



Annual Report

BOD Report
2023

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BOD Report to the 69th Ordinary General Assembly
of the shareholders of ACC on its business outcomes
For the Financial Year (FY) 2023
To be held in Jeddah Governorate, Makkah Region.



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

Board Members



His Excellency Engineer. Abdullah Mohammed Noor Rahimi
Chairman

Engineer/ Mutaz kusai Al-Azzawi
Board Member



Mr. Turki Abdullah Al-Rajhi
Board Member



Mr. Saud Abdulaziz Al-Suliman
Vice Chairman



Engineer/ Alwaleed Abdulrazzag Al-Dryaan
Board Member

Mr. Fahad Abdullah Al-Issa
Board Member



Mr. Abdulatif Ali Al-Saif
Board Member



Mr. Yousef Saleh Abalkhail
Board Member



Engineer/ Mohammed Hamed Al-klaiby
Board Member





01 BOD Report

ATT, Honorable shareholders of ACC,
Greetings,

Dear Sir/ Madam

With conclusion of ACC (ACC) financial year, it is with pleasure that Board of Directors (BoD) presents its annual report on ACC performance, and its finding for financial year ending on 19th Jumada II, 1445 corresponding to 31st December, 2023, with audited financial statements, along with auditor notes and report for that period.

Latest statistics announced on economic websites and information obtained from Saudi National Committee for Cement Companies indicate that the total designed capacities in Kingdom amounted to approximately 72 million tons of clinker annually during 2023 without any additional expansion in production capacities, while actual production in 2023 reached 57.4 million tons of clinker. Regarding Kingdom production and demand for cement, production and demand for cement in 2023 has slightly dropped by 6.9% compared to previous year, reaching 47.3 million tons, a result of the slowdown in construction works on many vital and residential projects in the region. It is worth noting that cement sector in Kingdom operates with an equivalent utilization rate of 60% from available design capacities, which leads continuously to pressure on profit margins and performance in general. Besides, high production costs and the companies continued to export the cement to control the inventory levels from the continuous increase. Where more than 6.4 million tons of clinker and 2.1 million tons of cement were exported during the current year from Kingdom, due to stability of domestic demand levels during the past three years (2020-2022) at the same level without any significant growth in the market size, which in turn led to intensification of price competition between manufacturers as a result of the decline witnessed in intermittent periods in the second half of the year.

Further, increase in number of competitors in the market and expansion of production capacities during the same period led to a surplus in production in several regions compared to the actual need. Kingdom cement market hit a recession in 2016. Consequently, signs of economic recovery have shown over the second half of 2019, and continued to date, due to support provided by government of H.M. the Custodian of the Two Holy Mosques through various programs that contributed by the provision of housing or appropriate financial aid to citizens and major infrastructure projects. However, the real estate market activity witnessed a remarkable stagnation during the second half of 2022. It concentrated more in the residential sector, which was affected by the changes that occurred in several key factors, the most important of which is the decline in the growth rates of real estate loans granted to individuals, as the value of real estate loans granted to individuals decreased by 35% from previous year to SAR 77.7 billion for the first time since 2018, as a result of high-interest rates (mortgage cost). The continued high-interest rate affected the volume of real estate developers work in expanding residential projects and selling off-plan "Wafi".

In 2023, ACC market share increased, despite overall sector performance and western market performance. ACC expects company expects improvement of construction sector during second half of 2024, as well as positive movement in Public Investment Fund (PIF) vital projects in Mecca Region and NEMO project, north Kingdom..

Latest statistics on domestic deliveries for Saudi cement companies indicate that Western Region accounted for 26,1% of all Kingdom deliveries in 2023. This share is expected to increase upon commencing several announced strategic projects and PIF projects such as Jeddah Central project, in addition to continued work on Two Holy Mosques and Housing projects.

Regarding ACC investments abroad, according to information obtained from Jordanian Cement Producers Association, design capacities of cement sector in Kingdom of Jordan amount to 8 million tons of cement annually during 2023. Cement sector in Hashemite Kingdom of Jordan also witnessed a decrease in demand, as demand for cement decreased to about 3.50 million tons during 2023, with a decrease from previous year of 6.2%, where market share of Qatrana Cement Company (subsidiary) reached 25% of Jordanian market. price stability in market during 2022 helped QCC to improve its profitability in 2023.

BoD endeavors to achieve maximum interest of the shareholders by following up on developments related to successive organizational events and changes on the one hand, developments in market, in general, and industrial market on the other hand, and its implications on ACC investments. In addition, BoD aims to develop programs, mechanisms, and plans, which in turn would surpass any challenges or risks with regards to the market and capital management.

In conclusion, BoD extends its sincere thanks to you for the confidence you have placed, and calls on Allah, the Almighty to grant this country His blessings and gifts, and to preserve our journey leader, the Custodian of the Two Holy Mosques, HM King Salman bin Abdul Aziz Al-Saud, and HRH Crown Prince Mohammed bin Salman bin Abdul Aziz Al-Saud. We also extend our gratitude and appreciation to HRH Prince Khalid Al Faisal bin Abdul Aziz Al-Saud, Advisor to the Custodian of the Two Holy Mosques and Governor of Makkah Region for his support.

We would like to express a profound gratitude to the Ministry of Energy, Ministry of Industry and Mineral Resources, Ministry of Commerce, and CMA for their cooperation, assistance, and continuous support, and to all our customers and suppliers for their ongoing collaboration. BoD would also like to thank all the employees of ACC for their sincere efforts, and their dedication to promoting ACC progress and prosperity.

Allah is the grantor of success

Company Overview:

1. Incorporation:

ACC (ACC) is a Saudi joint-stock company incorporated in accordance with Companies Law in force in Kingdom of Saudi Arabia under Royal Decree No. 731 on Jumada I 12, 1374 H, corresponding to January 5, 1955, under C.R. No. 4030000148 issued in Jeddah on Ramadan 14, 1376 H corresponding to April 13, 1957. ACC is the first cement company in Kingdom and Gulf region. King Saud bin Abdul Aziz, may Allah have mercy on him, laid the foundation stone for the Jeddah plant in 1376H (1957) with a production capacity of 2000 tons of clinker per day in 1395H (1975). Due to the urban expansion, the business was relocated to ACC plant in Rabigh in 1404H (1984) with a production capacity of 4000 tons of clinker per day. Further, the Custodian of the Two Holy Mosques King Fahd bin Abdul Aziz, may Allah have mercy on him, opened it in 1406H (1986). The registered office of ACC is in 8605 King Abdulaziz Road, Al-Nahda district, 23523 – 2113 Jeddah, P.O 275, 21411 Jeddah, Kingdom of Saudi Arabia.

2. Activities: ACC and its Subsidiaries (ACC) Activities Shall Include the Following:

- Production of clinker, cement, building materials, related products, and derivatives inside and outside Kingdom.
- Trading in clinker, cement, building materials, related products, and derivatives inside and outside Kingdom.
- Utilization of quarries, as well as establishment of plants and warehouses required for ACC purposes, namely manufacturing, storage, sale, purchase, import, export, and carrying out other complementary and supporting industries.

To achieve such purposes, ACC may conclude all types of contracts for real estate and movable properties and enter into any type of other agreements pursuant to applicable laws.

Further, following obtaining necessary licenses, if any, from competent authorities, ACC shall carry out its activities according to the adopted regulations.

ACC plant located in Rabigh Governorate, north of Jeddah, and near ACC main markets, is the source of its main operations to produce cement and clinker. Owing to the increasing demand for cement, an expansion (line 5) was commissioned in 1417 H (1996) with a production capacity of 4000 tons of clinker per day, raising the designed capacity to 8000 tons of clinker per day.

In 1430 H (2009) a new expansion (line 6) has been commissioned with high technology and a production capacity of 7000 tons of clinker per day; in addition, the other four old lines have been shut down. The designed production capacity thus has been increased to 11000 tons of clinker per day. Further, ongoing improvements in operations resulted in achieving high operating and functioning rates, whereby the production capacity of ACC plant reached 12200 tons of clinker per day, equivalent to 13000 tons of Ordinary Portland Cement (OPC) per day. ACC has cement grinding capacities exceeding 20000 tons per day.

In 1428 H (2007), ACC established the Qatrana Cement Company in the Hashemite Kingdom of Jordan (with ownership percentage 86.74%) with high technology and a production capacity of 5000 tons of clinker per day, equivalent to 5300 tons of Ordinary Portland Cement (OPC) per day. ACC commenced commercial operation in 2011.

3. Productivity and Markets:

ACC aims to sell its products in local market, and available export markets. The currently designed production capacity of ACC plant in Rabigh has reached 4.0 million tons of clinker per year; in addition, cement grinding capacity amounting approximately to 6 million tons per year. ACC produces four main types of cement with high quality according to approved local and international specifications (Ordinary Portland, Portland Pozzolana, Sulphate-Resistant, Finishing cement). The production capacity of the subsidiary company (Qatrana Cement Company) located in Jordan is 1.8 million tons of clinker annually; in addition, cement grinding capacity is about 2 million tons per year. ACC targets Jordanian markets, as well as exporting to a few neighboring countries.





02

Governance Regulation

I: Governance Regulation

ACC has paid attention to implementation of corporate governance since issuance of Corporate Governance Regulations by Saudi CMA (CMA) on 05/16/1438 AH corresponding to 02/13/017 AD amended on 06/25/1444 AH corresponding to 01/18/2023 AD based on Companies Regulations issued by Royal Decree No. M132/ dated 01/12/1443 AH, whereby ACC developed an effective corporate governance law, which it believes to be important in the long term. Based on ACC keenness and strengthen its relationship with its shareholders and all its investors and stakeholders, and pursuant to the principle of disclosure and transparency, BoD approved Governance Regulations for ACC to maximize value of shareholders rights in long-term; in addition to documentation of ACC corporate governance policies and procedures. ACC various departments have also been keen to contribute to promote and strengthen corporate governance system, ensuring that all departments have adopted best work methods to preserve interests of ACC and its shareholders.

ACC has been keen to establish and adopt policies that emphasize and ensure application and observance of official laws and regulations, as well as disclosure of pertinent information about business and its performance. These efforts aim to assist ACC shareholders and investors in evaluating ACC.

ACC has implemented several indicative articles, including:

1. Formation of Governance and Social Responsibility Committee. (Indicative Article according to Article 92 of Governance Regulations)
2. Formation of Risk Management Committee (Indicative Article according to Articles 67, 68, and 69 of Governance Regulations)
3. Board evaluation (Indicative Article according to Article 39 of Governance Regulations)
4. Internal control system (Indicative Article according to Article 73, 74, and 75 of Governance Regulations)

5. Organizing the relations with stakeholders (Indicative Article according to Article 83 of Governance Regulations)
6. Social Responsibility (Indicative Article according to Article 87 of Governance Regulations)
7. Social work initiatives (Indicative Article according to Article 88 of Governance Regulations)

The Corporate Governance is supervised by the Governance and Social Responsibility Committee stemming from BoD. Most of Committee consists of independent members. Further, Committee shall be responsible for developing plans, and programs for social responsibility activities and the development of related projects, following up their implementation. Corporate Social Responsibility Department shall follow up all the laws and regulations related to governance under the supervision of the Corporate Governance and Social Responsibility Committee. In addition, ACC voluntarily applied governance to its subsidiaries and associates.

The Remuneration and Nominations Committee has also prepared a form for evaluating the performance of BoD and Committees stemming from it since 2016, where the members of BoD participated in the evaluation process by providing their opinions. Further, the results of the evaluation for 2021 were analyzed under the supervision of the Remuneration and Nominations Committee; results and recommendations for 2021 are communicated to BoD.

ACC shall apply the provisions contained in the Corporate Governance Regulations in conformity with ACC Articles of Association (AoA) and the Companies Law issued by the Ministry of Commerce, particularly about shareholder rights, and adhere to procedures related to disclosure and transparency, ensuring the application of disclosure and transparency standards.

