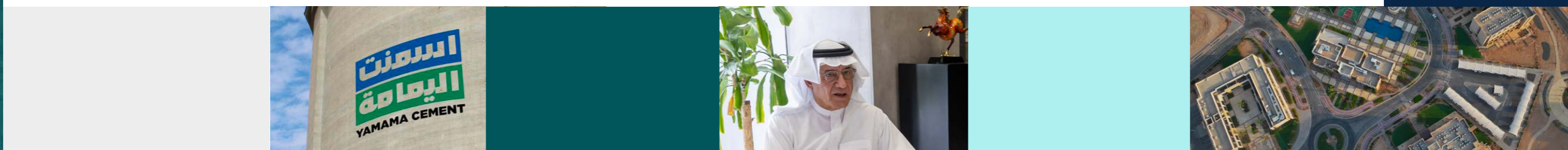


# SUSTAINABILITY REPORT 2025



# CONTENTS



<b>&gt; About This Report</b>	<b>3</b>	<b>&gt; Sustainable Cement Production</b>	<b>31</b>	<b>&gt; Safe and Responsible Operations</b>	<b>53</b>
Chairman’s Message	5	Climate Change and Greenhouse Gas Emissions	33	Social Responsibility	55
Chief Executive Officer’s Message	7	Energy Efficiency	35	Health, Safety, and Wellbeing	59
Yamama Cement: Company Profile	9	Water Management	37	Human Capital Management	62
Our Journey	11	Waste and Pollution Management	41	Customer Relations	69
Certifications and Awards	13	Biodiversity and Land Use	42	<b>&gt; Governance and Ethical Leadership</b>	<b>70</b>
<b>&gt; Integrating Sustainability into Our Operations</b>	<b>15</b>	Circular Economy	45	Corporate Governance and Business Ethics	72
ESG Framework	17	Sustainable High-Quality Products	46	Data Privacy and Security	76
ESG Strategy	18	<b>&gt; Sustainable Supply Chains</b>	<b>47</b>	<b>&gt; Appendices</b>	<b>78</b>
ESG Management	19	Supply Chain Management	49	GRI Content Index	80
Sustainability Journey	22	Responsible Marketing and Labeling	51		
Stakeholder Engagement	23	Human Rights	52		
Materiality Assessment	26				
2025 Sustainability Highlights	29				



# ABOUT THIS REPORT



This third Sustainability Report for Yamama Cement Company presents the Company's annual disclosure of environmental, social, and governance (ESG) performance for 2025. It provides an overview of the Company's approach to sustainability, including its vision, strategic direction, and priority focus areas. The report also highlights significant developments achieved during the year and the areas that will remain in focus, reflecting Yamama Cement's ongoing commitment to advancing sustainable cement production in the Kingdom of Saudi Arabia.

## REPORTING BOUNDARIES

The information presented in this report covers all operations of Yamama Cement Company within the Kingdom of Saudi Arabia and includes all facilities and activities under the company's operational control. Unless otherwise stated, the report does not cover data related to contractors, suppliers, or customers. Data related to joint ventures or entities in which the company does not exercise full operational control are not fully included within the scope of this report. Where applicable, any exclusions or limitations in the reporting boundary have been clearly disclosed to ensure transparency and support the accuracy and reliability of the information presented.

## REPORTING PERIOD

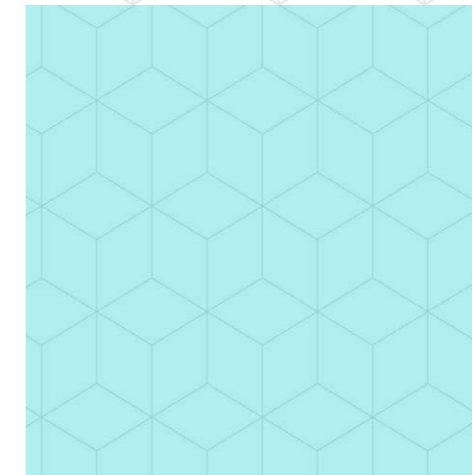
The information contained in this report covers the period from January 1, 2025, to December 31, 2025. Where relevant, comparative data from prior years has been included to support performance tracking and illustrate progress over time.

## REPORTING FRAMEWORKS

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards and the Sustainability Accounting Standards Board (SASB) metrics. It also considers the ESG Disclosure Guidelines issued by the Saudi Exchange (Tadawul). The report reflects Yamama Cement's commitment to supporting the United Nations Sustainable Development Goals, Saudi Vision 2030, and the Kingdom's target to achieve net zero emissions by 2060. In addition, the report aligns with the Saudi Green Initiative and other relevant national sustainability initiatives, where applicable.

## STAKEHOLDER FEEDBACK

Yamama Cement welcomes the views and feedback of stakeholders on this report and the Company's ESG performance. Stakeholders may share their inquiries or comments by contacting us at: [sustainability@yamamacement.com](mailto:sustainability@yamamacement.com)



## FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements. All statements other than statements of historical or current fact should be considered forward-looking, as they inherently involve known and unknown risks and uncertainties that may materially affect operational results, cash flow, or business outlook. These statements are based on events or conditions that may occur in the future or are expected to occur. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements, as they represent the Company's views and estimates as of the date of this report and do not necessarily reflect any subsequent developments or changes.





# CHAIRMAN'S MESSAGE



Dear Shareholders, Partners, and Valued Stakeholders,

Peace be upon you,

**Yamama Cement Company continues to strengthen its position as one of the leading companies in the cement manufacturing sector in the Kingdom of Saudi Arabia, drawing on a heritage of nearly seven decades of operational excellence and commitment to quality. This approach was reflected in the achievement of strong financial performance during 2025, with revenues of approximately SAR 1,423 million and a net profit of SAR 483 million, affirming the strength of our business model and our ability to balance economic growth with corporate responsibility.**

The year witnessed a pivotal milestone in our journey with the formal adoption of the ESG strategy, supported by a clear implementation roadmap built around four key pillars: sustainable cement production, sustainable supply chains, safe and responsible operations, and governance and ethical leadership. This direction reflects our commitment to embedding sustainability at the core of our business and enhancing our ability to create long-term sustainable value.

In this context, we continued to achieve tangible progress across multiple fronts, including advancing our operational capabilities through the near-completion of the Third Production Line project and increasing production capacity,

alongside the adoption of responsible operational practices. These practices included maintaining renewable energy utilization at 5.6%, achieving 100% reuse of treated wastewater, and fully reintegrating production dust within the circular economy and industrial symbiosis framework. We also made significant progress in our afforestation initiatives, planting more than 450,000 trees in support of our long-term environmental objectives.

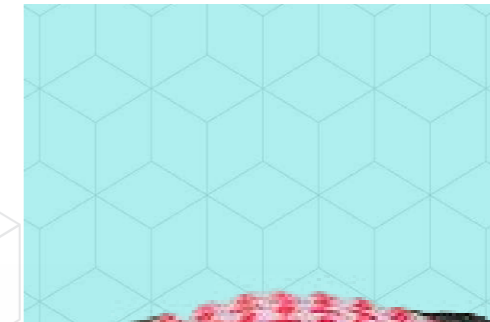
On the human capital front, we continued our commitment to providing a safe and enabling work environment, with no serious injuries or fatalities recorded, and more than 19.5 million safe working hours achieved, alongside continued progress in workforce nationalization — all of which reflects our role in developing national talent. We also gave increased attention to strengthening corporate governance through the establishment of a dedicated Sustainability Committee, developing oversight frameworks, and aligning our practices with international standards.

Driven by our future vision, we will continue investing in innovation and the development of sustainable cement products, improving the efficiency of our operations to reduce emissions intensity, and strengthening our operational resilience in a manner that supports our leadership in the sector and contributes to achieving the Kingdom's sustainable development goals.

Finally, I extend my sincere thanks and appreciation to the Board members, executive management, all Company employees, and our partners for their dedication and trust, which form the strong foundation for all our achievements. We reaffirm our commitment to continuing our journey toward achieving sustainable and responsible growth that supports the national economy and aligns with the aspirations of Saudi Vision 2030.

**Prince Nayef bin Sultan bin Mohammed bin Saud Al Kabeer Al Saud**

Chairman of the Board





# CHIEF EXECUTIVE OFFICER'S MESSAGE



Dear Shareholders, Partners, and Colleagues,

Peace be upon you,

**Yamama Cement Company continues to strengthen an integrated institutional model that enhances its ability to create sustainable value, guided by a clear vision aligned with the objectives of Saudi Vision 2030 and a firm commitment to operational excellence, sustainability, and governance. This report reflects the tangible progress we have made in aligning our strategy with economic and environmental priorities, supporting business continuity and strengthening our long-term positive impact.**

The year 2025 marked a key milestone in our journey through the formal adoption of our ESG strategy and a clear three-year implementation roadmap. This reflects our commitment to embedding sustainability across our operations by expanding low-carbon cement production, improving resource efficiency, strengthening responsible supply chains, and enhancing governance and transparency.

