provisions of this regulation and the Board's governance manual, including the terms and conditions related to Board and committee membership.
2. The number of candidates nominated for the Board of Directors and presented to the General Assembly must exceed the number of available seats, allowing the General Assembly the opportunity to choose from among the candidates.
3. The company must publish a nomination announcement on its website, the stock market's website, and any other medium specified by the authority, inviting individuals interested in Board membership to apply. The nomination period must remain open for at least one month from the date of the announcement.
4. The above conditions do not affect the right of any shareholder to nominate themselves or others for Board membership in accordance with the Companies Law, its executive regulations, and the Corporate Governance Regulations.

C. Duties Related to Remuneration:

The committee is responsible for the following tasks related to remuneration:

1. Reviewing the proposed policy for the remuneration of Board members, its committees, and executive management, and submitting it to the Board for consideration before approval by the General Assembly. The remuneration policy must consider the following:
 - Alignment with the company's strategy and objectives.
 - Adherence to detailed performance-related criteria, disclosure of these criteria, and verification of their implementation.
 - Incentivizing Board members and executive management to ensure the company's long-term success and growth, such as linking variable remuneration to long-term performance.
 - Determining remuneration based on the position level, responsibilities, academic qualifications, professional experience, skills, and performance level.
 - Alignment with the company's size, nature, and risk level.
 - Considering practices of other companies in determining remuneration while avoiding unjustified increases in remuneration and compensation.
 - Aiming to attract, retain, and motivate professional talent without excessive remuneration.
 - Addressing cases where remuneration must be withheld or recovered if it is found to have been granted based on inaccurate information provided by a Board member or executive management, to prevent misuse of their position for undeserved rewards.
 - Regulating the granting of company shares to Board members and executive management, whether through new issuances or shares purchased by the company.
2. Clarifying the relationship between granted remuneration and the applicable remuneration policy, and identifying any significant deviations from this policy.
3. Periodically reviewing the remuneration policy and assessing its effectiveness in achieving its intended objectives.
4. Reviewing the section related to remuneration for Board members and its committees in the company's annual Board report.

Statement of Nomination and Remuneration Committee Meetings for the Year 2024

Name	Membership Type	Meeting 1 (30/01)	Meeting 2 (04/03)	Meeting 3 (11/03)	Meeting 4 (13/05)	Meeting 5 (29/07)	Total Meetings
H.E. Mr. Abdul Latif bin Ali Al-Saif	Member	☑	☑	☑	☑	☑	5
H.E. Eng. Thamer bin Mohammed bin Muqhim Al-Muhaide	Member	☑	☑	☑	☑	☑	5
H.E. Mr. Mohammed bin Nasser Al-Nabet	Member	☑	☑	☑	☑	☑	5
H.E. Mr. Khalid bin Ibrahim Al-Rubaia	Member	☑	☑	☑	☑	☑	5
H.E. Eng. Ahmed bin Saeed Al-Ghamdi	Member	☑	☑	☑	☑	☑	5

Twenty-First: Company Auditor

The company auditor for the year 2024 is KPMG Professional Services. The auditor's contract includes reviewing the second and third quarters, the annual financials for 2024, and the first quarter of 2025. The audit fees amounted to 525,000 SAR, in addition to 15,000 SAR for audit fees related to other operations.

Twenty-Second: Results of the Annual Review of the Effectiveness of the Company's Internal Control Procedures and the Audit Committee's Opinion on the Adequacy of the Internal Control System

The Audit Committee reviews and evaluates internal audit reports, which include the assessment of the internal control systems implemented in the company. These systems aim to protect the company's assets by conducting random sample checks and evaluations based on an annual plan set by the Audit Committee to obtain reasonable assurance about the effectiveness and efficiency of the applied control procedures. Additionally, the company's external auditor evaluates the internal procedures system, reviews internal audit reports, and examines the minutes of the Audit Committee. All audit processes revealed no significant observations regarding the internal control procedures.