B- ACC (ACC) applies all provisions of Corporate Governance Regulation, except for some indicative articles as follows:

Article/Clause No.	Text of Article/Clause	Reason for non-application
Article 37, clause 2 Training	Set the necessary mechanisms in place for continuous access to programs and courses by all members of BoD and executive management; for developing their skills and knowledge in areas relevant to company activities.	Article is still indicative
Article 39, clause D Evaluation	BoD shall take the necessary actions to obtain evaluation of its performance quarterly by external competent entity.	Article is still indicative
Article 39, clause E Evaluation	BOD arranges for a competent external evaluation entity of its performance every three years.	Article is still indicative
Article 39: clause (F): Evaluation	In order to identify strengths and weaknesses and recommend corrective actions that are in the best interests of ACC, non-executive board members evaluate Chairman performance by periodically after taking into account the views of executive board members, without Chairman of BoD being present at the discussion held for this purpose.	Article is still indicative
Article 51, clause C Audit committee Formation	Chairman of audit committee shall be an independent member.	Article is still indicative
Article 51, clause (D): Audit Committee Composition	Half of Audit Committee members shall be independent members or those who are not subject to the independence conflicts listed in Article 19 of Governance Regulations.	Article is still indicative
Article 63, clause (B): Nomination Procedures	BOD candidates whose names are presented to General Assembly must exceed the number of available seats, allowing General Assembly the opportunity to select among the candidates.	Article is still indicative
Article 85, clause 1 –Staff Motivation	Composition of committees or holding specialized workshops to listen to the opinions of ACC staff and discuss with them the issues and topics that are subject of important decisions.	Article is still indicative
Article 82, clause 2 –Staff Motivation	Programs to give employees shares in company or share of profits, retirement programs and establishment of independent fund for disbursement on those programs	Article is still indicative
Article 82, clause 3 –Staff Motivation	Establish social institutions for ACC staff	Article is still indicative

c.2023 Milestones:

	Milestone	2023
1	ACC announcement of financial results of year ending 31/12/2021	23/02/2023
2	ACC announcement of distribution of cash dividends to shareholders for the second half of 2022	23/02/2023
3	ACC announcement of invitation of their shareholders to attend sixty-seven ordinary general assembly meeting (first meeting) through modern technology means.	16/03/2023
4	ACC announcement of beginning of electronic voting on Ordinary General Assembly meeting items (Reminder Announcement)	04/04/2023
5	ACC announcement of meeting result of the sixty-seven ordinary general assembly (second meeting).	10/04/2023
6	ACC announcement of preliminary financial results of the period ending 31/3/2022 (three months).	11/05/2023
7	ACC announcement of invitation of its shareholders to attend Extraordinary General Assembly (First Meeting) via modern technological means.	18/05/2023
8	ACC announcement of updates to filing a case before Commercial Court against Emaar (Economic City).	31/05/2023
9	ACC announcement of commencement date of electronic voting on agenda items of Extraordinary General Assembly (First Meeting) (Reminder Announcement).	06/06/2023
10	ACC announcement of Extraordinary General Assembly outcomes (Second Meeting)	12/06/2023
11	ACC announcement of preliminary financial results of period ending 30/6/2023 (six months)	07/08/2023
12	ACC announcement of distribution of cash dividends to shareholders for the first half of 2023.	07/08/2023
13	ACC announcement of updates to filing filing of a case before Commercial Court against Emaar (Economic City).	10/09/2023
14	ACC announcement of opening of nominations for BOD membership for the next course.	18/09/2023
15	ACC announcement of preliminary financial results of the period ended as at 30/9/2020 (nine months)	30/10/2023
16	ACC announcement of invitation of its shareholders to attend 68th Ordinary General Assembly (First Meeting) in person via modern technological means.	15/11/2023

II: Names of Board members, committee members, and current and earlier executive management positions, qualifications, and experiences.

a. Board of Directors Members



HE. Eng. Abdullah Muhammad Nour Rahimi

- Current Position** Chairman of BoD at ACC
Retired government employee.
- Previous Positions** Managing director and CEO of Savola Group.
President of General Authority of Civil Aviation.
Assistant General Manager of the Saudi Industrial Development Fund (SIDF).
- Qualifications** Bachelor's degree of mechanical engineering
- Experience** Wide experience in leadership, management, finance, strategic planning, and restructure. He occupied number of administrative positions in the public and private sector in addition to his membership in board of directors of several companies.



2. Mr. Saud Abdul Aziz Al-Suleiman

- Current Position** Vice chairman of ACC.
Executive director of Abdul Aziz Abdullah Al Sulaiman Group.
- Previous Positions** Vice chairman of Abdul Aziz Abdullah Al Sulaiman Group
- Qualifications** Bachelor's degree of economy and finance.
- Experience** 36 years of experience in management, economy, and investment.



3. Eng. Al-Waleed Abdul-Razzaq Al-Dryaan

- Current Position** Board member of Arabian Cement Company. Managing director of Al Khaleej Training and Education Co.
- Previous Positions** General Director of AlKhaleej Computers and Electronic Systems
- Qualifications** Bachelor's degree of electrical engineering
- Experience** 36 years of experience in investment management, companies 'establishment, training, and education.



4. Eng. Mutaz Kusai AlAzzawi

- Current Position** ACC Board Member
Managing his own business (managing director).
- Previous Positions** None
- Qualifications** Bachelor's degree of computer engineering
- Experience** 25 years of experience in investment management and contracting and membership of board of directors

II: Names of Board members, committee members, and current and earlier executive management positions, qualifications, and experiences

a. Board of Directors Members



Mr. Turki Abdullah AlRajhi

Current Position

ACC Board Member
Advisor at Al Rajhi Group

Previous Positions

General Director of National Polyester Fibers Factory Co.
General Director of Al-Rajhi Plastic Factory Co.

Qualifications

Bachelor's degree of industrial management

Experience

26 years of experience in management and industry.



Mr. Yousef Saleh Abalkhail

Current Position

ACC Board member

Previous Positions

Public & Private Sector

Qualifications

Master of Science and Information Systems University of Southern California 1987

Experience

36 years of experience, Participation in presidency and membership of joint stock companies and Committees emanating from them.



Mr. Fahad Abdullah AlIssa

Current Position

ACC Board Member
Executive director of investment of Amias Holding Company.

Previous Positions

Executive director of investment of Amias Holding Company. Investment Banking Officer at Jadwa Investment Company. Financial analyst at JPMorgan Chase & Co.

Qualifications

Master's degree of Business Administration

Experience

16 years of experience in investment, banking, and finance



Eng. Mohammed Hamed Alklaiby

Current Position

ACC Board Member
CEO of Ibdaa Watan Food Trading Company

Previous Positions

Executive Vice President of United Sugar, Company, Senior Vice President of Savola Company, Chief Executive Officer of Savola Company, Adviser to HE the Ministry of Economy and Planning, and Adviser to HE the Minister of Hajj and Umrah.

Qualifications

Bachelor's degree in Industrial Engineering in 1994 and a Mini master's in business administration in 2005

Experience

Management and consulting experiences.



Mr. Abdullatif Ali AlSaif

Current Position

ACC Board Member Managing Director and CEO of Sabeen Investment Company

Previous Positions

CEO of Al Ra'idah Investment Company.
Executive Vice President the King Abdullah Humanitarian Foundation
Investment portfolio director of MASIC.
Head of investment portfolio of Saudi Arabian Oil Company (Saudi Aramco).

Qualifications

Master's degree of economy –Master of Business Administration

Experience

22 years of experience in credit, finance, and investment experience

II: Names of Board members, committee members, and current and earlier executive management positions, qualifications, and experiences.

B- Committee Members

1- Eng. Mutaz Kusai AlAzzawi

Membership of Committee .Chairman of Audit Committee.
Chairman of risk management committee.

Current Position ACC Board Member Managing his own
business (managing director)

Previous Positions None

Qualifications Bachelor's degree of computer engineering

Experience 25 years of experience in investment
management and contracting and
membership of board of directors

2.Mr. Fahad Abdullah AlIssa

Membership of Committees Member of Audit Committee.
Member of risk management committee

Current Position ACC Board Member
Executive director of investment of Amias
Holding Company.

Previous Positions Executive director of investment of Amias Holding
Company
Investment Banking Officer at Jadwa Investment
Company.
Financial analyst at JPMorgan Chase & Co.

Qualifications Master's degree of Business Administration

Experience 16 years of experience in investment, banking, and
finance

3. Mr.Abdullatif Ali AlSaif

Membership of Committee Member of Audit Committee.

Current Position ACC Board Member
Managing Director and CEO of Sabeen Investment
Company

Previous Positions CEO of Al Ra'idah Investment Company.
Executive Vice President the King
Abdullah Humanitarian Foundation, Head of
investment portfolio of Saudi Arabian Oil Company
(Saudi Aramco).

Qualifications Master's degree of economy –Master of
Business Administration

Experience 22 years of experience of credit, finance,
and investment experience

Mr. Abdul Aziz Saleh Aba Al- Khail

Membership of Committee Member of Audit Committee. Member
from outside BoD)

Current Position General manager of internal audit in the Ministry
of Defense.

Previous Positions General manager of internal audit in National
Industrialization Company (Tasnee)

Qualifications Master of Finance Management.
Bachelor's degree of Industrial
engineering .

Experience 26 years in private and government
sector in internal audit, compliance,
and risk management.

Mr. Naif Musnad Al-Musnad

Membership of Committees Member of risk management committee.
(Member from outside BoD))

Current Position CEO and Managing Director of Al Jazira Capital.

Previous Positions CEO of Wealth management in NCB Capital.
Occupy number of leadership positions at Barclays Saudi
Arabia, CMA and Ernst & Young.

Qualifications Master's degree of Business Administration

Experience 17 years of experience in Strategy
development, business and product
development and governance

6. Eng. Al-Waleed Abdul-Razzaq Al-Dryaan

Membership of Committees Chairman of Remuneration and Nomination Committee.
Chairman of Governance and social responsibility
committee.

Current Position Board member of Arabian Cement
Company.
Managing director of Al Khaleej Training and
Education Co.

Previous Positions Neral Director of AlKhaleej Computers and Electronic
Systems

Qualifications Bachelor's degree of electrical engineering

Experience 36 years of experience in investment
management, companies 'establishment,
training, and education.

II: Names of Board members, committee members, and current and earlier executive management positions, qualifications, and experiences.

B- Committee Members

7.Mr. Turki Abdullah AlRajhi	
Membership of Committee	Member of Remuneration and Nomination Committee. Member of Governance and social responsibility committee.
Current Position	ACC Board Member General Director of AlRajhi Plastic Factory Co.
Previous Positions	General Director of National Polyester Fibers Factory Co. General Director of Al-Rajhi Plastic Factory Co.
Qualifications	Bachelor's degree of industrial management
Experience	26 years of experience in management and industry.
Mr. Yousef Saleh Abalkhail	
Membership of Committee	Member of Remuneration and Nomination Committee. Member of Governance and social responsibility committee.
Current Position	Board member of ACC
Previous Positions	31 years of experiences in public & private sector.
Qualifications	Master of Science and Information Systems University of Southern California 1987
Experience	Participation in the presidency and membership of joint stock companies and Committees emanating from them.

II: Names of Board members, committee members, and current and earlier executive management positions, qualifications, and experiences.