As part of our environmental commitment, we continued implementing targeted initiatives during 2025 to reduce emissions and improve operational efficiency. Despite higher overall greenhouse gas emissions driven by increased production levels, we achieved a significant improvement in emissions efficiency, with greenhouse gas emissions intensity decreasing to 0.66 tons of CO<sub>2</sub> equivalent per ton of cement, an improvement of approximately 26.7% compared to the previous year.

We also continued improving energy efficiency, reducing energy consumption intensity to 1.19

megawatt-hours per ton of cement, reflecting an improvement of approximately 12% compared to 2024. This performance demonstrates the effectiveness of our efforts to enhance operational efficiency and manage energy consumption. In parallel, renewable energy accounted for 5.6% of total energy consumption during the year.

In water management, we achieved 100% reuse of treated wastewater, supporting the sustainability of water resources. We also made notable progress in biodiversity initiatives, planting more than 450,000 trees as part of our target to plant one million trees by 2030, reinforcing our contribution to the Saudi Green Initiative.

On human capital, we remain proud of empowering more than 700 employees while continuing to invest in talent development, safety culture, and an inclusive and responsible work environment. Our occupational health and safety performance in 2025 reflected the effectiveness of our preventive systems, with no serious injuries or fatalities recorded, a zero severity rate, and more than 19.5 million safe working hours achieved. We also continued advancing workforce nationalization, increasing the Saudization rate from 72% to 75%, reaffirming our commitment to developing national talent.

In governance, we strengthened institutional oversight through the establishment of the Sustainability Committee and the enhancement of control and audit frameworks that support transparency, accountability, and compliance. We also continued strengthening information security practices in line with regulatory requirements and international standards through the implementation of an information security management system that enhances our ability to protect assets and manage cybersecurity risks effectively.

Building on these achievements, we will continue implementing our strategy, enhancing operational efficiency, and expanding our initiatives to create long-term sustainable value. We extend our sincere appreciation to the Board of Directors, our employees, partners, and all stakeholders for their trust and continued support, as we remain committed to advancing sustainable growth that supports the national economy and contributes to the ambitions of Vision 2030.



**Jehad bin  
Abdul-Aziz  
Al-Rushed**

Chief Executive  
Officer



# YAMAMA CEMENT: COMPANY PROFILE



## Business Overview

Yamama Cement Company is a Saudi cement producer with a history spanning nearly seven decades. Founded in 1956 by His Royal Highness Prince Mohammed bin Saud Al-Kabeer (may he rest in peace), the Company has supported the development of the Kingdom's infrastructure and urban landscape since its establishment.

Yamama Cement was the first cement producer in the Central Region and the third in Saudi Arabia. Our name, "Yamama," is derived from a historic region at the heart of the Kingdom, reflecting its deep national heritage and long-standing role in supporting development.

Production activities began in 1965 with a single clinker line and a daily capacity of 300 metric tons. Through continuous expansion and strategic investment, Yamama Cement has significantly increased its production capabilities to meet market demand. Today, clinker production capacity reaches 20,000 metric tons per day, equivalent to approximately 6.6 million metric tons annually, supported by advanced grinding systems, expanded storage capacity, and upgraded energy infrastructure to enhance operational efficiency.



At Yamama Cement, we offer a portfolio of products designed to serve diverse construction needs, including:

### Ordinary Portland Cement

Suitable for general construction applications.



### Sulfate-Resistant Cement

Specifically designed for environments exposed to seawater or high salt concentrations.



### Finishing Cement

A type of cement used for plastering, finishing works, and other light cement applications.



The Company employs more than 700 qualified professionals and continues to invest in workforce development through structured training, safety initiatives, and ongoing qualification programs.

With a continued focus on sustainability, operational efficiency, and product quality, Yamama Cement remains well positioned to support the Kingdom's infrastructure and industrial growth as Saudi Arabia advances its Vision 2030 objectives.

## 2025 Key Figures

SAR  
**1,423 m**  
Total Revenues



SAR  
**534 m**  
Gross Profit



SAR  
**419 m**  
Operating Profit



SAR  
**483 m**  
Net Profit



## Vision, Mission, and Values

Yamama Cement plays a pivotal role in supporting the construction and infrastructure sector in the Kingdom of Saudi Arabia by providing high-quality cement products underpinned by responsible and sustainable operations. Drawing on its rich heritage of integrity, innovation, and operational excellence, the Company continues to contribute to supporting long-term economic and industrial growth in the Kingdom and to strengthening supply chain reliability for the construction and building sector.

Sustainability is a foundational pillar in Yamama Cement's strategy and operational direction. The Company's vision is to be the leading producer of sustainable cement in the Kingdom of Saudi Arabia, which is reflected in its integrated approach to operations management, resource efficiency enhancement, environmental protection, and the embedding of social responsibility. This is achieved through a balanced operational model combining production excellence, responsible supply chain practices, and an effective governance system that ensures transparency, accountability, and operational integrity.

Yamama Cement's mission is to operate efficiently, responsibly, and transparently across all its operational and administrative activities, guided by its core institutional values of sustainability, collaboration, and accountability. These values form a reference framework for decision-making processes and support the Company's efforts to create sustainable value for stakeholders, develop human capital, and enhance positive impact in the communities in which it operates.

In response to the growing importance of low-carbon cement manufacturing, the Company continues to enhance its environmental and operational performance through investments in advanced technologies, improved energy and resource efficiency, and the adoption of sustainable solutions. These initiatives contribute to reducing the environmental impact of operations, protecting biodiversity, ensuring compliance with environmental regulations, and aligning with national and global sustainability priorities, including the objectives of Saudi Vision 2030 and the transition toward a low-carbon economy.



# OUR JOURNEY

## 1956

Yamama Cement Company was founded by Prince Mohammed bin Saud Al Kabeer along with a group of founding partners, including His Highness Prince Musaed bin Saud and his brothers, His Highness Prince Abdullah bin Mohammed bin Saud and his brothers, His Highness Prince Mohammed bin Abdullah bin Abdulaziz bin Turki, Sheikhs Abdulaziz and Mohammed Al-Abdullah Al-Jomaih, Sheikhs Ibrahim Al-Rashed Al-Humaid and his brothers, Sheikh Mohammed Al-Abdullah Al-Areefi, as well as the National Commercial Bank and Riyadh Bank.

## 1965

- The first production line was inaugurated with a capacity of 300 metric tons of clinker per day, under the patronage of the late King Faisal bin Abdulaziz. On that day, the birth of the first heavy industry in Riyadh was officially announced.
- Yamama Cement Company's shares were publicly listed, making it one of the first ten companies to join the Saudi Stock Exchange (Tadawul).

## 1981

The fifth production line was commissioned with a capacity of 1,500 metric tons of clinker per day.



## 1988

The sixth production line was commissioned with a capacity of 3,000 metric tons of clinker per day.

## 2010

- The company obtained the OSHA 18001 certification for compliance with international occupational health and safety standards, becoming the first Saudi cement company to receive this accreditation.
- The company obtained ISO 14001 certification for environmental management systems, becoming the first Saudi cement company to achieve this accreditation.
- Implementation of the Enterprise Resource Planning project (Yamama ERP System).

## 2015

A contract was signed to establish the new Yamama Cement plant with ThyssenKrupp Industrial Solutions of Germany. The project includes two production lines with a total clinker capacity of 20,000 metric tons per day, utilizing the latest global technologies in cement manufacturing. The total estimated investment for the project is 4.7 billion Saudi riyals.

## 1971

The second production line was commissioned with a capacity of 800 metric tons of clinker per day.

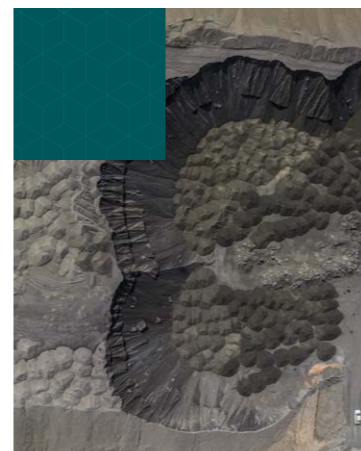


## 1977

The third and fourth production lines were commissioned, each with a capacity of 1,500 metric tons per day.

## 2001

The company obtained ISO 9001 certification, becoming the first cement company in Saudi Arabia to receive this quality accreditation.



## 2007

The seventh production line was commissioned with a capacity of 10,000 metric tons of clinker per day, making it the first of its kind in the Kingdom in terms of production volume.

## 2016

Inauguration of the company's new administrative headquarters.

## 2022

Operations commenced at the new plant with two production lines and a total clinker capacity of 20,000 metric tons per day.

## 2024

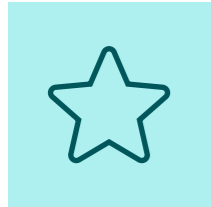
The new Yamama Cement plant was officially inaugurated under the patronage of His Royal Highness Prince Faisal bin Bandar bin Abdulaziz, Governor of Riyadh Region, and in the presence of His Excellency Bandar bin Ibrahim Al-Khorayef, Minister of Industry and Mineral Resources.

## 2025

Achieved more than 97% completion of the third production line, supporting increased production capacity and enhanced operational efficiency.