Twenty-Third: Dividends

In accordance with Article 43 of the company's bylaws, the net annual profits of the company are distributed as follows:

- The Ordinary General Assembly, based on the Board of Directors' recommendation, may decide to allocate reserves to serve the company's interests or ensure the distribution of stable dividends to shareholders as much as possible. The Assembly may also deduct amounts from net profits to establish social institutions for the company's employees or support existing ones.
- The General Assembly, based on the Board of Directors' recommendation, determines the percentage of net profits to be distributed to shareholders after deducting reserves, if any.
- The company may distribute interim dividends to its shareholders on a semi-annual or quarterly basis. The General Assembly may also authorize the Board of Directors to do so through an annually renewed resolution.

Statement	Amount (SAR)
Net Profit	243,746,337
Distributed for the First Half of 2024 (5% of Capital)	70,000,000
To Be Distributed for the Second Half of 2024 (7% of Capital)	98,000,000
Carried Forward Balance of Retained Earnings	75,746,337

Statement	Dividends Distributed for the First Half of 2024	Proposed Dividends for the Second Half of 2024	Total Dividends for 2024
Amount	70,000,000	98,000,000	168,000,000
%	5%	7%	12%



Twenty-Fourth: Number of Company Requests for the Shareholders' Register, Request Dates, and Reasons

Number of Requests for the Shareholders' Register	Request Date	Reason for the Request
1	14/02/2024	Company Procedures
2	17/05/2024	General Assembly
3	17/05/2024	Profit File
4	11/08/2024	Profit File

Twenty-Fifth: Related Party Contracts with the Company by the End of 2024

The related party contracts that occurred during 2024 are as follows:

Board Member Name	Nature of Work, Contracts, and Terms	Contract Duration and Amount
Engineer/ Thamer bin Mohammed Al-Muhaid	Saudi Chemical Company: Supply of Civilian Explosives	Duration: 36 months starting from 07/02/2022 until 06/02/2025, automatically renewable for a similar period. The annual transaction value is approximately 12 million SAR based on the actual quantities transported and delivered to the buyer.
Engineer/ Yahya bin Mohammed Al-Amini Al-Shanqeeti	Masharif Advanced Geological and Mining Consulting Company	Duration: 4 months starting from 01/03/2024 until 30/06/2024, with a value of 933,160 SAR.

Twenty-Sixth: Liabilities Due to Government Entities by the End of 2024

According to Article 43 of the Articles of Association, the company's annual net profits are distributed as follows:

1. The Ordinary General Assembly, based on the Board of Directors' recommendation, may decide to form reserves to the extent that serves the company's interest or ensures the distribution of stable dividends to shareholders as much as possible. The Assembly may also deduct amounts from net profits to establish social institutions for the company's employees or support existing ones.
2. The General Assembly, based on the Board of Directors' recommendation, determines the percentage of net profits to be distributed to shareholders after deducting reserves, if any.
3. The company may distribute interim dividends to its shareholders on a semi-annual or quarterly basis and may authorize the Board of Directors to do so through an annually renewable resolution.

Statement	2024		Brief Description	Reason Statement
	Paid	Due by the End of the Financial Period		
Zakat, Tax, and Customs Authority	19,212,402	27,265,331	Due Zakat	Payment will be made in 2025.
General Organization for Social Insurance	20,374,499	1,484,389	Social Insurance	Settlement will occur in the following month.
Ministry of Industry and Mineral Resources	26,764,474	8,880,921	Exploitation Fees for 2024	Payment will be made
Total	66,351,375	37,630,641		in 2025.

Twenty-Seventh: Implementation of the Provisions of the Corporate Governance Regulations and What Has Not Been Implemented, Along with the Reasons

In accordance with Article 1V of the Corporate Governance Regulations issued by the Capital Market Authority, which requires the Board of Directors' report to include a general statement on the implementation of the provisions of the regulations, what has not been implemented, and the reasons for that. Accordingly, the company applies all mandatory provisions stated in the Corporate Governance Regulations issued by the Capital Market Authority.