C- Executive Management

1. Dr. Badr Osama Johar	
Current Position	Chief Executive Officer
Previous Positions	CEO of Najran Cement Company from 2015 until March 31, 2018. He held several positions in Yanbu Cement Company until the position of Assistant to CEO for projects and planning in ACC in the year of 2012.
Qualifications	PhD of Industrial Engineering. Mater of Engineering Management Bachelor of Industrial Engineering.
Experience	More than 15 years of experience in project management and cement industry.
2. Mr. Moataz Mohammed Mortada	
Current Position	Acting Chief Operations Officer
Previous Positions	BoD member and Finance Director of Duravit Sanitary Ware Company, Board member and Finance Director of the Arab Sanitary Ware Company, and the Executive Vice President for Financial Affairs of ACC, General Manager, Financial Department, Halwani Brother Company, Director of Financial Operations, Bupa Arabia for Cooperative Insurance Company, Financial Controller, Unilever
Qualifications	Bachelor of commerce, Accounting department, Certified Public Accountant (CPA)
Experience	24 years of varied experience in external and internal audit, finance, Accounting, 11 years in Stock companies and its affiliates in Kingdom
3. Eng. Waleed Atef Obeidat	
Current Position	Acting Chief Operations Officer
Previous Positions	Plant Manager of Qatrana Cement Company
Qualifications	Bachelor of Chemical Engineering
Experience	27 years of varied experience in cement industry

III: Names of companies inside or outside Kingdom where a Board member

holds a post in its existing, former Board or one of its directors

Member Name	A Board member holds a post in its existing Board or one of its directors	Inside /outside Kingdom	A Board member holds a post in its former Board or one of its directors	Inside /outside Kingdom
His Excellency Engineer. Abdullah Mohammed Noor Rahimi	Savola Food Company (Closed Joint Stock Company)	Inside Kingdom	1. Knowledge Economic City Company (Listed Joint Stock)	Inside Kingdom
			2. Almarai Company (Listed joint stock).	Inside Kingdom
			3. The National Cooperative Insurance Company (Listed joint stock).	Inside Kingdom
			4. Saudi Cable Company (Listed joint stock).	Inside Kingdom
			5. Alujain Company (Listed joint stock).	Inside Kingdom
			6. Eastern Province Cement Company (Listed joint stock).	Inside Kingdom
			7. Panda Retail Company (Closed joint stock)	Inside Kingdom
			8. Saudi Arabian Airlines (Government entity).	Inside Kingdom
			9. Saudi Turkish Investment Holding Company (Closed joint stock).	Inside Kingdom
			10. National commercial Bank (closed joint stock).	Inside Kingdom
			11. Saudi business development corporation (nonprofit).	Inside Kingdom
			12. The social development bank (formerly credit and savings bank) is a governmental institution.	Inside Kingdom
			13. Saudi Turkish Investment Company (Closed joint stock).	Inside Kingdom
			14. Bin Laden International Holding Group (Closed joint stock).	Inside Kingdom
			15. Savola Group (Listed joint stock)	Inside Kingdom
			16. JP Morgan Chase Bank Saudi Arabia	Inside Kingdom
Mr. Saud Abdulaziz Al-Sulaiman	1. Gulf General Cooperative Insurance Company (Listed joint stock) 2. Qatrana Cement Company (Closed Joint Stock) 3. Ready Mix Concrete and Construction Supplies Company (Listed joint stock)	Outside Kingdom Inside Kingdom Inside Kingdom	Saudi Arabian Refineries Company (Listed joint stock)	Inside Kingdom
				Inside Kingdom
				Inside Kingdom

III: Names of companies inside or outside Kingdom where a Board member

holds a post in its existing, former Board or one of its directors

Member Name	A Board member holds a post in its existing Board or one of its directors	Inside /outside Kingdom	A Board member holds a post in its former Board or one of its directors	Inside /outside Kingdom			
Engineer/ Abdulrazak Al-Draiyan	1. Al Khaleej Training and Education Co. 2. Allianz Saudi Cooperative Insurance Co. 3. Inayah Co. 4. Malaz Capital Company 5. Fast Link Company UAE 6. The Financial Academy (Board Members) 7. Online Trading Academy- UAE 8. New Horizons computer Learning Co. USA 9. Franklin Covey Co. UAE 10. Linguaphone Group/ Direct English United Kingdom	Inside Kingdom Inside Kingdom Inside Kingdom Inside Kingdom Inside Kingdom Inside Kingdom Inside Kingdom Inside Kingdom Inside Kingdom Inside Kingdom					
			Engineer/ Moataz Qusai Al-Azzawi	1. Riyadh Bank (Listed joint stock) 2. Savola Group (Listed joint stock) 3. Etihad Etisalat Company (Listed joint stock) 4. Herfy Food Services Company (Listed joint stock) 5. Savola Foods Co. (closed joint stock) 6. United Sugar Company (closed joint stock) 7. Afia International Company (closed joint stock) 8. United Sugar Company of Egypt (closed joint stock) 9. Alexandria Sugar Company (closed joint stock) 10. Al Malikah for Food Manufacturing(closed joint stock) 11. Qatrana Cement Company(Closed Joint Stock) 12. Ready Mix Concrete and Construction Supplies Company (Listed joint stock) 13. Saudi Industrial Construction & Engineering Projects(L.L.C) 14. Saudi Technology and Trade Company (L.L.C) 15. Brokers Development Company	Inside Kingdom Inside Kingdom Inside Kingdom Inside Kingdom Inside Kingdom Inside Kingdom Outside Kingdom Outside Kingdom Outside Kingdom Outside Kingdom Outside Kingdom Outside Kingdom Inside Kingdom Inside Kingdom Inside Kingdom	1. Merle Lynch (closed joint stock)	Inside Kingdom
						2. Elfarrasha for Food Industries Company (Closed joint stock).	Inside Kingdom
						3. Kusai Al-Azzawi and sons Company	Inside Kingdom
Mr. Turki Abdullah Al-Rajhi	1. Abdulaziz Al-Rajhi & Sons Holding Company 2. AlRajhi First Holding 3. Al-Rajhi Charitable Foundation 4. Qatrana Cement Company(Closed Joint Stock)	Inside Kingdom Inside Kingdom Inside Kingdom Inside Kingdom				AlRajhi Industrial Group	Inside Kingdom

III: Names of companies inside or outside Kingdom where a Board member holds a post in its existing, former Board or one of its directors

Member Name	A Board member holds a post in its existing Board or one of its directors	Inside /outside Kingdom	A Board member holds a post in its former Board or one of its directors	Inside /outside Kingdom
Mr. Fahd Abdullah Al-Eissa	1. Amias Holding Company (L.C.C)	Inside Kingdom	1. Sukoon International Co. (Closed Joint Stock)	Inside Kingdom
	2. Assila Investment Company (Closed Joint Stock)	Inside Kingdom	2. National Medical Care Co. (Listed Joint Stock)	Inside Kingdom
	3. Bio Food Company (L.C.C)	Inside Kingdom	3. AlBorg Labs (Closed Joint Stock)	Inside Kingdom
	4. Qatrana Cement Company(Closed Joint Stock)	Outside Kingdom	4. Dur Hospitality Company (Joint Stock Company)	Inside Kingdom
	5. Valcovinst Ltd (L.C.C)	Outside Kingdom		
Mr. Abdulatif Ali Al-Saif	1. Al Rajhi Bank (Listed joint stock)	Inside Kingdom	1. HSBC Saudi Arabia (Closed Joint Stock Company)	Inside Kingdom
	2. Sabeen Investment Company (Closed Joint Stock)	Inside Kingdom	2. Combined visions Company (L.C.C)	Inside Kingdom
	3. Wisayah Global investment Company(Limited liability)	Inside Kingdom	3. Leading Investment company (Closed joint stock company)	Inside Kingdom
	4. Al Nahdi Medical Company SJSC	Inside Kingdom	4. Abdullah Al Othaim Investment Company (Closed joint stock company)	Inside Kingdom
	5. The Arab Company for Internet and Communications services (Solutions) (Listed joint stock company)	Inside Kingdom	5. Reeva Investment Company (L.C.C)	Inside Kingdom
	6. Saudi Company for Agriculture Investment and Animal Production	Inside Kingdom	6. National Petrochemical Company (Listed joint stock company)	Inside Kingdom
Mr. Youssef Saleh Abu Alkhail	1. GIG Company (Listed joint stock company)	Inside Kingdom	1. National Glass Industries Company (Glass) (Listed joint stock)	Inside Kingdom
	2. Arab Pipe Company (Listed joint stock)	Inside Kingdom	2. Guardian Global Flat Glass Industry (Limited liability).	Inside Kingdom
	3. Saudi Ceramic Company (Listed joint stock)	Inside Kingdom	3. Saudi National Lighting and Electricity Company (Listed joint stock)	Inside Kingdom
			4. Qassim Cement Company (Listed joint stock)	Inside Kingdom
			5. Saudi Shuaa Capital Company (Limited liability).	Inside Kingdom
			6. Al Rajhi Steel Industries Company (Limited liability).	Inside Kingdom
			7. National Gypsum Company Ltd. (Limited liability).	Inside Kingdom
Engineer/ Mohammed Hamed Al-Kalibi	1. Halawani Brothers Company (Listed joint stock)	Inside Kingdom		
	2. Ibdaa Watan Food Trading Company (Limited liability).	Inside Kingdom		

IV: Composition and Classification of BoD

Member Name	Membership Classification (Executive/ Non-Executive/ Independent)
HE. Eng. Abdullah Muhammad Nour Rahimi	Independent
Mr. Saud Abdul Aziz Al-Suleiman	Non-Executive
3. Eng. Al-Waleed Abdul-Razzaq Al-Dryaan	Independent
Eng. Mutaz Kusai AlAzzawi	Non-Executive
Mr. Turki Abdullah AlRajhi	Non-Executive
Mr. Fahad Abdullah AlIssa	Non-Executive
7- Mr. Abdul Latif Ali Al-Sief	Independent
Mr. Yousef Saleh Abalkhail	Independent
Eng. Mohammed Hamed Alklaiby	Independent

V: Procedures taken by BoD to inform its members, - especially non-executives-, of shareholders' proposals and comments about ACC and its performance
BoD responds to inquiries, and has not received any inquiries except for General Assembly. It is noted that the Investor Relations Department responds to inquiries received beyond the Assembly scope and within the disclosure policies.



VI: Brief of competencies and functions of main Board committees

VI: A brief description of competencies and functions of the main Board committees



1. Audit Committee:

According to Governance Regulation, Committee tasks are briefed in monitoring, supervision, reviewing and studying the following:

- Performance and internal auditing activities in ACC.
- Internal control system and controls.
- Accounting policies.
- Financial statements.

Recommendation to BoD to nominate and dismiss auditors, determine their fees, evaluate their performance, and verify their independence.

Contracts and proposed transactions that ACC conduct with related parties, if any.

Express technical opinion - upon request of BoD - on whether BoD report and ACC financial statements are fair and understood and include information that allows shareholders and investors to evaluate the financial position of ACC, its performance, business model and strategies.

Name	Nature of Membership	Number of meetings (4) meeting during 2023				Attendance %
		February 23	May 11	August 6	October 29	
Engineer/ Moataz Qusai Al-Azzawi	Non-Executive	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	100%
Mr. Fahd Abdullah Al-Eissa	Non-Executive	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	100%
Mr. Abdulatif Ali Al-Saif	Independent	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	100%
Mr. Abdul Aziz Saleh Aba Al-Khail	Non-Board	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	×	75%

(Note: BoD decided to authorize the Audit Committee to approve the preliminary quarterly financial results at its meeting No. 533 on 27/02/2022).



2. Risk Management Committee:

According to Governance Regulations, the tasks of Risk Management Committee are briefed as follows:

- Developing a comprehensive Risk Management strategy and policies that comply with the nature and size of ACC activities, verifying their implementation, reviewing, and updating them based on the internal and external variables of ACC.
- Determining and maintaining an acceptable level of risk that ACC may be exposed to and checking that ACC has not exceeded it.
- Ensuring the viability of ACC continuation and the successful continuation of its activity, preventing the identification of risks threatening its continuation over the next 12 months.
- Supervising ACC Risk Management system and assessing effectiveness of systems and mechanisms for identifying, measuring, and monitoring risks to which ACC may be exposed; to identify shortcomings.
- Periodic reassessment of ACC tolerability of risks and exposure to it (e.g., during endurance tests).
- Preparing detailed reports regarding exposure to risks and the proposed steps for managing these risks and submitting them to BOD.
- Submitting recommendations to BoD on issues related to Risk Management.
- Ensuring the availability of sufficient resources and systems for managing risks.
- Reviewing the organizational structure of Risk Management and making recommendations regarding it before being approved by BOD.
- Ensuring that Risk Management personnel are independent of the activities that may result in exposing ACC to risks.
- Ensuring that Risk Management personnel understand the risks surrounding ACC and working on increasing awareness of the risk culture.
- Reviewing issues raised by Audit Committee that may affect the Risk Management in ACC.

Name	Nature of Membership	Number of meetings (2) meeting during 2023		Attendance %
		August 30	December 14	
Engineer/ Moataz Qusai Al-Azzawi	Non-Executive	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	100%
Mr. Fahd Abdullah Al-Eissa	Non-Executive	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	100%
r. Naif Musnad AlMusnad	Non-Board	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	100%

VII: Evaluation means adopted by BoD on its own performance and performance of its committees, members and third party that carried out the evaluation and its relationship to ACC

The Remuneration and Nominations Committee has prepared and approved a form to evaluate the performance of BoD and just the internal sub-committees without the assistance of external authority, since 2016, whereas BoD members participated in the evaluation process by providing their opinions, where the evaluation results are analyzed under the supervision of the Remuneration and Nominations Committee and then recommendations are submitted to BOD.