# CERTIFICATIONS



Yamama Cement Company implements internationally recognized management systems to ensure product quality, promote occupational health and safety practices, protect the environment, and safeguard information security across all its operational and administrative activities. These systems provide a framework that supports consistency in performance and risk management, and promotes continuous improvement, in alignment with global best practices in the industrial sector.

Through the application of systematic internal controls, the adoption of modern technologies, and adherence to relevant regulatory and sectoral requirements, the Company continues to enhance its operational efficiency, reduce its environmental impact, and maintain high levels of cement product quality, thereby reinforcing the confidence of customers and stakeholders.

As of 2025, Yamama Cement Company holds the following certifications:

<p><b>ISO 9001 Quality Management System</b></p>	<p><b>ISO 14001 Environmental Management System</b></p>	<p><b>ISO 45001 Occupational Health and Safety Management System</b></p>	<p><b>ISO 22000 Food Safety Management System</b></p>	<p><b>ISO 27001 Information Security Management System</b></p>
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# INTEGRATING SUSTAINABILITY INTO OUR OPERATIONS

The scale of Yamama Cement Company's operational activities reflects the magnitude of its role in the national cement industry and the broader local economy. During 2025, the Company achieved a market share exceeding 15.9% and recorded an average selling price of SAR 168.18 per ton, reinforcing the significance of its market presence and influence. Recognizing this position, Yamama Cement Company continues to embed sustainability as one of the core pillars of its business, going beyond its production leadership to support the adoption of responsible practices across the broader market and promoting the transition toward more sustainable practices.

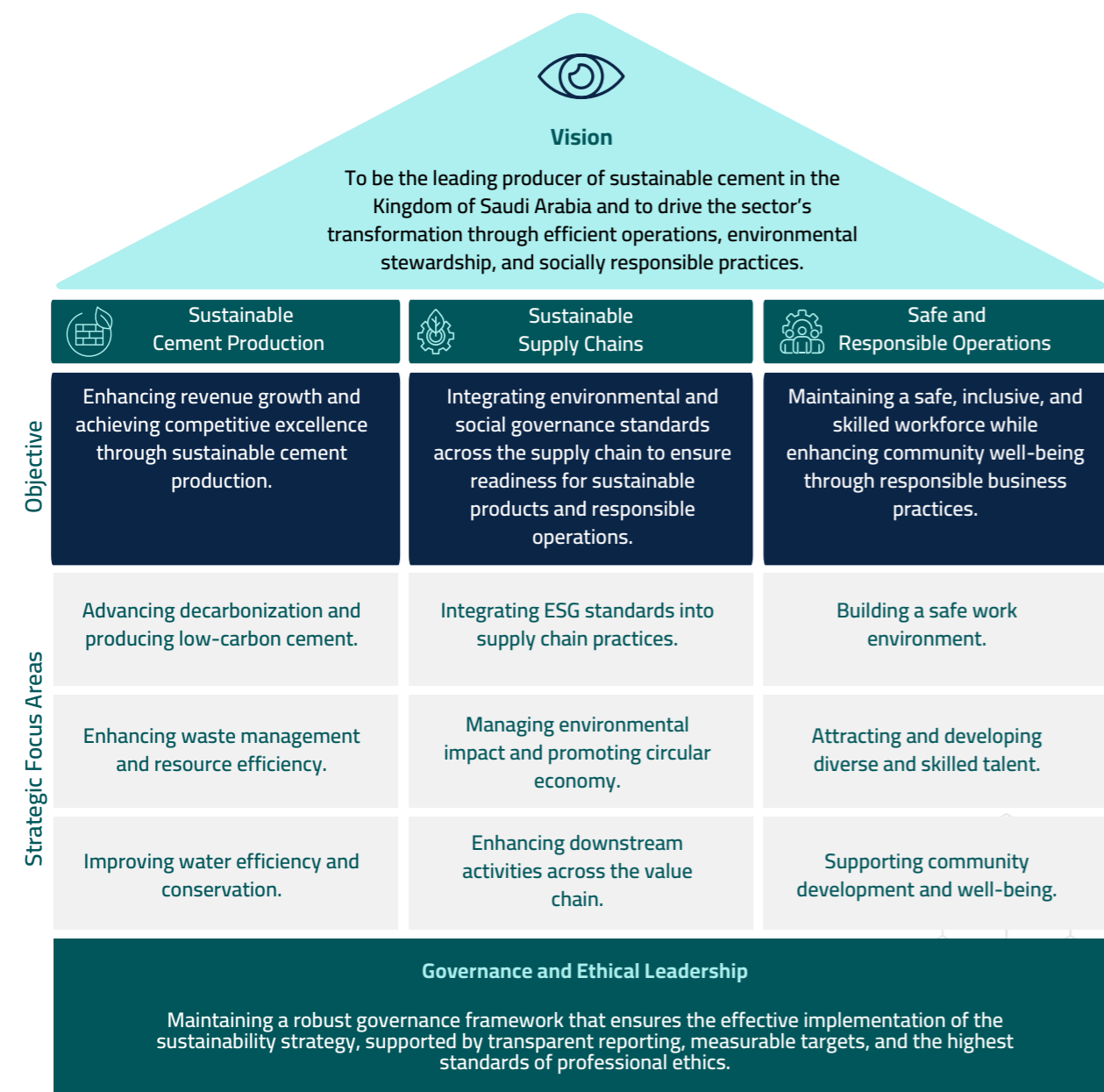
In alignment with this approach, the Company completed the development and formal adoption of its ESG strategy during 2025. This strategy provides a structured and systematic framework to support the transition toward low-carbon cement production, the enhancement of sustainable supply chain practices, and the embedding of safe and responsible operations. Through this framework, Yamama Cement Company affirms that achieving long-term industrial leadership is inextricably linked to enhancing environmental and social performance and embedding sound governance practices across all areas of its business.





# ESG FRAMEWORK

Recognizing its pivotal role in the national economy and the cement manufacturing sector, Yamama Cement Company has adopted a strategic approach aimed at developing more sustainable production and operational practices. The ESG framework presented below embodies this direction, providing an integrated structure to embed Environmental, Social, and Governance considerations across all areas of the Company's operations.



# ESG STRATEGY

Yamama Cement Company has adopted a clear strategic direction aimed at embedding sustainability across all its operations. This direction reflects the Company's response to growing climate-related priorities, regulatory developments, and stakeholder expectations — supporting institutional resilience, enhancing competitiveness, and delivering long-term sustainable value. Through this approach, Yamama Cement Company continues to strengthen its role in promoting responsible practices in the cement manufacturing sector.

The ESG Strategy provides a systematic and organized framework to fully guide the integration of sustainability standards into the Company's business model. The year 2025 witnessed a pivotal milestone with the formal adoption of this strategy, with the commencement of actual implementation from early 2026, supported by a three-year implementation roadmap to ensure the achievement of our strategic objectives.

In this context, the Company is aligning with the requirements of the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standard related to climate-related disclosures (IFRS S2). This includes strengthening disclosures related to climate change governance, climate-related risks and opportunities, and integrating climate considerations into strategy, risk management, and long-term planning. This approach includes oversight by the Board of Directors of climate-related risks and opportunities, while executive management is responsible for implementing the climate strategy, monitoring emissions performance, and executing carbon reduction initiatives, supported by clear reporting mechanisms to the Board. Management also plays an active role in identifying, assessing, and managing climate-related risks and opportunities. These risks and opportunities are integrated into the enterprise risk management framework, including both transition risks and physical climate risks across the Company's operations.

The ESG Strategy is built around four key pillars, each defined by a clear objective that outlines Yamama Cement Company's priority focus areas in support of sustainable growth and long-term value creation:





# ESG MANAGEMENT






The management of ESG matters at Yamama Cement is supported by defined processes that enable oversight, measurement, and review of sustainability-related performance. These processes are designed to track implementation, ensure compliance, and support continuous improvement, while remaining responsive to stakeholder input and internal requirements.

## Sustainability Committee

The Sustainability Committee oversees ESG practices at Yamama Cement Company and is responsible for approving the Company's ESG strategy and monitoring its implementation. The Committee also oversees ESG-related risks, opportunities, and material topics, ensuring alignment with the Company's overall strategy and approved sustainability budget, while strengthening coordination across departments to support the consistent implementation of sustainability initiatives.

At the operational level, ESG performance monitoring is supported through the following mechanisms:

-  Environmental and operational records for data collection, performance tracking, and regulatory compliance
-  Periodic internal audits to assess implementation status and adherence to policies and procedures
-  Defined stakeholder feedback channels that inform management review, decision-making, and continuous improvement actions

The Sustainability Committee is supported by the Sustainability Officer, who coordinates ESG activities across departments, tracks progress against approved objectives and supports internal reporting and documentation. The Committee has access to relevant data and information and may engage internal or external experts, as needed, to strengthen ESG oversight.

## Sustainability Department

Yamama Cement Company has established a Sustainability Unit to support the implementation of the ESG strategy and ensure the consistent integration of sustainability practices across all the Company's operational activities. The Unit operates with professional independence while maintaining close coordination with relevant departments to support effective implementation and enhance institutional accountability.