Twenty-Eighth: Declarations

- The company's management declares that the accounting records have been prepared correctly.
- The company's management declares that the internal control system has been established on sound principles and implemented effectively.
- The company's management declares that there are no doubts regarding the company's ability to continue its operations.
- The company's management declares that there are no deviations from the International Financial Reporting Standards (IFRS) issued by the Saudi Capital Market Authority.
- The company declares that no member of the Board of Directors is engaged in or has been engaged in any competing activities.

Twenty-Ninth: Disclosure in the Board Report

The Board of Directors declares that the company has disclosed in its Board report all applicable requirements. The following items do not apply to the company, and the Board commits to disclosing them if they occur:

1. There is no recommendation from the Audit Committee to appoint an internal auditor during the year.
2. There are no recommendations from the Audit Committee that conflict with the decisions of the Board of Directors, or that the Board has rejected, regarding the appointment, dismissal, remuneration, or performance evaluation of the external auditor or the appointment of the internal auditor.
3. Names of subsidiaries and their main activities.
4. Details of shares and debt instruments issued by each subsidiary.
5. Description of any interest in a class of shares with voting rights.
6. Description of any interests, options, or subscription rights belonging to members of the Board of Directors.
7. Description of the categories and numbers of any instruments convertible into shares.
8. Description of any conversion or subscription rights under debt instruments convertible into shares.
9. Description of any redemption, purchase, or cancellation of redeemable debt instruments.
10. Statement of any arrangements or agreements under which a member of the Board of Directors or a senior executive has waived any salary or compensation.
11. Statement of any arrangements or agreements under which a shareholder has waived any rights to dividends.
12. Reserves or investments for the benefit of employees.
13. There are no reservations from the external auditor on the financial statements.
14. Replacement of the external auditor before the end of the designated period.
15. No written request has been submitted to hold emergency meetings, nor has there been any objection to the agenda.

Thirtieth: Board of Directors' Proposals

First: Review and discuss the Board of Directors' report for the fiscal year ending on 2024/12/31.

Second: Review and discuss the company's financial statements for the fiscal year ending on 2024/12/31.

Third: Vote on the company's auditor's report for the fiscal year ending on 2024/12/31.

Fourth: Vote on the Board of Directors' recommendation to distribute dividends of (0,70) SAR per share to shareholders for the second half of the fiscal year ending on 2024/12/31, at a rate of (%) of the capital, with a total amount of (98,000,000 million) SAR. The eligibility will be for shareholders owning shares at the end of trading on the day of the General Assembly meeting and registered in the company's shareholders' register at the Securities Depository Center Company (Edaa) at the end of the second trading day following the entitlement date. The date of dividend distribution will be announced later.

Fifth: Vote on the appointment of the company's auditor from among the nominated candidates, based on the recommendation of the Audit Committee, to examine, review, and audit the financial statements for the second and third quarters and the annual financial statements for the fiscal year 2025, as well as the first quarter of the fiscal year 2026, and determine their fees.

Sixth: Vote on authorizing the Board of Directors to distribute interim dividends on a semi-annual basis for the fiscal year 2025.

Seventh: Vote on the transactions and contracts to be conducted between Southern Province Cement Company and Saudi Chemical Company Limited, owned by the Saudi Chemical Holding Group, in which Board Member Engineer Thamer bin Mohammed bin Muqhim Al-Muhaid has an indirect interest as a Board Member of the group. The contract involves the supply of civilian explosives starting from 2025/02/07 to 2028/02/06, with an estimated annual transaction value of approximately 12 million SAR for 2024, based on the actual quantities transported and delivered to the buyer without preferential terms.