VIII: Disclose remuneration of Board members, its committees, and executive management

ACC Remuneration and Nominations Committee has prepared a policy for the remuneration of BoD members, sub-committees of BoD and senior executives, and it was approved by ACC Ordinary General Assembly in its meeting held on December 3, 2017, and its amendments were approved at 68th Ordinary General Assembly meeting held on December 17, 2023 AD, without prejudice to provisions of Companies Law, CMA Law and their implementing regulations, and ACC Articles of Association, the following shall be taken into account in the remuneration policy:

1. Alignment with ACC strategy and objectives, its consistency with the size, nature and class of risks of ACC, and to provide remuneration to induce Board members and Executive Management to develop ACC in the long term, and remunerations are determined according to the position level, tasks and responsibilities assigned to the occupant, academic qualifications, and practical experience, skills and level of performance, Taking into account the practices of other companies in determining remuneration, with avoiding the unjustified increase in remunerations and compensations that may result from that, aiming to attract, maintain and motivate professional competencies, with no exaggeration.
2. Accurate, transparent, and detailed disclosure in the report of BoD regarding the remunerations granted to its members, committees, and Executive Management, directly or indirectly, without concealment or misleading, whether they are sums, benefits, or advantages, whatever their nature and name.
3. The remuneration granted to members of BOD, committees and Executive Management shall be obliged to what is stated the applicable and approved remuneration policy in ACC, so that there is no fundamental deviation in determining those remuneration from what was stated in that policy such as terms and conditions for entitlement of the annual remuneration.
4. Details of the remuneration and compensation of board members, committees, and five senior executives will be detailed in the following tables:

A. Remuneration of BoD Members during 2023

Name	Fixed Remunerations										Variable Remunerations							
	A certain amount (annual Remunerations)	Attendance allowance	Total Attendance Allowance	Membership Remunerations	Attendance allowance	Chairman of Board Remunerations	Total	Percentage of profits	Periodic Remunerations	plans	incentive	Short-term plans	Long-term incentive	Value of shares	Total	Leaving	Total	Expenses (Transportation - Accommodation)
I: Independent Members																		
HE Eng. Abdullah Mohammad Nur Rehaimi	240,000	20,000	0	0	0	260,000	0	260,000	0	0	0	0	0	0	0	0	260,000	0
Eng. AlWaleed AbdulRazzaq AlDryaan	300,000	20,000	44,000	0	0	-	364,000	0	0	0	0	0	0	0	0	0	364,000	25,000
Mr. Abdul Latif Ali AlSief	300,000	20,000	36,000	0	0	-	356,000	0	0	0	0	0	0	0	0	0	356,000	25,000
Mr. Yousef Saleh Abalkhal	300,000	20,000	44,000	0	0	-	364,000	0	0	0	0	0	0	0	0	0	364,000	25,000
Eng. Mohammed Hamed Alkhaiby	300,000	20,000	12,000	0	0	-	332,000	0	0	0	0	0	0	0	0	0	332,000	0
Total	1,440,000	100,000	116,000	0	0	260,000	1,862,000	0	0	0	0	0	0	0	0	0	1,862,000	75,000
II: Non-executive Members																		
Mr. Saud Abdulaziz Al-Sulaiman	300,000	20,000	0	120,000	32,000	0	472,000	0	0	0	0	0	0	0	0	0	472,000	0
Eng. Mutaz	200,000	20,000	24,000	120,000	28,000	0	400,000	0	0	0	0	0	0	0	0	0	400,000	14,714
Kusai AlAzzawi																		
Mr. Turki	250,000	20,000	56,000	60,000	32,000	0	422,000	0	0	0	0	0	0	0	0	0	422,000	25,000
Abdullah AlRajhi																		
Mr. Fahad	300,000	20,000	24,000	60,000	32,000	0	436,000	0	0	0	0	0	0	0	0	0	436,000	30,786
Abdullah AlHssa																		
Total	1,220,000	80,000	104,000	0	244,000	0	1,768,000	0	0	0	0	0	0	0	0	0	1,768,000	110,500

Note 1: 2023 Remuneration shall be disbursed after General Assembly approves BoD recommendation regarding the remuneration of Board members.

Note 2: An internal Marketing/Investment task force has been formed from BoD members and Executive Management. The member receives and attendance allowance of 4,000 riyals per session, and an annual bonus of 50,000 riyals.

Note 3: BoD Members shall not receive any benefits in kind or remuneration for any technical, administrative, or advisory work.

Note 4: BoD member who represents ACC in the subsidiary and associate companies BoD shall receive an amount of SAR 60,000 annually.

Note 5: An Audit Committee member shall receive an amount of 100,000 SAR not included within the maximum remuneration ceiling of SAR 500,000 according to Law

B. Senior Executive Remunerations

Five senior executives	Fixed Remunerations										Variable Remunerations			
	Salaries	Allowances	Benefits in kind	Total	Periodic Remunerations	plans	incentive	Short-term plans	Long-term incentive	Shares granted	Total	Leaving	Total remuneration for BoD	
	3,072,903	1,532,894	-	3,405,807	1,632,500	0	0	0	0	1,672,500	-	-	7,608,811	

Arabian Cement has disclosed the total compensation and remuneration of its executive management in a lump sum as per the regulations as per article (93) clause "4" item "B" of Corporate Governance Manual by CMA. However, and to protect ACC interest, its shareholders, and its employees and to avoid unnecessary harm because of detailed disclosure of the remunerations as per positions and job titles, we opted not to disclose as per the appendix (1) of the top executive in the corporate governance manual.

C. Remuneration of Committees Members

Name	Fixed Remunerations (Except for the	Sessions Attendance Allowanc	Total
Audit Committee Members (Remuneration of the Audit Committee members was determined by the 7th Extraordinary General Assembly held on April 18, 2017)			
Engineer/ Moataz Qusai Al-Azzawi	100,000	16,000	116,000
Mr. Fahd Abdullah Al-Eissa	100,000	16,000	116,000
Mr. Abdulatif Ali Al-Saif	100,000	16,000	116,000
Mr. Abdul Aziz Saleh	100,000	16,000	116,000
Aba Al-Khail			
Total	400,000	64,000	464,000
Members of Risk Management committee			
Engineer/ Moataz Qusai Al-Azzawi	50,000	8,000	58,000
Mr. Fahd Abdullah Al-Eissa	50,000	8,000	58,000
r. Naif Musnad AlMusnad	60,000	8,000	68,000
Total	160,000	24,000	184,000
Members of Governance and social responsibility committee.			
Engineer/ Alwaleed Abdulrazak Al-Draiyen	50,000	24,000	74,000
Mr. Turki Abdullah Al-Rajhi	50,000	24,000	74,000
Mr. Yousef Saleh Abalkhail	50,000	24,000	74,000
Total	150,000	72,000	222,000
Members of Governance and social responsibility committee.			
Engineer/ Alwaleed Abdulrazak Al-Draiyen	50,000	20,000	70,000
Mr. Turki Abdullah Al-Rajhi	50,000	20,000	70,000
Mr. Yousef Saleh Abalkhail	50,000	20,000	70,000
Total	150,000	60,000	210,000
Members of the Marketing Task Force			
Engineer/ Mohammed Hamed Al-Kalibi	50,000	12,000	62,000
Mr. Turki Abdullah Al-Rajhi	50,000	12,000	62,000
Dr. Badr Osama Johar	50,000	8,000	58,000
Total	150,000	32,000	182,000
Members of the Investment Task Force			
His Excellency Engineer. Abdullah Mohammed Noor Rahimi	50,000	0	50,000
Engineer/ Moataz Qusai Al-Azzawi	50,000	0	50,000
Mr. Fahd Abdullah Al-Eissa	50,000	0	50,000
Dr. Badr Osama Johar	50,000	0	50,000
Total	200,000	0	200,000

IX: Any penalty, sanction, precautionary measure, or precautionary restriction imposed on ACC by the Authority or any supervisory, regulatory, or judicial authority.

There is no penalty, or precautionary restriction imposed on ACC by the Capital Market Authority or by any regulatory, judicial authority.

X: Results of the Annual Review of ACC Internal Control Procedures Effectiveness

1.Results reached by BoD through its annual review of internal control procedures effectiveness in ACC:

The existence of an effective internal control system is one of the main responsibilities assigned to BOD, and the main task of the Audit Committee is to verify the adequacy of the internal control system and to implement it effectively, and to submit any recommendations to BoD that would develop the system in a way that achieves ACC objectives and protects the interests of shareholders and investors with high efficiency and a reasonable cost. The Audit Committee shall have unrestricted access to all information, statements, reports, records, correspondence, or other matters that Committee deems important to review, and BoD shall take all measures to ensure that Committee performs its duties.

The internal control system aims to ensure that ACC objectives are effectively and efficiently achieved, and one of the most important elements that ACC has in order to support the internal control system is the policies approved by BOD, financial and administrative authority schedules and an administrative structure that clarify the administrative hierarchy and facilitate communications, an Accounting system and remuneration for results according to PI and approved budgets, a guide to work ethics and behavior, a delegating powers system, qualified human resources, a system for maintaining records and company assets, separation of tasks, and a program for compliance with regulations and laws.

2.Opinion reached by the audit committee on the adequacy of ACC internal control system.

Within the limits of its functions, Committee shall examine the periodic reports prepared by ACC internal audit department, as well as review the results of the external auditor work to assess ACC control environment, and Committee shall also follow up on the recommendations reached by other supervisory authorities to address the observations and follow up on their correction. The Executive Management of ACC shall sign the letter of representation periodically, which confirms its responsibility to adhere to the regulations, laws, approved policies, and control procedures, considering that any internal control system, regardless of its degree of efficiency and effectiveness, cannot provide absolute confirmation regarding the effectiveness of internal applicable control systems. Accordingly, Committee has not received any evidence of any fundamental weakness in ACC internal control systems.

XI: Audit Committee recommendations on the need to appoint an internal auditor in ACC.

No such recommendation from the Audit Committee as there is already an existing internal auditor in ACC.

XII: Audit Committee recommendations conflicting with board of directors' decisions or rejected by BoD in relation to appointing, dismissing, setting fees, and evaluating the performance of ACC auditor or appointing an internal auditor.

No such conflict or rejection between Audit Committee recommendations and Board of directors' decisions.



03 Social Responsibility



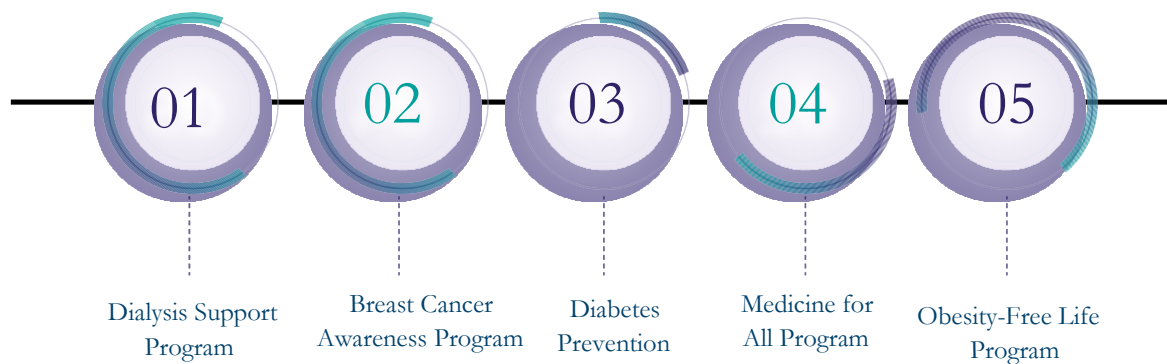
XIII: Details of ACC social contributions during 2023.

ACC always seeks to contribute to sustainable development efforts in line with Kingdom Vision 2030 in the area of social responsibility. Corporate Social Responsibility Department regularly assesses needs of the community surrounding ACC, and accordingly designs, implements and supports a number of specialized programs and initiatives. ACC has leadership in various fields in the region by providing sustainable programs in many areas, including training, qualifying, health, educational, entertainment and social areas.