The Sustainability Unit is responsible for coordinating the development and implementation of sustainability initiatives, supporting the identification and monitoring of ESG key performance indicators, and facilitating related data collection, analysis, and reporting processes. It also works in coordination with the operations, projects, supply chain, human resources, finance, and commercial departments to ensure the integration of environmental, social, and governance

considerations into operational processes, management decisions, and institutional performance management frameworks.

The Sustainability function supports the Sustainability Committee by preparing technical inputs, organizing meetings, documenting outcomes, and monitoring progress against approved objectives and initiatives. It also contributes to the assessment of non-financial risks and supports the integration of sustainability considerations into the Company's enterprise risk management and corporate governance frameworks.

In addition, the Sustainability Unit is responsible for preparing the annual Sustainability Report in accordance with recognized local and international standards, and for managing sustainability-related data and documentation through the Sustainability Data Management System (SDMS). The Unit also supports stakeholder engagement activities, including materiality assessments and targeted communication initiatives.

Through its coordinating role, the Sustainability Unit plays a key role in strengthening ESG governance, supporting data-driven decision-making, and enhancing the Company's ability to manage sustainability-related risks and opportunities over the long term.





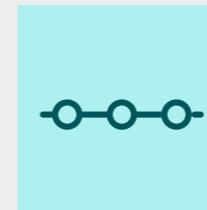
### Yamama Cement Company Joins the Sustainability Champions Program

Yamama Cement Company continues its participation in the Sustainability Champions Program as a beneficiary entity, in partnership with Ma'aden and under the supervision of the Ministry of Economy and Planning. The program aims to strengthen institutional capabilities in sustainability and ESG practices through knowledge sharing, capacity building, and the development of sustainable practices aligned with the objectives of Saudi Vision 2030.

Through this participation, Yamama Cement reaffirms its commitment to integrating sustainability principles into its operational and strategic framework. The initiative also supports the Company's efforts to advance responsible industrial practices, contribute to the transition toward a more sustainable economy in the Kingdom, and enhance resilience and long-term value creation within the industrial sector.



# SUSTAINABILITY JOURNEY



Yamama Cement Company's sustainability journey reflects a structured and evolving approach to integrating ESG considerations into its business model. Key achievements to date have focused on establishing strong foundations for transparency, strategy, and governance.

### Key milestones in our sustainability journey include:

2024

- > Development and adoption of the ESG framework, which identifies the key sustainability pillars and guides the integration of ESG considerations within the Company's strategy and operational activities.
- > Publication of Yamama Cement Company's first Sustainability Report, which laid the baseline for ESG disclosure and stakeholder engagement.

2025

- > Formal adoption of the ESG Strategy and a multi-year implementation roadmap, identifying priority areas, objectives, and the actions required to integrate sustainability into the business.
- > Establishment of the ESG Committee, enhancing oversight, accountability, and the integration of ESG considerations within the corporate governance structure.

Collectively, these milestones establish a strong foundation for Yamama Cement's ongoing sustainability journey, supporting the continued integration of ESG principles across the Company's operations and aligning its progress with Saudi Vision 2030.





# STAKEHOLDER ENGAGEMENT



**Stakeholder engagement is a fundamental pillar of Yamama Cement Company's sustainability approach and plays a pivotal role in shaping an effective and forward-looking ESG strategy. Through ongoing and systematic dialogue with those who influence or are influenced by the Company's business, the Company ensures that its sustainability priorities remain aligned with stakeholder expectations, regulatory requirements, and evolving sector best practices.**

Yamama Cement Company values the diversity of perspectives and insights contributed by stakeholders, recognizing their importance in identifying ESG-related risks and opportunities, supporting decision-making, and enhancing the effectiveness of sustainability initiatives. Stakeholder inputs contribute to strengthening operational resilience, managing material ESG topics, and supporting the creation of long-term sustainable value.

In this context, Yamama Cement Company conducts impact assessments during the early stages of projects to identify and evaluate the positive and negative impacts of its activities, products, and supply chain on the environment, society, and the economy. The scope of these assessments covers key activities across the value chain while considering both direct and indirect impacts. Assessment outcomes are used to develop stakeholder engagement plans and mitigation measures, supporting the proactive management of stakeholder concerns and ESG-related risks.

Yamama Cement Company also holds periodic meetings and, where necessary, conducts surveys to assess stakeholder perceptions regarding its engagement approach. All received complaints are recorded, tracked, and addressed through approved procedures to ensure effective and timely resolution.

Key stakeholder groups include:

Stakeholder Group	Key Expectations & Interests	Engagement Methods	Frequency
<b>Internal stakeholders</b>			
Employees	Safe work environment, fair employment, skills development, job security, workplace well-being.	Internal communication channels, safety meetings, training programs, performance appraisals, employee surveys.	Ongoing

Stakeholder Group	Key Expectations & Interests	Engagement Methods	Frequency
<b>Internal stakeholders</b>			
Senior Management	Operational efficiency, risk management, regulatory compliance, implementation of strategic priorities.	Management meetings, strategic workshops, committee meetings (incl. Sustainability Committee), internal reports, performance dashboards.	Ongoing
Board of Directors	Effective governance, strategic oversight, financial performance, ESG integration.	Board and committee meetings, presentations, periodic reports.	Periodic
<b>External stakeholders</b>			
Customers	Product quality, supply reliability, competitive pricing, technical support, environmental responsibility.	Sales meetings and negotiations, customer meetings, contracts, technical support.	Ongoing
Suppliers, Contractors & Service Providers	Fair purchasing practices, timely payment, long-term partnerships, H&S and environmental compliance.	Procurement procedures, contracts, supplier assessments, audits, supplier and contractor meetings.	Periodic / As needed
Financing Entities	Creditworthiness, contractual compliance, liquidity, ESG-related financial risk management.	Lender meetings, financial disclosures, compliance reports, financing agreements.	Periodic
Government Entities	Alignment with national priorities, economic contribution, local content, environmental performance.	Regulatory reports, inspection visits, official correspondence, consultations.	As needed
Regulatory Authorities	Environmental and occupational H&S regulatory compliance.	Compliance reports, audits, inspection visits, regulatory meetings.	Periodic



Stakeholder Group	Key Expectations & Interests	Engagement Methods	Frequency
<b>External stakeholders</b>			
Investors	Financial performance, transparency, governance quality, long-term value creation, ESG ratings.	Annual reports, sustainability reports, disclosures, investor relations, general assemblies.	Periodic
Local Communities	Environmental protection, health and safety, employment opportunities, community development.	Community engagement activities, grievance mechanisms, local initiatives.	Ongoing
NGOs	Environmental protection, social responsibility, transparency, responsible practices.	Consultations, partnerships, participation in environmental and social initiatives.	Periodic
& Academic Research Institutions	Research collaboration, innovation, workforce development.	Partnerships, research projects, knowledge sharing.	Periodic

Through open dialogue, transparent communication, and collaborative engagement, Yamama Cement Company seeks to build trust, reinforce responsible business practices across its value chain, and strengthen relationships based on mutual benefit. This approach supports the Company's ambition to drive sustainable development and strengthen its position as a leading producer of sustainable cement in the Kingdom of Saudi Arabia.



# MATERIALITY ASSESSMENT



**Yamama Cement undertook a structured materiality assessment to ensure that its ESG priorities reflect both business considerations and stakeholder expectations. The assessment enabled the Company to determine the ESG topics most relevant to its operations, focusing on areas with the greatest potential impact on the business and the strongest relevance to long-term value creation.**

Our assessment was conducted in alignment with the GRI Standards, applying a consistent and data-informed methodology. Consideration was also given to national priorities and global sustainability agendas, including Saudi Vision 2030, the Saudi Green Initiative, and relevant international ESG frameworks.

The materiality assessment followed a four-step process:

## 1 Defining the Sustainability Context

Yamama Cement reviewed its operations and value chain to identify key ESG risks and opportunities relevant to the cement sector. This review considered national development priorities and broader global sustainability trends to establish the assessment context.

## 2 Identifying Key ESG Topics

A long list of ESG topics was developed through engagement with internal and external stakeholders, including employees, regulators, customers, and industry experts. This step was supported by a review of peer practices, ESG ratings, and applicable international standards.

## 3 Assessing and Prioritizing Impacts

The identified ESG topics were assessed and prioritized based on their relevance to Yamama Cement's operations and stakeholder expectations, informed by stakeholder input and external benchmarks. This step enabled the Company to determine priority ESG topics for management focus and disclosure.