Eighth: Vote on amending Article (3) of the company's Articles of Association to include the following activities: Manufacturing all types of cement, Retail and wholesale sales of building materials., Wholesale sales of cement, gypsum, and similar products, Sale and export of raw materials and mining materials such as gypsum, sand, and clay, Export of all types of cement and clinker, Operation of quarries for all raw materials, Operation of sand and gravel mines, including crushers, Exploitation of raw material quarries, mining, and transportation of raw and manufactured materials necessary for cement production, Waste and industrial, agricultural, and municipal waste treatment and production of alternative fuels, Land transportation of goods, Maintenance and operation of residential, commercial, and industrial facilities and Conducting all activities directly or indirectly related to the above purposes.



Excellence in Social Responsibility

2024

Southern Province Cement Company won three awards at the 2024 International Social Responsibility Forum in the large companies category, competing against 201 companies. The awards included:



Most Engaged on the Social Responsibility Platform



Most Contributions to Initiatives



Most Adoption of Opportunities

The company also received the Social Responsibility Award and achieved first place in the Bronze Category for the Social Responsibility Logo, reaffirming its commitment to sustainable development and community initiatives.





Investing in National Talents to Enhance Excellence and Development

Southern Province Cement Company believes that human capital is the cornerstone for achieving growth and sustainability. In line with its commitment to developing its national workforce, the company has implemented specialized training programs targeting employees across various departments and locations.

Specialized Training Programs



657
employees



Total
14,627.5
training hours

Average training
22 hours
per employee

Focused Programs



in Technical and
Administrative Fields

105
Saudi employees



Total
1,155
training hours

Average
11 hours
per employee

The company continues its efforts in job localization, achieving a Saudization rate of %59.69 in 2024, reaffirming its commitment to supporting national talents and contributing to the goals of Saudi Vision 2030 by enhancing the local labor market with qualified professionals.



Occupational Health, Safety, and Environment Track

Excellence in Health, Safety, and Environment 2024.. Digital Commitment and Institutional Sustainability

As part of its strategy to enhance occupational health, safety, and environmental sustainability, Southern Province Cement Company continued to achieve significant milestones in 2024, relying on an integrated digital approach focused on prevention, empowerment, and operational efficiency.

Number of Near Miss Incide		Number of Actual Incidents for Employees Only	Global Metrics
Near miss report		No. of incidents	
		2023	
0		10	All Factories
714		5	All Factories
		2024	
Lost time injury Rate (LTIR)		Frequency Rate (LTIFR)	Global Metrics
Near miss report		No. of incidents	
		2023	
1.4		7.4	All Factories
0.47		1.9	All Factories
		2024	



Numbers Reflecting Achievement

4,796

Training Hours

in occupational health and safety at Jazan, Bisha, and Tihama plants, marking a significant increase compared to 2023.

%100 implementation of emergency and evacuation plans in collaboration with Civil Defense, enhancing readiness and rapid response.

Activation of an advanced electronic reporting system, leading to improved risk handling speed and reduced near-miss incidents.

Adoption of a proactive inspection approach, contributing to higher compliance levels and reduced operational risks.



Environmental Sustainability: Commitment to Global Standards



- Full compliance with ISO 14001 and ISO 45001 standards to enhance environmental and safety benchmarks.
- Development and maintenance of environmental filter systems to ensure clean emissions in line with international standards.
- Launch of innovative environmental initiatives focusing on reducing carbon footprint, recycling, and improving energy efficiency.
- Strengthened collaboration with regulatory bodies, resulting in international environmental certifications that reflect adherence to best global practices.



Impact and Results

- Clear improvement in safety indicators and reduction in incidents, thanks to preventive approaches and modern technologies.
- Enhanced corporate culture through extensive awareness programs, promoting commitment to safe and sustainable behaviors.
- Expansion of environmental partnerships to achieve long-term sustainability, supporting the company's goals in social responsibility and sustainable development.

Southern Province Cement Company remains committed to applying the highest standards of safety and sustainability, reinforcing its role as a leader in the industrial sector and a strategic partner in achieving the goals of Saudi Vision 2030.