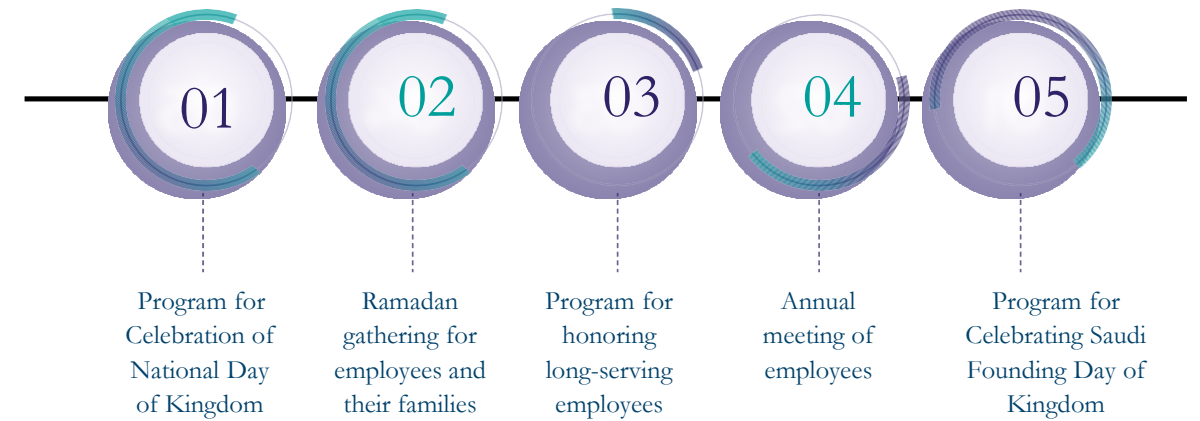
ACC continually works on enhancing its leading role in social and cultural fields and developing qualitative programs and initiatives provided.

In addition, ACC implemented a number of programs throughout 2023 with total of (45) programs as follows:

Health Promotion Programs



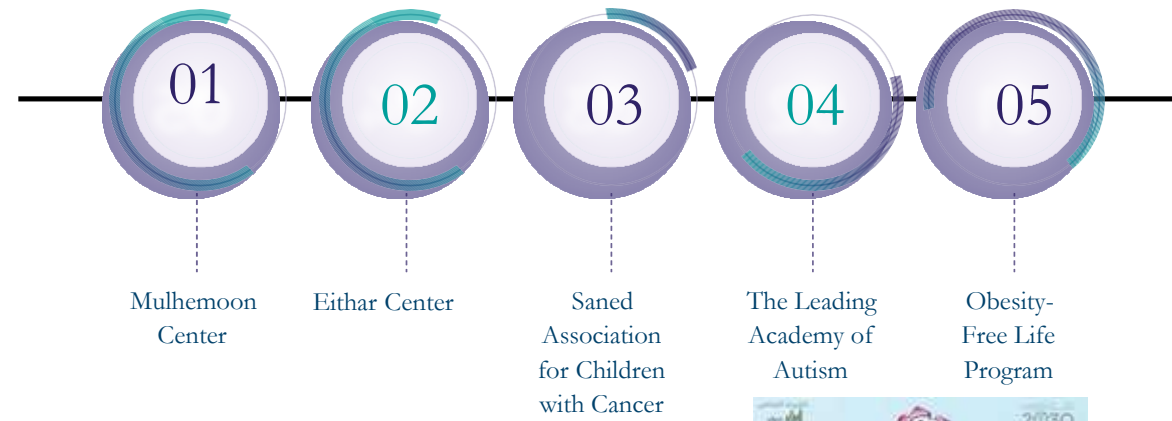
Identity and Belonging Enhancement Programs



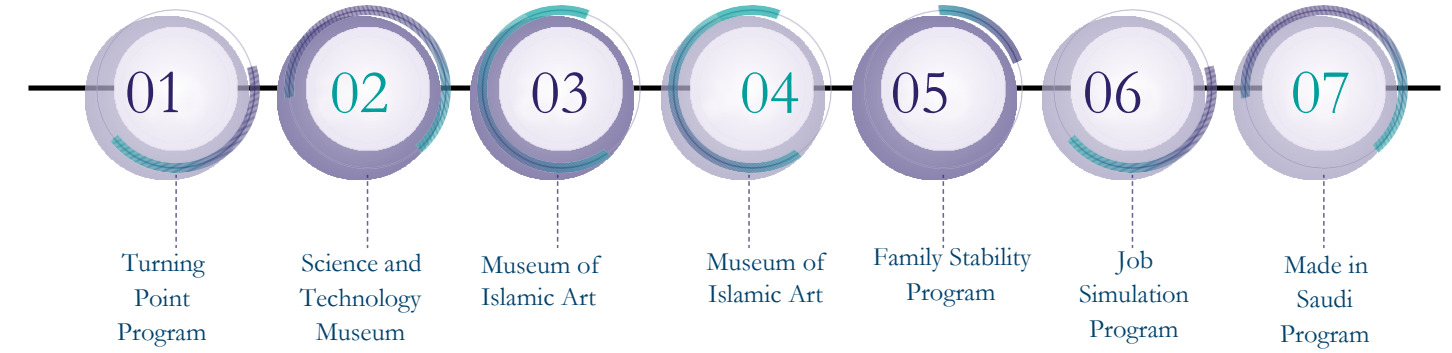
Social Development Programs



Programs for Supporting People with Autism and Disabilities



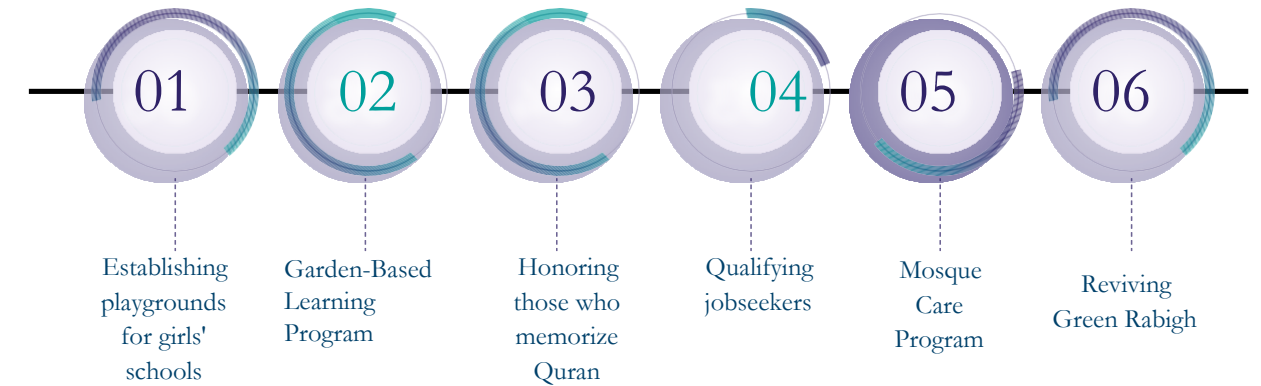
Knowledge Enrichment Programs



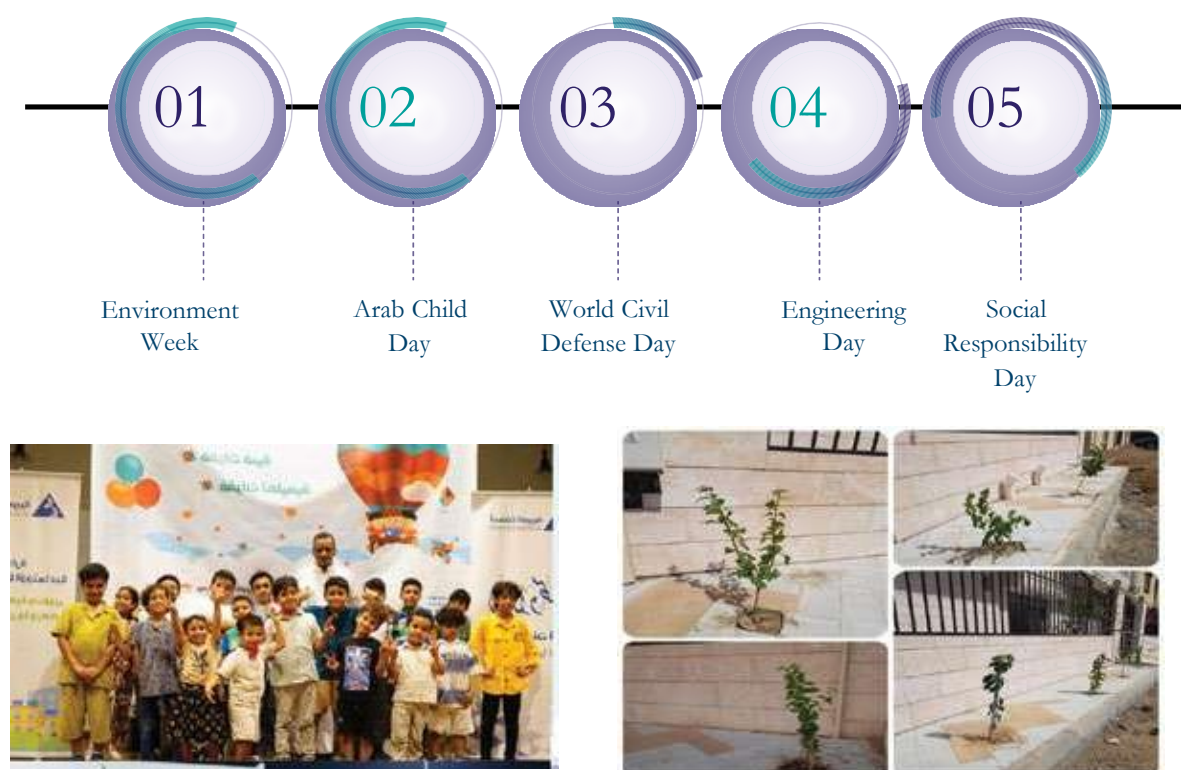
Sports Programs



Miscellaneous initiatives



Participation in International Days



XIV: Below table outlines dates of shareholders' general assemblies that were held during the last FY and the names of board members present at these assemblies:

Name	Attendance Record	Attendance Record	Attendance Record
	67th meeting of the Regular General Assembly dated 9/4/2023	9th meeting of Extraordinary General Assembly dated 11/06/2023 AD	68th meeting of Ordinary General Assembly dated 17/12/2023 AD
His Excellency Engineer. Abdullah Mohammed Noor Rahimi	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Saud Abdulaziz Al-Sulaiman	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Engineer/ Alwaleed Abdulrazak Al-Draiyan	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Engineer/ Moataz Qusai Al-Azzawi	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Turki Abdullah Al-Rajhi	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Fahd Abdullah Al-Eissa	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Abdulatif Ali Al-Saif	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Youssef Saleh Abu Alkhail	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Eng. Mohammed Saleh Alklaiby	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

XV: Description of the type of main activities in ACC, its subsidiaries, and associates.

Activities in ACC and its subsidiaries (ACC) revolves around producing clinker, cement, construction material, related products, derivatives, and trading in them. To achieve its objective, ACC should enter all types of contracts, in real estate and movables, and to enter into any other agreements to the extent determined by applicable laws and Statute.



01 ACC (ACC operations in Kingdom):

In 2023, the total production achieved by ACC reached 3.49 million ton of cement, compared to an amount of 3.46 million ton in 2022, which accounts for an increase of 30.000 ton with an increase of 0.87%. On the other hand, Clinker production for 2023 reached 4.01 million ton, compared to 3.75 million ton achieved in 2022, which accounts for an increase by 0.26 million ton and an increase of 6.93%. ACC total sales of clinker and cement amounted to SAR 555.4 million by end of December 2023, compared to SAR 665.4 million in 2022, which account for a decrease by SAR 110 million or of 16.53%. This is a result of the decrease in sales of cement and clinker, as well as export sales compared with the previous year 2022.



02 Arabian Cement Bahrain Holding Company (Kingdom of Bahrain) – Subsidiary:

On November 5th, 2007, Arabian Cement Bahrain Holding Company was established in Kingdom of Bahrain for the purpose of managing ACC subsidiaries and investing its money in shares, bonds, and securities, in addition to owning real estates and movables, to initiate its activities and provide loans, guarantees and funding to its subsidiaries.

ACC owns a 100% of the Arabian Cement Bahrain Holding, whereas the latter owns 86.74% of Qatrana Cement Company & 36.67% of Ready Mix Concrete & Construction Supply Company.