## 4 Integrating Insights into Strategy

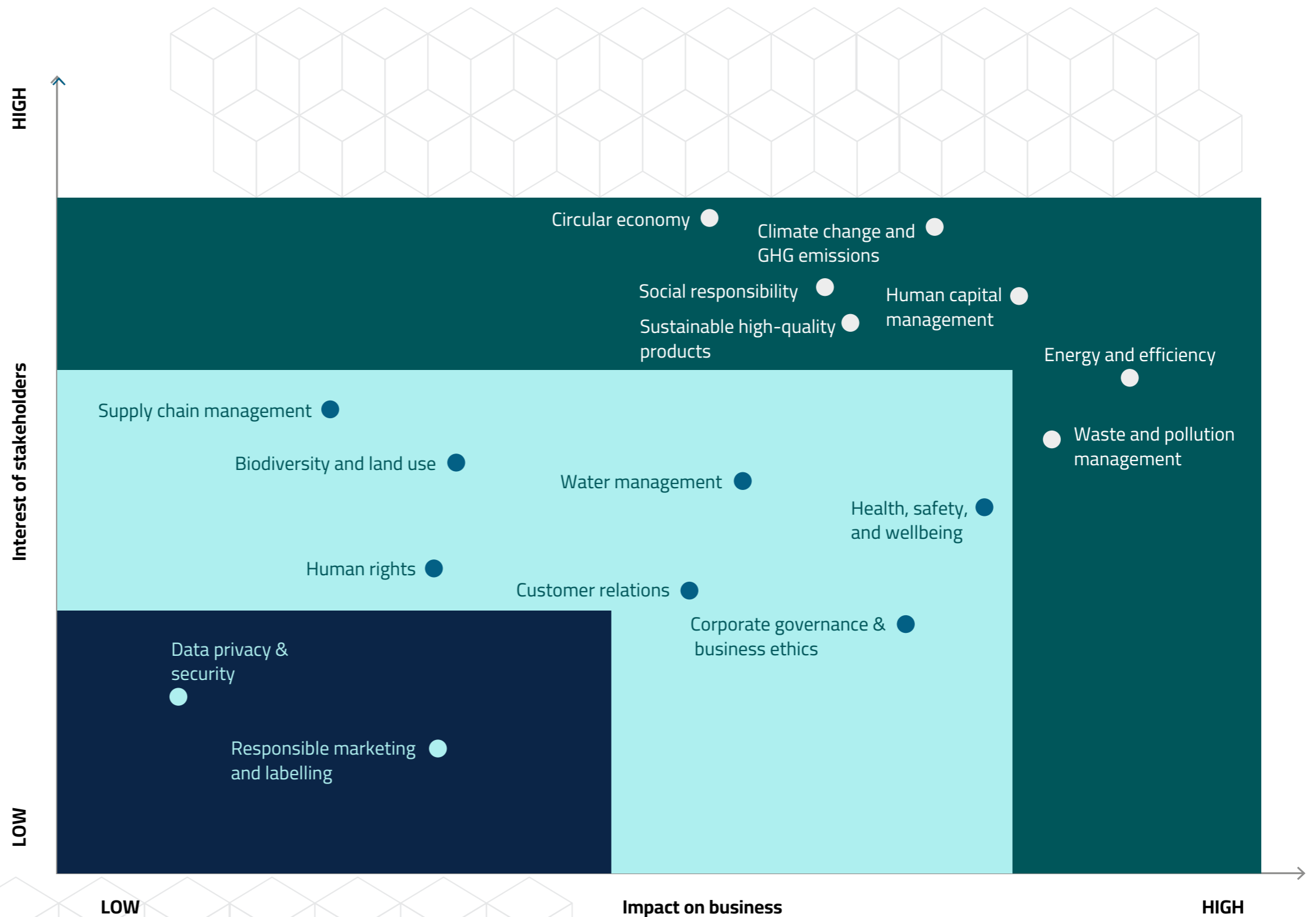
Senior management reviewed the prioritized ESG topics and considered their integration into the Company's corporate strategy framework, performance monitoring mechanisms, and stakeholder engagement activities. The strategy was formally adopted during 2025.



Through the materiality assessment process, Yamama Cement identified the most significant material topics that represent key drivers of long-term value creation due to their direct impact on operational performance, cost structure, risk management, regulatory compliance, and competitiveness. These topics are linked to clear business risks and opportunities, as energy efficiency and emissions reduction contribute to improving efficiency and reducing costs, while health and safety and human capital topics support business continuity, productivity, and operational stability. The Company has developed strategies, initiatives, and key performance indicators to address these material topics.

The outcomes of the materiality assessment form the foundation for advancing the sustainability journey across Yamama Cement's operations. The assessment supports the development of the Company's ESG framework, enhances transparency and disclosure reliability, and strengthens data-driven decision-making.

Yamama Cement remains committed to regularly reviewing and updating its materiality assessment to ensure alignment with evolving stakeholder expectations, regulatory developments, and emerging sustainability challenges.





# SUSTAINABILITY HIGHLIGHTS 2025

## SUSTAINABLE CEMENT PRODUCTION

**26.7%**  
reduction in greenhouse gas emissions intensity

**12%**  
reduction in energy consumption intensity

**100%**  
reuse of treated wastewater

**450,000+**  
trees planted as part of a reforestation initiative

**100%**  
reuse of production dust

**170,000 m<sup>3</sup>**  
Annual reduction in water consumption



## SUSTAINABLE SUPPLY CHAINS

**EPDs**  
Implementation of Environmental Product Declarations (EPDs) across all products.

**More Efficient Supply Chains**  
Improved coordination and collaboration with suppliers to reduce disruption risks.

**Enhancing Logistics Efficiency**  
Contributed to reducing time, costs, and emissions.

## SAFE AND RESPONSIBLE OPERATIONS

**2.3+ MILLION**  
in community support

**19.6 MILLION**  
safe working hours recorded without any fatalities

**75%**  
Saudization rate

**31,896**  
total employee training hours

**87%**  
average employee satisfaction rate

**3.24%**  
employee turnover rate

## GOVERNANCE AND ETHICAL LEADERSHIP

Adoption of the **ESG** Strategy and implementation roadmap

Establishment of the **Sustainability Committee**

**ZERO**  
Zero confirmed corruption cases reported to the Board of Directors

**ISO 27001**  
certification for Information Security Management





# SUSTAINABLE CEMENT PRODUCTION

Yamama Cement acknowledges its environmental responsibility across the construction value chain and is committed to managing its impacts in a responsible and sustainable manner. We place high emphasis on reducing emissions, improving energy efficiency, advancing circular economic practices, using water resources responsibly, minimizing waste, and protecting ecosystems and biodiversity.

Environmental considerations are integrated into Yamama Cement's production processes to reduce its footprint while maintaining operational excellence. Through the adoption of efficient technologies, optimized resource use, and recognized best practices, the Company aligns its cement production with national and global climate objectives. These efforts support regulatory compliance and contribute to long-term value creation for the business, its stakeholders, and the environment.

## UN SDGs Alignment:



Through investments in energy efficiency and renewable energy sources.



By promoting low-carbon cement production and adopting sustainable operational practices.



By reducing waste, supporting the circular economy, and managing resources sustainably.



By implementing strategies to reduce greenhouse gas emissions and adopting alternative fuels.



By protecting biodiversity and ecosystems, managing natural resources sustainably, and addressing environmental risks.



## Saudi Vision 2030 Alignment



**A Thriving Economy**  
Advancing industrial sustainability, fostering innovation in cement production, and promoting resource efficiency to drive economic competitiveness.



**A Vibrant Society**  
Promoting environmental responsibility, improving water and waste management, and advancing cleaner energy practices in support of the Kingdom's vision for a healthier and more sustainable future.



**An Ambitious Nation**  
Aligned with national environmental compliance standards and committed to strengthening corporate responsibility in advancing industrial sustainability.

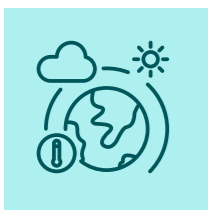
## Material Topics:

- Climate Change and Greenhouse Gas Emissions
- Energy Efficiency
- Water Management
- Waste and Pollution Management
- Biodiversity and Land Use
- Circular Economy
- Sustainable High-Quality Products





# CLIMATE CHANGE AND GREENHOUSE GAS EMISSIONS



**The cement manufacturing sector, as one of the emissions-intensive industries, plays a pivotal role in addressing climate change. Yamama Cement Company recognizes this responsibility and is committed to managing and reducing greenhouse gas emissions across its operations and value chain, in support of the transition toward a low-carbon economy.**


The Company has established a foundation for emissions management by measuring Scope 1 and Scope 2 greenhouse gas emissions in accordance with the Greenhouse Gas Protocol methodology, supporting transparency and data-driven decision-making. Ongoing efforts focus on improving data quality and accuracy, and identifying emissions reduction opportunities across operational activities and the broader value chain.

The Company is also developing an integrated greenhouse gas emissions management framework that includes the gradual expansion of emissions measurement and disclosure across relevant scopes, including Scope 3 emissions and material categories within the value chain, in line with international best practices. In addition, the Company seeks to align its emissions measurement indicators with the requirements of the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standard related to climate disclosures (IFRS S2). This includes the disclosure of Scope 1 and Scope 2 emissions using both the location-based and market-based methodologies. The location-based methodology reflects the average emissions intensity associated with the electricity grid within the Company's

operating boundary, while the market-based methodology reflects emissions associated with electricity actually supplied to the Company based on contractual arrangements or certified tracking instruments, where applicable.