**Local Content
Track:
Empowering
National
Industries**

In Line with the Public Investment Fund's Objectives, Southern Province Cement Company Sets a Strategic Goal to Raise Local Content to %60, Strengthening Its Contribution to Supporting the National Economy and Localizing Supply Chains



Numbers Reflecting Growth

- Issuance of a Local Content Certificate with a rate of %48.87 as part of the first phase of achieving the target.
- Registration of 125 local suppliers out of 159 new suppliers, reflecting the expansion of the national supply network.
- Launch of an awareness campaign to educate employees and suppliers about the importance of local content and its role in enhancing economic sustainability.



Operational Efficiency in Supply Chains

- Activation of the SAP Ariba system for digital management of bids, procurement, and invoices, improving transparency and speed.



Advancements in the Supply System

- Implementation of global standards in supply chain management to improve performance and enhance quality.
- Building strategic partnerships with local suppliers to ensure operational sustainability and increase added value.

Southern Province Cement Company continues its efforts to empower national industries and support local suppliers, contributing to the goals of Saudi Vision 2030 and achieving true economic sustainability.





Quality and
Sustainability:
Global
Standards and
Remarkable
Achievements

In 2024, Southern Province Cement Company focused on enhancing its quality and operational sustainability system, solidifying its position as one of the leading cement companies in the Kingdom. Its approach is based on ISO 9001 standards, with the implementation of a comprehensive continuous improvement methodology to ensure the highest levels of efficiency and quality.



Performance and Quality Indicators for 2024



- %100 compliance of products with chemical and physical specifications according to Saudi and international standards.
- %100 compliance of raw materials, ensuring consistency in the final product and reducing defects.
- %100 defect-free products, reflecting the efficiency of production process controls.



Operational Improvements and Achievements

- Improved raw material composition at the Jazan plant for producing clinker and ordinary cement with advanced specifications while maintaining high operational durability.
- Successfully passed the 2024 external audit by the Saudi Standards, Metrology, and Quality Organization (SASO) at all three plants (Jazan, Bisha, Tihama) without any observations, maintaining the Saudi Quality Mark for products.
- Renewal of ISO 9001 certifications across all plants, reflecting a commitment to best practices in total quality management.
- Production of low-carbon green cement, such as Cement GU and Cement PPC, with these products receiving the Saudi Quality Mark.



Innovation and Sustainability in Production

- Increased production of green cement by integrating natural pozzolanic materials to reduce the carbon footprint.
- Development of low-carbon cement (3LC) by reducing clinker content to %61.5, enhancing environmental sustainability.
- Production of high-strength cement (Grade 52.5 N) at the Tihama plant to support advanced construction projects.
- Reduction of CO2 emissions by %25 by 2028, aligning with global environmental trends.

New Standards in Quality and Sustainability

The achievements in 2024 reflect a clear approach to product development, operational efficiency improvement, and the application of sustainable solutions. Southern Province Cement Company continues to lead the sector by fostering innovation, improving processes, and supporting the goals of Saudi Vision 2030 for sustainable industry.

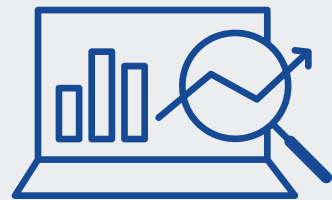




Sustainable
Industrial
Partnership:
Enhancing
Integration
and Recycling
Resources

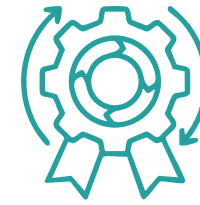
As a strategic step to support industrial sustainability and enhance integration between production sectors, Southern Province Cement Company signed a tripartite partnership with the Royal Commission for Jubail and Yanbu, represented by Jazan City for Primary and Downstream Industries, and Solb Steel Company. The partnership aims to innovatively and sustainably reuse secondary resources.