03 Qatrana Cement Company (Hashemite Kingdom of Jordan) – Subsidiary:

ACC total production of clinker for the year 2023 with total of SAR 0.66 million ton, while amount of cement production for the previous year is 0.9 million tons, and ACC total sales of clinker and cement by the end of December 2023 total of SAR 320.4 million compared to SAR 305.5 million in 2022, which is an increase by SAR 14.9 million or of 4.9%. ACC share in the profit of Qatrana Cement Company total of SAR 20.6 million by end of 2023. Qatrana Cement Company achieved net profits with total of SAR 23.8 million during 2023 compared to a net profit of SAR 26.2 million for the year 2022, a decrease of SAR 2.4 million or a percent of 9.61% due to an increase in sales compared to the previous year 2022.



04 Ready Mix Concrete & Construction Supplies Company (Hashemite Kingdom of Jordan) – Associate:

ACC achieved profits despite the difficult operating conditions and the intensity of competition that the Jordanian market is going through. The total value of ACC sales amounted to SAR 263.3 million by end of December 2023, and net profits for the same period were SAR 22 million. Consequently, ACC share of the associate ACC net profit amounted to SAR 8.1 million.



05 Cement Products Industry Company Limited (Kingdom of Saudi Arabia) – Associate:

ACC shares with Yamama Cement Company and the Saudi Cement Company ownership in Cement Industry Products Company Ltd (CPI) and representation in BoD equally. ACC owns one plant to produce cement packing bags, in addition to bags for packing petrochemical products such as fertilizers. The plant is located in the Industrial Valley at King Abdullah Economic City in Rabigh, with all its production lines installed, in addition to moving warehousing facility to the new location, which had a positive impact on operating and logistical expenses.

ACC sales amounted to SAR 165.7 million at the end of 2023 compared to SAR 200.5 million in 2022. ACC share in ACC net profits for the same period amounted to SAR 1.8 million compared to SAR 9.1 million in 2022, a decrease of SAR 7.3 million and by 80.2%.

The effect of these main activities on ACC volume of work and their contribution in the results is as follows:

(SAR 1,000)

	Activity Revenue	Percentage
Activity (producing and selling cement)	875,76	100%
Total	875,760	100%

Description of the main activities in subsidiaries and associates:

Activity (1): QCC – Hashemite Kingdom of Jordan

Activity (2): Ready Mix Concrete & Construction Supplies Company (Hashemite Kingdom of Jordan)

Activity (3): Cement Products Industry Company Limited (Kingdom of Saudi Arabia)

The effect of main activities in subsidiaries and associates on ACC volume of work and their contribution in the results is as follows:

	Activity Revenue	Percentage
Activity (1): Producing and selling cement	320, 399	42.75%
Activity (2): Producing and selling ready-mix concrete	263, 319	35.14%
Activity (3): Producing and selling cement bags products	165, 728	22.11%
Total	749, 446	100.00%

XVI: Description of main plans and decisions made by ACC (including structural changes in ACC, expanding, or suspending its works) along with future expectations of works.

ACC is currently studying the variables in the working environment that surrounds cement-manufacturing sector to be able to quickly interact with any chances that could contribute to the development of ACC on the long term or any risks that could negatively affect the work, as well as limiting or preventing its effects on the works. ACC management works on applying whatever could enforce ACC leading position in the local market and its growth through creating a competitive advantage in the Saudi market. The future shall generally include the following:

- Completing a project for constructing two cement mills with a total capacity of 700 ton/ hour. The project has been completed and work is underway to complete performance tests.
- Building strategic relationships with clients aiming to achieve growth in the field of manufacturing and marketing both clinker and cement.
- Marketing different types of cement and raising awareness on suitable usages for each: ordinary Portland cement (N52.5) and premium Portland pozzolane (R/N42.5).
- Working on whatever can raise the operational efficiency and market share in subsidiaries and achieving sustainable profit.
- Working on whatever can raise the operational efficiency and market share in the parent company and achieving sustainable profit.
- Continue exerting efforts to raise the production capacity of lines of production to new standard levels while maintaining the safety and reliability of equipment to achieve energy-efficiency targets.
- Expanding foreign export markets to sell clinker and cement products in the available markets.
- Energy-efficiency targets, as ACC has, praise be to Allah, successfully increased clinker production capacity by 10.47% over design capacities of production lines, by upgrading and raising efficiency of the sixth production line.
- Expanding foreign export markets to sell clinker and cement products in the available markets.
- Working with both the Ministry of Industry and Mineral Resources, Ministry of Energy and the Saudi Arabian Oil Company (Saudi Aramco), regarding amendments to future operational plans within the requirements of Liquid Fuel Displacement Program “LFDP”.



04 Risks



XVII: Information related to risks facing ACC (weather operational risks, financial risks, or market risks) and risks management and control policy.

Risks facing ACC are focused in the following areas:
Financial Risks



A-Market Risks

Market risks are fair value or cash flow risks of financial instruments. It could fluctuate due to the changes in market prices. Market risks consist of three types of risks; they are interest rate risks; currency risks and other prices risks.



B. Interest Rate Risks

Interest rate risks refer to the risks related to fluctuations in fair value or future cash flows of a financial instrument due to changes in market interest rates. The group's exposure to interest rate fluctuations primarily relates to its variable-rate long-term debt obligations. The group mitigates ACC interest rate risks by consistently monitoring interest rates of its financial instruments that generate accrued interest. ACC commission-bearing liabilities, which are mainly bank loans, are associated with a floating commission that is subject to rate renewal. The Management monitors changes in commission rates and believes that the fair value and interest rate risks related to group cash flows are considered immaterial. The interest-bearing financial assets consist of short-term murabaha deposits with fixed interest rates, hence there is no exposure to interest rate risks related to cash flows or fair value.



C-Foreign Currency Risks

Currency risks lie in the fluctuation of financial instruments value due to the volatility of foreign currency exchange rates. The group is not fundamentally exposed to volatility of foreign currency exchange rates during its regular work sessions; given that the group is fundamental transactions throughout the year are conducted in SAR, USD, and JOD. Whereas SAR and JOD exchange rate against USD is fixed, there are no major risks related to transactions and balances valued in USD.



Credit Risks

Credit risks involves the inability of one of the financial instrument parties to fulfill its obligations, which results in financial loss incurred by the other party. Concentration risks arise when there are several parties with similar activities, practicing their activities in the same geographical areas or have similar economic features that prevent them from fulfilling the contractual obligations. To limit credit risks, the group have applied procedures of regulatory approval of credit limits granted to clients, which depend on the overall assessment of clients and previous reimbursement rates. Moreover, the management continues to monitor credit risks related to their clients, along with allocating a provision for doubtful balances. Clients' current balances are continuously being monitored. Cash and cash equivalent are deposited at local banks with high credit rating. Trade and other receivables are mainly due by clients in the local market. Most clients' balances have letters of bank guarantee that are effective at local banks with high credit rating. Trade and other receivables are disclosed with their estimated refundable value.

Management takes into account the available and supporting future information, such as:

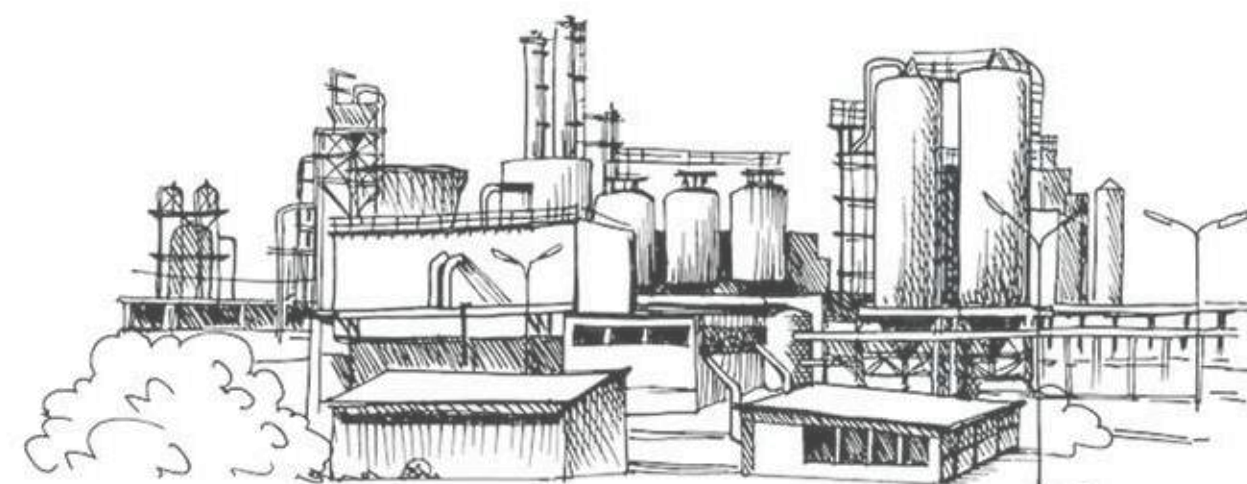
- Actual or anticipated significant changes in business.
- Actual or anticipated significant changes in counterparty's operating results.
- Financial or economic conditions expected to cause a significant change in counterparty's ability to fulfill its obligations.
- A substantial increase in credit risks on other financial instruments of the same counterparty.
- Significant changes in value of guarantees that support the liability or in nature of counterparty's guarantees or credit enhancements.



D-Liquidity Risks

Liquidity risks are represented in the difficulties a facility is facing when saving money to fulfill obligations related to financial instruments. Liquidity risks can be a result of the inability to sell certain financial assets quickly and with an amount, which approximates its fair value. Liquidity risks are managed through constant monitor of liquidity and ensuring adequate financial resources.

Concentration of liquidity risks could arise from payment terms of financial obligations, fund, and loan resources, or depending on a specific market to get liquid assets. Below are the contractual maturities of financial liabilities at the end of the period, and that were presented in total undiscounted amounts.



2-Risks of availability of operational resources:

ACC constantly works on ensuring the availability of required raw material and power resources needed to achieve operational outcomes according to the set plans.

3-Competition Risks:

The possibility that ACC revenues would be affected by the introduction of new production capacities to the market, particularly in the western region, in addition to fluctuation in the level of supply and demand and the intensity of competition.

4-Risks Related to Energy Products Sale Prices:

Cement manufacturing activity consumes large quantities of energy products, which represent a great part of production costs. Thus, any potential increase in the prices of energy products, represented in heavy fuel oil, shall have a negative effect on operational outcomes of ACC.

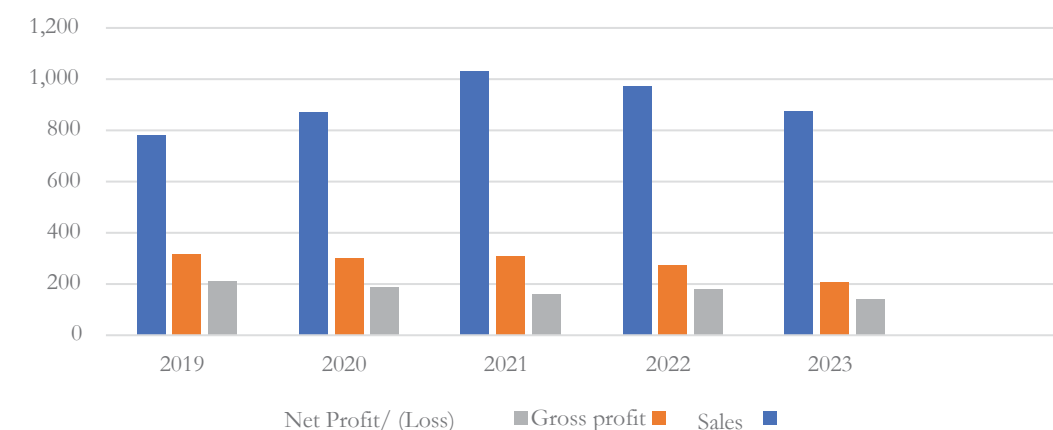
5-Risks that may face Qatrana Cement in Jordan. The most important of these risks are:

- Raw material risks
- Energy product risks
- Employment risks
- Fluctuation of supply and demand, as well as sales prices
- Risks of importing clinker and cement from neighboring countries
- Risks of fluctuation in the local currency exchange rate in the Jordanian dinar against the Saudi riyal and the effect of the value of ACC investment in Qatrana Cement

6- Risks of penetration of information systems and applications:

ACC is always working to increase information and technical security continuously and progressively. Further, it focuses on making continuous updates to protect its data from technical crimes that use new methods. ACC is constantly reviewing and updating technical security systems, including all firewalls, splitters, and anti-virus programs to ensure adequate protection and information security.