In parallel, Yamama Cement Company has initiated the development of a carbon reduction strategy aimed at identifying emissions reduction priorities, setting interim targets, and establishing a credible pathway toward achieving carbon neutrality, with gradual implementation scheduled to begin in 2026. This strategy includes expanding the use of alternative fuels, reducing the clinker ratio in cement, improving energy efficiency, and evaluating opportunities to utilize renewable energy sources and advanced emissions reduction technologies. The Company also monitors emissions intensity indicators in relation to production levels, enabling the assessment of operational efficiency and the measurement of environmental performance improvements over time.

The Company also plans to develop and introduce low-carbon cement products beginning in 2026, as part of a strategic initiative aimed at strengthening its sustainable product portfolio and supporting the transition toward lower-carbon-intensive products. This direction aligns with the Company's ESG strategy, the objectives of Saudi Vision 2030, and national sustainability priorities, while supporting global climate goals and long-term low-carbon development.



**26.7%**  
Greenhouse gas emissions intensity decreased by approximately 26.7%

In 2025, Scope 1 and Scope 2 greenhouse gas emissions increased compared to previous years due to higher production levels and the expansion of operational activities, reflecting the structural relationship between production volumes and emissions levels within the cement industry.

At the same time, the Company achieved a notable improvement in emissions efficiency, with greenhouse gas emissions intensity decreasing by approximately 26.7% compared to 2024, demonstrating enhanced operational efficiency and improved energy management practices. This improvement was achieved alongside an increase in sales volumes to approximately 8,488,605 tons in 2025, which contributed to lowering emissions intensity per unit of production, in parallel with the impact of key operational factors.

Most notably clinker production and the clinker-to-cement ratio, which are considered among the key determinants of emissions intensity.

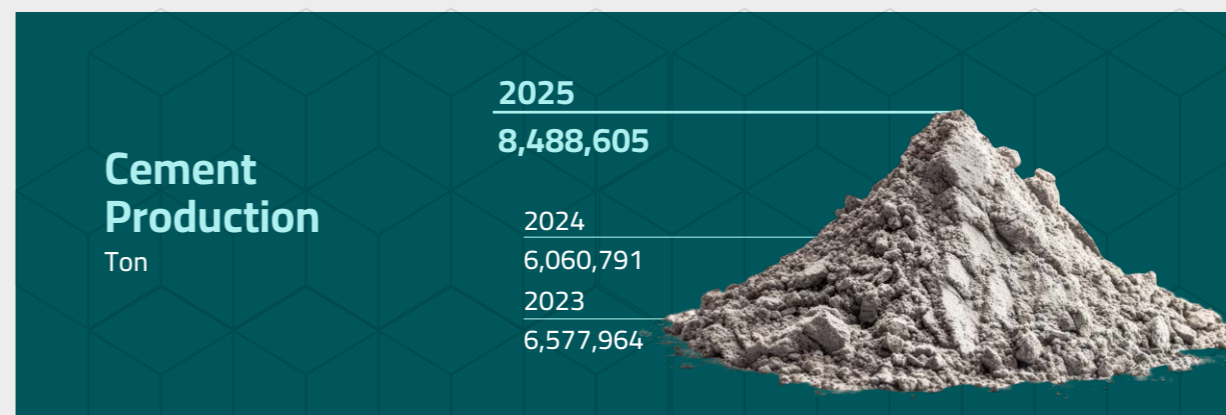
Overall, these results reflect improved emissions efficiency per unit of production despite business growth, reinforcing the Company's direction toward reducing carbon intensity and enhancing environmental performance over the medium and long term.

Emissions	Unit	2023	2024	2025
Scope 1 GHG emissions	Metric Tons CO <sub>2</sub> e	4,738,475	5,449,970	<b>5,604,792</b>
Scope 2 GHG emissions	Metric Tons CO <sub>2</sub> e	935	934	<b>969</b>
GHG emissions intensity ratio for the organization	Metric Ton of CO <sub>2</sub> e/ton of cement	0.72	0.90	<b>0.66</b>

Note: Yamama Cement Company began measuring and disclosing greenhouse gas emissions in 2023 in accordance with the Greenhouse Gas Protocol methodology. The Company is working toward expanding the scope of disclosure and presenting multi-year trend data in future reporting periods.

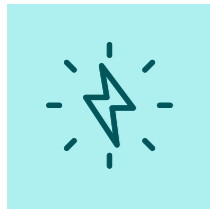
\*During the reporting year, location-based Scope 2 greenhouse gas emissions were disclosed in line with available data and current regulatory requirements. Market-based emissions are currently equivalent to location-based emissions, as Yamama Cement Company has not purchased any Clean Energy Certificates (CECs) or Renewable Energy Certificates (RECs). Should the Company purchase CECs or RECs in the future, these instruments will be accounted for within market-based Scope 2 emissions in accordance with applicable greenhouse gas accounting guidance.

The increase in cement production during 2025 contributed to achieving clinker production of 7,255,187 tons, with the clinker-to-cement ratio reaching 85.5%. The clinker ratio is considered a key factor influencing carbon intensity in cement production, as clinker manufacturing represents the most energy-intensive and highest-emitting stage within the production process.





# ENERGY EFFICIENCY



**Energy efficiency is a key pillar of Yamama Cement Company's ESG approach. One of our main priorities is improving energy performance using efficient technologies and the gradual integration of renewable energy sources, supporting the reduction of our environmental footprint while strengthening operational resilience and cost effectiveness.**

The Company's energy management efforts align with its pathway toward emissions reduction and the transition to more efficient and sustainable operations. Yamama Cement is developing a more comprehensive energy management program that includes conducting periodic energy efficiency reviews, identifying improvement opportunities, implementing energy reduction projects, and regularly monitoring performance against defined targets. This approach supports the continuous improvement of energy efficiency across various operational processes.

Data from 2025 showed an increase in total energy consumption compared to previous years, driven by higher production levels and the expansion of operational activities. Natural gas consumption accounted for the largest share of the total energy mix, particularly within kiln operations, which represent the most energy-intensive stage in the cement production process.

At the same time, the Company achieved improvements in energy efficiency, with energy consumption intensity decreasing by **approximately 12% compared to 2024**, reflecting the effectiveness of energy management efforts and continuous

improvements in operational efficiency. This improvement was achieved alongside increased production volumes, contributing to enhanced energy efficiency per unit of production.

This performance also reflects progress in implementing energy efficiency programs, including periodic reviews, the identification of optimization opportunities, and the implementation of operational initiatives aimed at reducing energy consumption, thereby enhancing resource efficiency across operations.

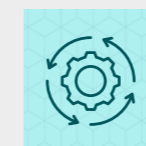
With respect to renewable energy, its share remained at 5.6% during 2025, reflecting a stable level of reliance on renewable energy sources within operational activities. The Company continues to evaluate opportunities to further expand renewable energy use in line with its emissions reduction objectives.

Overall, these trends reflect improved energy efficiency per unit of production, alongside the Company's continued focus on enhancing operational efficiency to support emissions reduction targets and improve environmental performance over the medium and long term.



Energy	Unit	2023	2024	2025
Total gas consumption	Megawatt Hour	7,008,070	8,161,649	<b>10,070,008</b>
Total gas consumption within Kilns	Megawatt Hour	5,715,737	6,606,748	<b>7,798,969</b>
Total Gas Consumption for Power Generation	Megawatt Hour	1,292,333	1,554,901	<b>2,271,039</b>
Total electricity consumption within the Plant	Megawatt Hour	611,064	664,554	<b>772,413</b>
Energy Consumption Intensity	Megawatt Hour/ton of cement	1.07	1.35	<b>1.19</b>
Percentage of renewable energy consumed	%	5.4	6.8	<b>5.6</b>

Note: Total electricity consumption within the plant represents the actual amount of electricity used in operational activities, whether supplied from the grid or generated internally within the Company's facilities. This differs from the electricity generation figure, which refers to the amount of energy (such as natural gas) used to generate electricity internally and does not represent the plant's final electricity consumption.



## STRATEGIC APPROACH AND CONTINUOUS IMPROVEMENT

During 2025, Yamama Cement Company continued strengthening its focus on improving energy efficiency through enhancing operational efficiency, upgrading assets and equipment, and adopting advanced technologies. The Company also expanded energy conservation initiatives while exploring alternative energy sources to help reduce reliance on fossil fuels and lower emissions associated with operations.

Digital monitoring systems enabled real-time tracking of energy consumption, allowing the identification of improvement opportunities and enhancing the speed and efficiency of data-driven decision-making. These efforts contributed to achieving gradual and continuous improvements in energy performance across various operational activities.

By embedding energy efficiency into its operational practices, Yamama Cement Company continues to support the Kingdom's climate action objectives while enhancing operational cost efficiency and creating long-term sustainable value for its business and stakeholders.



## OVERSIGHT AND PERFORMANCE MONITORING

Yamama Cement Company adopts a structured framework for managing and reviewing energy consumption, supported by internal monitoring and evaluation mechanisms, as well as stakeholder feedback to enhance performance. This approach strengthens transparency and accountability while supporting continuous improvement. Key indicators, including energy efficiency metrics, compliance levels, and results-based performance indicators, serve as essential references for strategic decision-making and tracking progress.