The agreement was signed under the patronage of His Excellency Eng. Khalid Al-Salem, Chairman of the Royal Commission for Jubail and Yanbu, and in the presence of Dr. Hosni Al-Fadhli, representative of the Royal Commission, Eng. Aqeel Bin Kudsa, CEO of Southern Province Cement Company, and Eng. Misfer Al-Hajri, CEO of Solb Steel Company.



Areas of Collaboration and Partnership Goals

- Transforming industrial by-products into sustainable materials that support the national economy.
- Reducing environmental impact by recycling industrial waste and minimizing carbon emissions.
- Developing eco-friendly solutions and improving production efficiency.
- Enhancing logistical and operational services within the industrial city, facilitating storage and transportation processes through the port.
- Exchanging data and analytics to boost production efficiency and develop integrated sustainability solutions.



Impact of the Agreement on Sustainability and Operational Efficiency

- Supporting the goals of Saudi Vision 2030 in promoting a circular economy and reducing industrial waste.
- Elevating industrial innovation in the cement sector by recycling resources instead of disposing of them.
- Reducing operational costs through reuse solutions and minimizing waste.

A Step Towards Sustainable Industrial Leadership

This collaboration reflects Southern Province Cement Company's vision to be the leading industrial partner in promoting sustainability and operational efficiency. By developing innovative and eco-friendly solutions, the company continues to lead in applying sustainable development standards and expanding its impact in managing industrial resources in ways that create added value for the national economy.





International Accreditations: Strengthening Governance and Risk Management Standards

Corporate Governance: A Pillar of Sustainability and Institutional Excellence at Southern Province Cement Company In its pursuit to strengthen its leadership in the cement sector, Southern Province Cement Company places utmost strategic importance on implementing the highest standards of corporate governance. Governance is considered the foundation for ensuring sustainability, enhancing trust among shareholders and investors, and achieving full compliance with national and international regulations and legislations. During 2024, the Governance, Risk, and Compliance Department worked on developing an integrated governance framework based on global best practices, such as ISO 37000 for governance and ISO 31000 for risk management. This included preparing internal policies and regulations, updating codes of conduct, implementing anti-corruption policies, whistleblowing mechanisms, and anti-money laundering measures, reflecting the company's commitment to the highest levels of integrity and transparency.

The department also played an active role in supporting institutional and digital transformation initiatives by aligning governance systems with the company's organizational structure, preparing an authority matrix in coordination with executive departments, and updating internal policies in accordance with regulatory and supervisory systems issued by relevant authorities. Additionally, it enhanced communication channels between the Board of Directors and the executive management.

Through these efforts, Southern Province Cement Company reaffirms that governance is not merely a regulatory obligation but a deeply rooted institutional culture that supports the company's growth, safeguards stakeholders' interests, and ensures sustainable performance and long-term success



ISO 31000 for Risk Management: Enhancing Operational Sustainability

In a challenging business environment, a risk management framework is a fundamental guarantee for business continuity and the ability to face future challenges. Obtaining this certification demonstrates the adoption of mechanisms for assessing and updating risks according to global standards, contributing to the company's resilience and its ability to handle changes efficiently and professionally.



ISO 37000 for Governance: Transparency and Corporate Responsibility

This certification reflects the implementation of an integrated governance system that ensures transparency, credibility, and accountability across all operational and administrative processes. This accreditation strengthens investor and stakeholder confidence in the company and confirms its commitment to global standards that promote sustainability and institutional compliance.

Impact of These Accreditations on the Company's Future

- Enhancing readiness to face operational challenges and potential risks.
- Boosting competitiveness in both local and international markets by adopting advanced management practices.
- Establishing the principle of good governance and corporate responsibility, thereby increasing investor and customer trust.
- Achieving sustainable growth through strategic planning based on risk management and continuous improvement.

These certifications affirm that Southern Province Cement Company goes beyond mere compliance, striving to build a sustainable institutional model that solidifies its position as one of the leading companies in the industrial sector and supports its journey toward achieving the goals of Saudi Vision 2030.





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