XVIII: A summary in the form of a graph and table on ACC assets, liabilities, and business results in the last five financial years



1. Business Results Comparison:

(SAR 1,000)

Description	2023	2022	2021	2020	2019
Sales	875,760	970,949	1,033,205	871,916	781,970
Cost of Sales	(668,688)	(696,323)	(724,266)	(569,375)	(466,260)
Gross profit	207,072	274,626	308,939	302,541	315,710
Net Profit/ (Loss)	139,633	181,006	161,520	184,943	208,716

2. Assets and Liabilities Comparison:

(SAR 1,000)

Description	2023	2022	2021	2020	2019
Current Assets	937,583	959,105	983,699	1,025,957	965,110
Non-current Assets	2,198,437	2,321,244	2,449,411	2,611,443	2,681,814
Total Assets	3,136,020	3,280,349	3,433,110	3,637,400	3,646,924
Current Liabilities	220,686	248,181	236,364	256,239	301,220
Non-current Liabilities	251,968	309,806	363,420	433,213	387,976
Equity	2,663,366	2,722,362	2,833,326	2,947,948	2,957,728
Total Liabilities and Equity	3,136,020	3,280,349	3,433,110	3,637,400	3,646,924

XIX: Geographical analysis of the overall revenues of Arabian Cement, its subsidiaries, and associates

1. Geographical Analysis of the Overall Revenues of Cement Product Industry Co. LTD. (SAR 1,000)

Year	Overall Revenues	Geographical Analysis of CPI Overall Revenues		Total
		Geographical Region (1)	Geographical Region (2)	
٢٠٢٣	555,361	Kindom of Saudi Arabia	-	555,361

2. Geographical Analysis of the Overall Revenues of Cement Product Industry Co. LTD. (Associate) (SAR 1,000)

Year	Overall Revenues	Geographical Analysis of CPI Overall Revenues		Total
		Geographical Region (1)	Geographical Region (2)	
٢٠٢٣	320,399	Jordan	-	320,399

3. Geographical Analysis of the Overall Revenues of Ready-Mix Concrete & Construction Supplies Company (Associate) (SAR 1,000)

Year	Overall Revenues	Geographical Analysis of CPI Overall Revenues		Total
		Geographical Region (1)	Geographical Region (2)	
2023	263,319	Jordan	-	263,319

4. Geographical Analysis of the Overall Revenues of Cement Product Industry Co. LTD. (Associate) (SAR 1,000)

Year	Overall Revenues	Geographical Analysis of CPI Overall Revenues		Total
		Geographical Region (1)	Geographical Region (2)	
2023	165,728	Kingdom (99%)	-	165,728

XX: A description of ACC Policy for Dividends Distribution

Description	2023	2022	Changes	Change Rate
Sales/ Revenues	875,760	970,949	(95,189)	(9.80)
Cost of Sales/ Revenues	(668,688)	(696,323)	27,655	3.97
Gross profit	207,072	274,626	(67,554)	(24,6)
Operating Expenses – other	(54,112)	(81,180)	27,068	33,34
Operating Profit (Loss)	152,960	193,446	(40,486)	(20.92)

The reason for decrease in net profit for the year 2023 by 22.86% compared to the previous year is the decrease in sales value due to decrease in average sale price despite of the increased sale quantity in domestic market.

XXI: Note on any differences from Accounting standards approved by the Saudi Organization for Certified Public Accountants (SOCPA)

There are no differences from the applied Accounting standards issued by SOCPA that require disclosure, as ACC records have been properly prepared according to the Saudi Organization for Certified Public Accounts that require disclosure, as ACC records have been properly prepared according to Accounting standards issued by the Saudi organization for Certified Public Accountants.

XXI: Note on any differences from Accounting standards approved by the Saudi Organization for Certified Public Accountants (SOCPA)

Name of Subsidiaries/ Associates	Capital	Ownership %	Main Activity	Countries of Main Operations	Country of Incorporation
Qatrana Cement Company	480,300	86.74%	Cement Production	Jordan	Jordan
Cement Products Industry Company Limited	18,000	33.33%	Cement bags production	Kingdom	Kingdom
Ready Mix Concrete & Construction Supplies Company	132,500	36.67%	Ready mix concrete production	Jordan	Jordan
Arabian Cement Bahrain Holding Company	5,000	100%	Holding Company	Bahrain	Bahrain

XXIII: Details of shares, and debt instruments issued for each subsidiary and associate

Name of Subsidiaries/ Associates	Number of Shares/ Issued Shares	Number of Shares/ Owned Shares	Company Type
Qatrana Cement Company	90.624 share	78,607 share	Private closed joint-stock company
Cement Products Industry Company Limited	18,000 share	6,000 share	Limited liability company
Ready Mix Concrete & Construction Supplies Company	25.000 share	9,168 share	Public incorporated joint-stock company
Arabian Cement Bahrain Holding Company	Do not apply	Full ownership	Holding company



05 Dividend Distribution Policy

XXIV: A description of ACC Policy for Dividends Distribution

In 2023, ACC achieved an operating profit estimated at SAR 153 million against an operating profit of SAR 193.4 million in 2022, a decrease of SAR 40.4 million and percentage of 20.9%. The net profit after deducting the legal zakat amounted to 139.6 million riyals compared to a net profit of 181 million riyals in 2022, with a decrease of 41.4 million and percentage of 22.87%.

Article (44) of ACC Articles of Association approved by resolutions of the 9th meeting of Extraordinary General Assembly dated 11/06/2023 AD, states the following:

1. General Assembly may at the suggestion of BoD allocate certain percentage of the net profits for forming reserve allocated for the purposes determined by General Assembly. The competent authority is entitled to set the controls of forming the reserves.
2. The Ordinary General Assembly shall, upon determining the portion of the shares in the net profits and at the suggestion of BoD, decide forming other reserves to the extent achieving the interest of ACC or guaranteeing the distribution of fixed profits as possible among the shareholders. The said Ordinary General Assembly may deduct from the net profits amounts for establishing social corporations for the personnel of ACC.
3. The reserve shall not be used except by the resolution of the Extraordinary General Assembly. If this reserve is not allocated for a certain purpose, the Ordinary General Assembly may at the suggestion of BoD decide to use such reserve for the interest of ACC or shareholders. The competent authority shall place the controls of using the reserves.
4. The Ordinary General Assembly may, at the suggestion of BoD, use the remaining profits and distributable reserves for paying the remaining amount of the amount of share or part of it. This shall not cause prejudice to the justice between the shareholders according to the provisions of law.
5. General Assembly shall, at the suggestion of BoD, determine the percentage to be distributed among the shareholders of the net profits after deducting the reserves, if any.
6. The shareholder is entitled to its portion of the profits according to the resolution of General Assembly issued in this regard. The resolution shall determine the date of entitlement and date of distribution. The entitlement to the profits to the share owners registered in the record of shareholders by the end of the day the determined for entitlement. The Regulations shall determine the maximum term during which BoD shall enforce the resolution of General Assembly regarding the distribution of the profits among the shareholders.
7. ACC may distribute progressive profits among its shareholders on semi-annual or quarterly basis based on the recommendation of BoD after fulfilling the controls and requirements set by the competent entities in this regard.

(SAR 1,000)

Percentage of profits distributed during	2023/04/09	2023/08/10	Proposed profit percentages to be distributed at the end of the year	Total of Profits
Percentage	11	7, 5	7, 5	26
Total (SAR 1,000)	110, 000	75, 000	75, 000	260

XXV: A description of any interest in the voting shares category belonging to individuals (other than members of ACC board of directors, their relatives, senior executives, and their relatives) informed ACC of such rights under Article 45 of the Registration and Listing Rules, and any change to such rights during the last financial year

There is no interest in voting shares category belonging to individuals, other than ACC board of directors, their relatives, senior executives, and their relatives, informed ACC of such rights or any change to such rights during the last financial year.

XXVI: A description of any interest, contractual securities, and rights issues belonging to ACC board of directors, senior executives, and their relatives regarding the shares, debt instruments of ACC, or any of its subsidiaries, and any change to such interest or rights during the last financial year.

A description of any interest, contractual securities, and rights issues belonging to ACC board of directors, and their relatives regarding the shares, debt instruments of ACC

Name	Beginning of 2022		End of 2022		Net change during	Change rate
	Number of shares	Debt instruments	Number of shares	Debt instruments		
Board Members						
His Excellency Engineer. Abdullah Mohammed Noor Rahimi	3,000	-	3,000	-	-	-
Mr. Saud Abdulaziz Al-Sulaiman	674,767	-	674,767	-	-	-
Engineer/ Alwaleed Abdulrazak Al-Draiyen	8, 500	-	8, 500	-	-	-
Engineer/ Moataz Qusai Al-Azzawi	1, 000	-	1, 000	-	-	-
Mr. Turki Abdullah Al-Rajhi	-	-	-	-	-	-
Mr. Fahd Abdullah Al-Eissa	1, 000	-	1, 000	-	-	-
Mr. Abdulatif Ali Al-Saif	-	-	-	-	-	-
Mr. Youssef Saleh Abu Alkhail	220,000	-	248,134	-	28,134	12.79
Engineer/ Mohammed Hamed Al-Kalibi	12,009	-	2,009	-	10,000	(83.27)%

A description of any interest, contractual securities, and rights issues belonging to senior executives, and their relatives with regard to the shares, debt instruments of ACC

Name	Beginning of 2022		End of 2023		Net change during	Change rate
	Number of shares	Debt instruments	Number of shares	Debt instruments		
None	-	-	-	-	-	-

A description of any interest, contractual securities, and rights issues belonging to ACC board of directors, senior executives, and their relatives with regard to the shares, debt instruments of the subsidiaries

Name	Beginning of 2022		End of 2023		Net change during	Change rate
	Number of shares	Debt instruments	Number of shares	Debt instruments		
None	-	-	-	-	-	-

XXVII: Information about Company loans

(SAR 1,000)

Providing entity	Principal amount	Loan term	Amounts paid for loan payments	Remaining amount of the loan	Total indebtedness of ACC and its subsidiaries
Arab Bank – Jordan	528,914	9	89,915	125,701	125,701
Arab Bank – Jordan	51,569	1	42,313	0	0
Arab Bank – Jordan	11,107	3	4,443	6,294	6,294
Arab Bank – Jordan	15,867	3	1,586	14,281	14,281
Total loans at the end of the year	607,457	-	138,257	146,276	146,276

XXVIII: Description of categorizes and numbers of any transferable debt instruments and any contractual securities, subscription right notes, or similar rights issued or granted by ACC during the financial year, with an explanation of any compensation obtained by ACC in return for that.

There are no transferable debt instruments and any contractual securities, subscription right notes, or similar rights issued or granted by ACC during the financial year 2023, and there is no compensation obtained by ACC.

XXIX: Description of any transfer or subscription rights under transferable debt instruments or contractual securities or subscription right notes, or similar rights issued or granted by ACC.

There is no description of any transfer or subscription rights under transferable debt instruments or contractual securities or subscription right notes, or similar rights issued or granted by ACC.

XXX: A description of any recovery, purchase, or cancellation by ACC of any transferable debt instruments, and the value of remaining securities with a distinction between the listed securities purchased by ACC and those purchases by its affiliates.

There is no recovery, purchase, or cancellation by ACC of any transferable debt instruments, and the value of remaining securities with a distinction between the listed securities purchased by ACC and those purchases by its affiliates.

XXXI: The number of board meetings held during the last financial year (2023)

BoD held (5) meetings during 2023 as follows:

	First February	Second April	Third June 11	Fourth سبتمبر 17	Fifth December	Total	Attendance %
His Excellency Engineer. Abdullah Mohammed Noor Rahimi	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 out of 5	100%
Mr. Saud Abdulaziz Al-Sulaiman	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 out of 5	100%
Engineer/ Alwaleed Abdulrazak Al-Draiyan	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 out of 5	100%
Engineer/ Moataz Qusai Al-Azzawi	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 out of 5	100%
Mr. Turki Abdullah Al-Rajhi	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 out of 5	100%
Mr. Fahd Abdullah Al-Eissa	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 out of 5	100%
Mr. Abdulatif Ali Al-Saif	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 out of 5	100%
Mr. Youssef Saleh Abu Alkhail	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 out of 5	100%
Engineer/ Mohammed Hamed Al-Kalibi	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	5 out of 5	100%

XXXII: Number of company requests for shareholders' register and dates and reasons for such requests during 2023.