During 2025, this framework contributed to advancing continuous improvements in energy efficiency and enhancing compliance levels, while also supporting institutional awareness across different departments, strengthening training and development programs, and enhancing digital tools, thereby reinforcing energy governance and data quality.





# WATER MANAGEMENT



**Water is an essential component of cement manufacturing operations, and Yamama Cement Company manages this resource through an approach centered on efficiency, responsibility, and regulatory compliance. This approach focuses on improving water use efficiency, reducing associated environmental impacts, and aligning water management practices with the Company's broader sustainability commitments.**

Water withdrawal and consumption are monitored through smart meters installed at extraction and usage points across the Company's facilities. This supports the collection of accurate, consistent, and traceable data, enhances operational oversight, and ensures compliance with applicable environmental requirements.

Yamama Cement Company applies structured water management practices covering water consumption, conservation, recycling, and treated water management. Treated wastewater is recycled and reused for irrigation purposes, amounting to 25,550 cubic meters annually.

Beginning in 2024, Yamama Cement implemented an initiative to reuse recovered water from the desalination plant within raw material grinding operations. During the reporting year, this initiative resulted in the reuse of 233,078 cubic meters of water, reflecting the Company's commitment to water efficiency, resource conservation, and sustainable operational practices.

Alongside meeting operational requirements, the Company maintained a balanced approach to resource management by directing 353,688 cubic meters of filter backwash water toward irrigation and dust suppression activities. During 2025, water consumption intensity reached 0.11 cubic meters per ton of cement, reflecting efficient resource utilization and alignment with leading global

industry standards. The Company also continues to maintain a stable water storage capacity of 15,000 cubic meters, ensuring balanced water flows and alignment between recorded data and actual operational requirements.

The Company is developing a more comprehensive water efficiency management approach that includes water risk assessments, consumption monitoring, implementation of water reduction projects, enhancement of water reuse practices, and improvement of water discharge quality, supporting the responsible use of water resources over the long term. The Company also seeks to gradually expand water-related disclosures, including water withdrawal volumes, water discharge volumes, and net water consumption, using standardized units of measurement while clearly defining data boundaries and coverage levels.

In addition, the Company is working toward establishing targets to improve water use efficiency and reduce water consumption, while periodically monitoring performance against these targets to support continuous improvement in water resource management. As part of its risk management efforts, the Company is also developing a methodology to assess water-related risks, including water dependency risks, risks associated with the impact of operations on water resources and local communities, as well as future water availability risks.

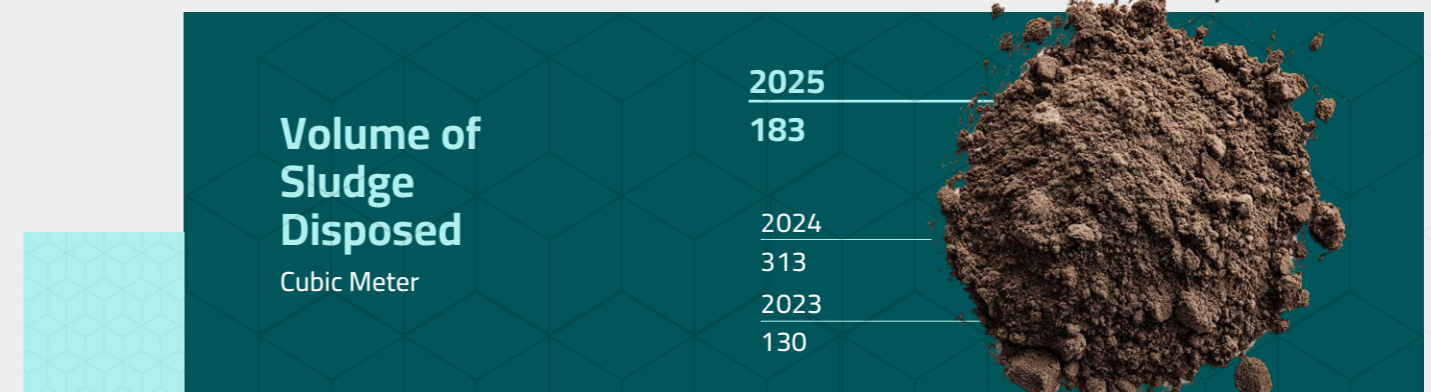
Water Management	Unit	2023	2024	2025
Total Groundwater Withdrawal	Cubic Meter	782,377	831,494	<b>913,466</b>
Water Used in Industrial Operations	Cubic Meter	229,041	158,246	<b>171,351</b>
Water Used in Raw Material Mills (Reverse Osmosis Reject Water)	Cubic Meter	250,800	152,847	<b>233,078</b>
Water Used for Irrigation and Dust Control (Generated from Filter Backwash)	Cubic Meter	193,614	378,145	<b>353,688</b>
Water Used in Sanitary and Service Facilities	Cubic Meter	108,922	142,238	<b>155,349</b>
Water Consumption Intensity	Cubic meters/ ton of cement	0.12	0.14	<b>0.11</b>
Change in Water Storage	Cubic Meter	0*	0*	<b>0</b>

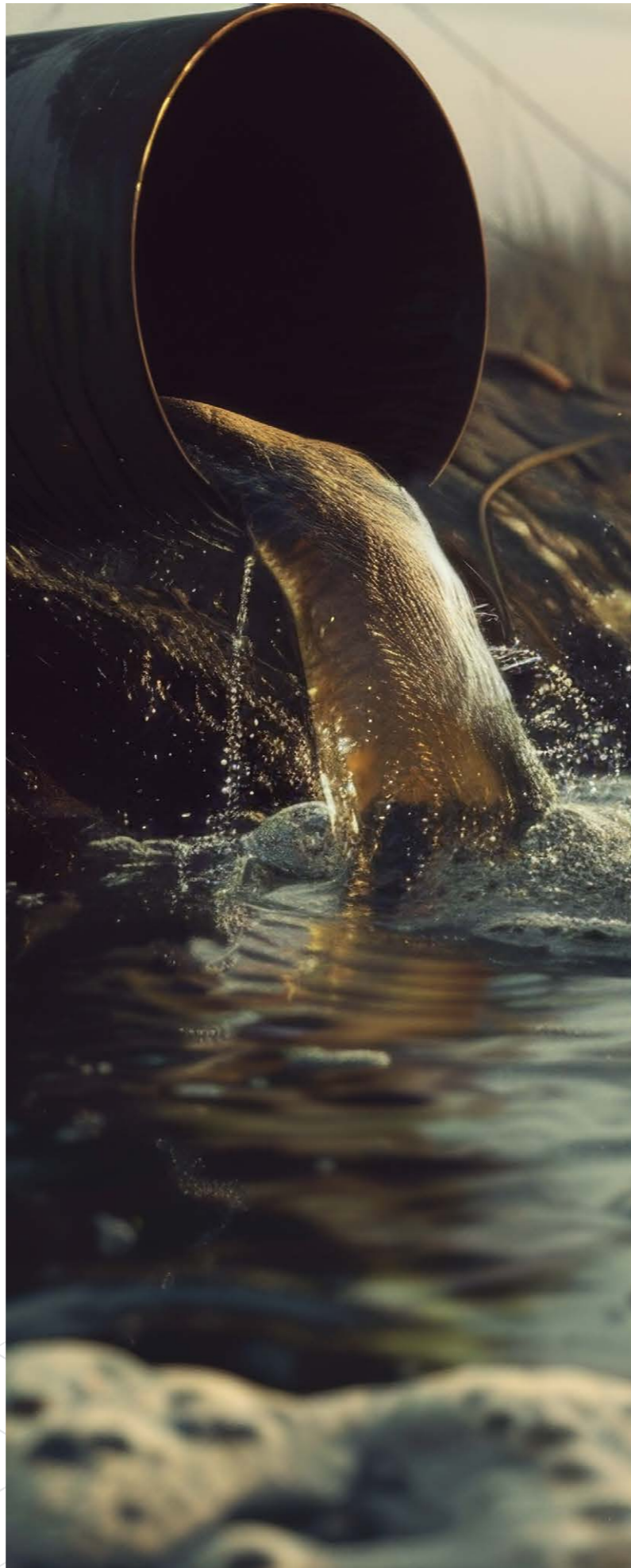
\*Figure restated.

## Water Treatment and Effluent Management

Yamama Cement Company operates a centralized wastewater treatment plant that supports its operational sites and ensures the responsible management of discharged water. Treatment processes are designed to prevent the discharge of untreated wastewater into the environment, supporting environmental protection, safeguarding public health, and ensuring compliance with applicable regulatory requirements.

Alongside wastewater treatment operations, sludge generated as a byproduct of the treatment process is managed and disposed of in accordance with national environmental requirements. The table below presents changes in sludge disposal volumes during the reporting period. Variations in the quantity of sludge disposed of between 2023 and 2025 were driven by differences in the volume and characteristics of treated water, in addition to ongoing efforts to improve treatment efficiency and waste management practices, thereby contributing to the reduction of associated environmental impacts.