Number of company requests for shareholders' register	Request Date	Request Reason
1	17/12/ 2023 AD	General Assembly
2	17/12/ 2023 AD	Company actions
3	18/10/ 2023 AD	Company actions
4	09/10/ 2023 AD	Company actions
5	13/08/ 2023 AD	Profit's file
6	06/07/ 2023 AD	Company actions
7	11/06/ 2023 AD	General Assembly
8	05/06/ 2023 AD	Company actions
9	09/04/ 2023 AD	Profit's file
10	09/04/ 2023 AD	General Assembly
11	03/04/ 2023 AD	Company actions
12	23/01/ 2023 AD	Company actions

XXXIII: Description of any transaction between company and related party

There is no transaction between ACC and a related party.

XXXIV: Transactions or contracts in which company is a party, or involves an interest for any of board members, executives or for any person related to any of them.

(SAR 1,000)

S	Name of interested member	Nature of work or contract	Work or contract term	Value of work or contract	Terms of work or contract
1	Ready Mix Concrete and Construction Supplies (RMCC): (Indirect interest) of representatives of Arabian Cement Company with Ready Mix Concrete and Construction Supplies:	Purchase of cement	One year, unless otherwise agreed by parties.	62,474	Regular business without any preferential terms or benefits
	Board member- Mr. Saud Abdul Aziz Al-Suleiman Board member: Eng. Mutaz Kusai Al-Azzawi				
2	Cement Products Industry Company Limited (CPI) (Indirect interest) of representatives of ACC with Cement Product Industry Co. CEO: Dr. Badr Osama Johar (Member of board of directors)	Sale of cement bags	One year, unless otherwise agreed by parties.	20,476	Regular business without any preferential terms or benefits
	Qatrana Cement Company (QCC) (Indirect interest) of representatives with QCC: Board member- Mr. Saud Abdul Aziz Al-Suleiman Board member: Eng. Mutaz Kusai Al-Azzawi Board member Mr. Turki Abdullah Al Rajhi Board member Mr. Fahad Abdullah AlIssa Board member Dr. Badr Osama Johar (Arabian Cement CEO)				
		Sale and export of iron ore (low concentration)	One year, unless otherwise agreed by parties.	2,792	Regular business without any preferential terms or benefits

*According to the authorization of General Assembly and BoD to license contained in paragraph (1) of Article 71 of the Companies Law. For a period of one year from the date of approval by General Assembly of shareholders or until the end of the delegated Board of Directors session, whichever is earlier, in accordance with the conditions set forth in the issued regulations and procedures in implementation of the Companies Law for Listed Joint Stock Companies.

XXXV: Any arrangement or agreement under which a board member or executives assign any remuneration.

There is no arrangement or agreement under which board member or executives assign any remuneration.

XXXVI: Any arrangement or agreement under which one of shareholders of company assign any rights to profits

There is no arrangement or agreement under which one of shareholders assign any right to profit.

XXXVII: Statement of the value of regular paid and payable payments to pay any zakat, taxes, fees, or other receivables and not paid until the end of the annual financial period with a brief description and state its reasons:



1.Zakat:

ACC is subject to the regulations of the General Authority for Zakat and Tax in Kingdom of Saudi Arabia. Zakat is calculated on an accrual basis, and the affiliates and companies operating outside Kingdom of Saudi Arabia shall be subjected to the Taxes Regulations of the countries by which they operate.



2.Tax:

ACC and its affiliates shall comply with the applicable tax laws and regulations.



3.Social Insurance:

ACC shall be subjected to the social insurance law, and the social insurance fees shall be recognized on an accrual basis and social insurance shall be paid monthly on an accrual basis of previous month

Description	2023 (Thousand Saudi Riyal)	
	Paid	Due until the end of the financial period and has not been paid
Zakat:	16,756	18,571
Tax (VAT):	44,340	4,705
General Organization of Social Insurance	7,647	609
Miscellaneous government fees (Ministry of Interior, Ministry of Human Resources and Social Development)	264	-
Raw Material Fees (Ministry of Industry and Mineral Resources)	46,336	4,340
Total	115, 342	28,225

XXXVIII: Statement of value of any investments or reserves established for the benefit of ACC employees

There are no investments or reserves established for the benefit of ACC employees.

XXXVIII: BoD acknowledge the following:

- 1.That ACCount records have been prepared correctly.
- 2.The internal control system was properly set and effectively implemented.
- 3.There is no doubt about the ability of ACC to continue its activity.

XL: A statement of the reservations contained in the auditor report on the annual financial statements, their reasons, and any information related to it

The auditor report does not include any reservations or material notes on the annual financial statements for the financial year 2023.

XLI: The Recommendation of BoD to change the auditor before the end of the period for which he was appointed, indicating the reasons for recommending the change.

There is no recommendation to BoD to change the auditor before the end of the period for which the appointment is made.

XLII: Details of treasury shares held by ACC and details about the uses of these shares.

There are no treasury shares held by ACC.

XLIII: Information related to any business competing with ACC or any branches of its activity that is conducted or was conducted by any Board Member, so that such information includes names of those involved in the competing business, nature of such business and its terms:

There are no business competing with ACC or any of its branches.

XLIII: BoD confirms the following:

1. No request was made by the auditor to BoD of director to convene General Assembly of ACC during the ended financial year 2023.
2. Chairman did not receive any written request to convene emergency meetings of two members or more during the ended financial year 2023.
3. ACC did not receive any request from the shareholders who own at least 5% to convene General Assembly during the ended financial year 2023.
4. ACC did not receive any request from the shareholders who own at least 5% to add one or more topics to the assembly's agenda when it was prepared during the ended financial year 2023.
5. BoD has not discharged any of company debtors from their obligations towards ACC during the ended financial year 2023.
6. ACC did not place any procedures or restrictions that may impede the shareholder's use of his rights guaranteed by the laws and regulations.
7. The auditor did not provide any consulting services to ACC and no fees were paid in this regard during the ended financial year 2023.
8. ACC did not have any preference share or voting shares- whether for the shareholders or members of board of director or its employees, and all company shares are ordinary shares of equal par value and voting and other rights as per regulation.
9. ACC did not provide any cash loan of any kind to members of its board of directors, nor did it include any loans concluded by any of them with others.
10. There are no fundamental obstacles that may affect ACC ability to prepare its financial statements as per international standards.

XLV: Environment Protection

As part of transformation taking place in Kingdom of Saudi Arabia and in line with Kingdom Vision 2030, ACC believes in the necessity of a strong contribution to maintaining and sustaining lifestyle. Thus, ACC has made a quantum leap in the field of environment protection by adopting various projects to decrease harmful emissions and exploring innovative modern methods related to environment preservation and protection from pollution, in addition to applying all local and international applicable regulations and laws. The unlimited support of ACC Board through the executives in ACC has a clear and tangible effect of reducing harmful pollutants.

As the first cement company to obtain the Environmental Management System Certificate (ISO 14001), ACC continued its success

in obtaining Integrated Management System (IMS) along with (ISO 14001), after the external review of Environment Management System Certificate (ISO). In addition, ACC sought to develop regulations and programs that would be compatible and conformity with limits and standards of the National Center for Environmental Compliance, including installation of optical monitoring devices to monitor emissions that can monitor and save emissions readings for a period and according to the applicable regulations. As a result of these efforts, ACC obtained environmental operating license from the National Center for Environmental Compliance.

ACC also sought to decrease and limit carbon emissions to comply with global standards, as ACC introduced modifications to the sixth line, which resulted in decreasing consumption of heavy fuel oil (HFO), and consequently decreasing carbon emissions. In addition, the Saudi Energy Efficiency Center continuously monitors and visits ACC plant to review the overall performance.



XLVI: Quality Control

Based on ACC policy since its foundation in 1955, quality has always been a paramount concern with continuous development and attention given to all its operations due to its belief that its continuity is derived from safety of its products and satisfaction of its customers. Since its foundation in 1955, ACC has identified product quality and safety as a fundamental pillar of all its works and throughout stages of manufacturing and production; out of its belief that it is achieving excellence, leadership, sustainability and enhancing competitiveness locally and globally. ACC developed regulatory policies and procedures to implement a quality approach and run the business by the relevant departments, in addition to keeping up with technological developments by adopting the latest methods and techniques that aim for continuous improvement. ACC also works on increasing trust of their customers by providing cement products that fulfill their requirements and needs, taking into account providing environmentally friendly products that conform to the best local and global standards and specifications. ACC has equipped its labs with the best and latest technologies, as it automated production lines and controls, realizing a distinguished achievement that introduced a new dimension for quality assurance and control, by adopting concept of quality with all its vital and strategic dimensions in both theory and application in all stages of manufacturing and production operations. ACC is still challenging to achieve continuous development in all areas.

XLVI: Human Resources

Driven by ACC strategic objective, which focuses on effective planning of human capital to enhance Saudization and develop competencies, the Human Resources Department was keen, during 2023, on achieving operational objective related to developing and qualifying personnel through various training methods, as its development programs aimed to develop more than 28% of employees, in addition to launching ACC e-platform for its employees. This platform aims to provide programs that accelerate skill building and knowledge transfer to employees, as such platform can be accessed online anytime and anywhere via PCs, tablets and mobile devices.

As a result of these efforts, ACC managed to obtain local and global certificates, by exporting clinker and cement and obtaining local and regional certificates such as quality marks from the Saudi Standards, Metrology and Quality Organization (SASO) for all its products. This certificate is given to companies that fully conform to quality standards and metrology, as such certificates help in enhancing ACC reputation locally, regionally and globally, in addition to continuous development and improvement of products and reinforcing its competitive capabilities in the global market. ACC also obtained quality management certificate (ISO 9001), ISO 14001 and Business Continuity Management System Certificate (ISO 22301).

The Human Resources Department also focused on developing human resources and providing suitable job opportunities for Saudi youth and enhancing their academic and practical capabilities. In addition, ACC collaborates with technical colleges and Saudi universities to attract graduates, provide a stimulating work environment, utilize all methods to enhance human resources' skills and provide training using the best modern methods.

Whereas increasing Saudization level is among ACC key strategic objectives, so the Human Resources Department exerts maximum efforts to increase the employment of Saudis from the local community in various technical and administrative positions. The Human Resources Department maintained the achievement of the platinum zone in Saudization within Nitaqat program, at a rate of not less than 55% of the total employees of ACC, with total number of (457) employees.

In addition, the Human Resources Department was keen on launching new programs that serve the interest of employees and their families in line with Kingdom Vision 2030 and its goals to increase savings rates and increase the rate of employee loyalty. The Human Resources Department designed a program that serves as a method of savings and investment for employees, allowing them to benefit from their savings in the future. This program will be implemented in 2024.

In addition, the Human Resources Department dedicated its efforts to maintain the skilled personnel and talents among the existing workforce by considering career and professional development, which reflects employees' capabilities and experience in their job titles compared to their peers with less experience or recent graduates in ACC or similar sectors. This contributes to stimulating employees to work in a professional work environment that encourages competitiveness, which results in developing their performance, including productivity improvement and improving work quality and outputs.

XLVII: Shareholder Rights and Communication Mechanisms

In an effort from ACC to ensure the rights of its shareholders, ACC gave great significance to its shareholders by informing them about ACC performance and its expectations through BoD annual report. It also continues to inform them about any major developments that could affect ACC financial position and its works, using The Saudi Stock Exchange (Tadawul) and publishing company-related information, including preliminary findings and annual financial results, on ACC website, daily newspapers, and other means of disclosure. The said procedures shall be in accordance with disclosure policies closely followed by ACC, implementing the instructions of CMA (CMA), and complying with applicable laws in Kingdom.

ACC updated the lists of shareholders eligible for outstanding undistributed profits, whose data were not updated nor followed up by the shareholders, to help them receive all their dues. In addition, ACC allocated an officer to handle investor relations with the responsibility of providing information and answering queries of financial market, shareholders, and investors. According to CMA guidelines, electronic connectivity has been established with investor complaints handling system project, which aims to automate investor complaints procedures at CMA.



Completed by Grace of Allah



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