Yamama Cement Company's approach to wastewater and liquid waste management delivers integrated environmental, social, and economic benefits. From an environmental perspective, effective treatment and disposal practices contribute to reducing pollution risks, protecting biodiversity, and ensuring compliance with relevant regulatory requirements. From a social perspective, these practices support the maintenance of a safe and healthy environment for employees and surrounding communities.

From an economic standpoint, effective wastewater management contributes to operational continuity and reduces potential regulatory risks, while underscoring the importance of continued investment in infrastructure, monitoring systems, and maintenance activities. The Company continues to maintain a balance across these environmental, social, and economic dimensions, supporting the mitigation of potential impacts and enhancing long-term sustainable operational value.

### Advancing Circular Water Use

Water reuse represents a key component of Yamama Cement Company's circular economy approach. During 2025, treated water was reused for irrigation purposes, contributing to improved resource efficiency and reduced reliance on freshwater sources.

By reintegrating treated water into operational and site-related uses, Yamama Cement contributes to reducing dependence on groundwater resources and supporting water conservation in a water-scarce environment. This practice also strengthens the resilience of local water resources and reinforces the Company's commitment to circular economy principles and the integration of sustainability across its core operations.

**100%**  
of the wastewater treated was reused.



## CASE STUDY

### Reusing Non-Potable Water in Raw Material Mills

In 2024, Yamama Cement Company launched a water reuse initiative aimed at reducing reliance on treated and desalinated water through the use of non-potable water in raw material mills. The project was driven by two primary objectives: conserving potable water resources and reducing the high costs and chemical inputs associated with water treatment and desalination processes. This was achieved by extending pipeline networks to directly supply non-potable water to the operational lines serving the raw material mills.

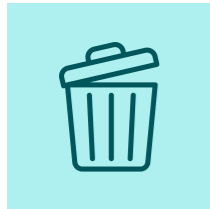
The Company succeeded in reducing the consumption of chemicals used in water treatment, resulting in a decrease in associated costs from SAR 3.68 million to SAR 1.13 million.

The project was implemented without any operational impacts, demonstrating the feasibility of safely and efficiently integrating non-potable water into specific industrial processes.

This initiative reflects Yamama Cement Company's commitment to environmental protection and resource efficiency, while supporting national sustainability objectives, particularly in the area of water conservation. The Company also addressed initial water quality challenges through precise system integration, the implementation of strict monitoring procedures, and ongoing assessments. Looking ahead, the Company intends to expand the application of this approach across additional operational activities and explore further opportunities to optimize the use of non-potable water, contributing to the preservation of water resources and the advancement of sustainability efforts.



# WASTE AND POLLUTION MANAGEMENT



**Yamama Cement Company adopts a circular economy approach across its operations through waste reduction, material reuse, and recycling practices, contributing to lower natural resource consumption, reduced emissions, and improved resource efficiency throughout its operations. In this context, the Company implements an integrated waste management program that includes waste identification, periodic reviews, identifying opportunities to reduce waste, enhancing recycling and reuse practices, and minimizing waste sent to landfill, supporting continuous environmental performance improvement and greater resource efficiency.**

Yamama Cement manages waste and pollution through defined environmental controls that support regulatory compliance, enhance operational efficiency, and ensure the responsible use of resources. These controls cover all operational waste streams, including hazardous and non-hazardous waste, and aim to reduce environmental impacts while supporting long-term sustainability.

Waste management practices are governed through the Company's ISO 14001-certified Environmental Management System, implemented across all operations. The system provides a structured framework for monitoring environmental performance, managing waste handling and recycling activities, and ensuring compliance with relevant environmental requirements.

As part of its circular economy approach, the Company continues to enhance material and waste reuse wherever feasible and expand the use of alternative fuels and raw materials within operations. This supports reducing waste sent to landfill, lowering emissions, and improving resource efficiency across the value chain.

The Company is also gradually expanding the scope of waste-related disclosures to include total waste generated, hazardous and non-hazardous waste volumes, quantities recycled or reused, and waste disposal methods such as landfilling, using standardized units of measurement. This approach includes setting targets to reduce waste generation, increase recycling rates, and divert waste away from landfill, while periodically monitoring performance against these targets to support continuous improvement and reduce environmental impacts.

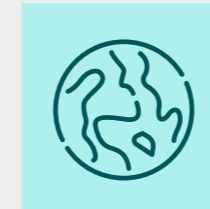
Yamama Cement Company continues to strengthen and enhance its waste and pollution management practices in ways that improve environmental performance, increase resource efficiency, and support responsible operational practices aligned with sustainability requirements.

## Responsible Materials Management

Yamama Cement Company's approach to raw material sourcing is based on the responsible and efficient use of resources, with a focus on reducing reliance on non-renewable resources and supporting circular economy principles. In addition to compliance-driven controls, the Company seeks to enhance the reuse of materials and waste wherever feasible across its value chain, supporting the diversion of suitable waste streams toward reuse, reducing landfill disposal, and promoting a more resource-efficient production model.

Yamama Cement Company continues to develop and improve its waste and pollution management practices in ways that enhance environmental performance, strengthen resource efficiency, and support responsible operations aligned with sustainability requirements.

# BIODIVERSITY AND LAND USE



**Yamama Cement Company manages biodiversity and land use through defined environmental controls that address the potential impacts associated with quarry activities and cement production operations. The Company recognizes that land use changes, emissions, and localized environmental impacts may affect surrounding ecosystems. Accordingly, it works to integrate biodiversity considerations into environmental planning and operational management practices.**

The scope of biodiversity management includes the Company's operational activities, quarry operations, supply chain activities, contractors, and relevant business partners, ensuring the management of potential impacts across the value chain.

In this context, Yamama Cement Company is developing a biodiversity risk assessment methodology covering risks related to both impacts on and dependencies upon ecosystems across its operations and relevant value chain activities.

The Company is also implementing a site-based screening methodology for quarry sites and production facilities, including assessments of proximity to protected areas, biodiversity-sensitive areas, and water-sensitive ecosystems, with the objective of identifying potential risks and establishing appropriate mitigation measures.

Environmental risks associated with biodiversity and land use are assessed with consideration of the following:

- Physical changes to land and habitats arising from the development and operation of plants and quarries
- Air and water emissions that may affect local environmental conditions
- Changes in groundwater levels and soil characteristics, and the resulting potential impacts on vegetation cover and wildlife in surrounding areas





## Management Measures and Controls

To address these risks, Yamama Cement Company implements a range of monitoring, control, and rehabilitation measures across its operational activities. These measures aim to reduce environmental degradation, support compliance with regulatory requirements, and minimize long-term environmental impacts on ecosystems.

Key controls include:

- Deploying air quality and emissions monitoring systems across operational sites to support the early detection and effective management of pollutants.
- Implementing environmental monitoring programs and internal audits to verify compliance with national environmental requirements.
- Strengthening dust control measures through advanced dust collection and recycling systems aimed at reducing uncontrolled emissions.
- Developing and implementing land rehabilitation plans across all affected sites to support the safe and responsible use of land following the completion of operational activities.
- Continuing afforestation initiatives, including the commitment to plant one million trees to increase vegetation cover, support biodiversity, and contribute to reducing carbon emissions.
- Applying biodiversity impact mitigation measures, including dust control systems, controlled blasting techniques, water recycling practices, and progressive land rehabilitation throughout operational phases to reduce environmental impacts on surrounding ecosystems.

The Company also intends to develop and implement biodiversity management plans and rehabilitation plans for environmentally sensitive operational sites, with the objective of protecting local ecosystems, restoring natural habitats, and minimizing long-term environmental impacts.

# CASE STUDY

## Toward One Million Trees

As part of Yamama Cement Company's commitment to the Saudi Green Initiative, the Company has adopted an ambitious and integrated strategy to rehabilitate local ecosystems, targeting the planting of one million trees by 2030. This strategy extends beyond increasing vegetation cover to establishing a broader environmental sustainability framework that actively contributes to combating desertification, improving air quality, and enhancing long-term ecological balance.

The year 2025 marked a significant milestone in this journey, as the Company successfully exceeded the planting of 450,000 trees, surpassing more than 45% of its strategic target five years ahead of schedule. This achievement reflects the effectiveness of the Company's planning and execution approach. The progress also demonstrates a vision that goes beyond traditional afforestation practices toward building an integrated ecosystem that supports biodiversity, contributes to restoring natural balance, and enhances ecosystem resilience.

Through these efforts, the Company continues to reinforce a model that combines industrial excellence with environmental responsibility, supporting national sustainability objectives and aligning with the ambitions of Saudi Vision 2030.

**450,000+**  
trees were planted by 2025, marking significant progress toward the target of planting one million trees by 2030.

## Performance Monitoring and Targets

Biodiversity and land use performance is tracked through defined environmental indicators and targets. These include:

- Reduction of bypass dust emissions through strengthened dust management systems
- Implementation of the one-million-tree afforestation initiative to support ecosystems and improve air quality
- Monitoring of air emissions and vegetation cover to assess environmental performance and the effectiveness of mitigation measures

The implementation of advanced dust management systems has contributed to reducing particulate emissions, while afforestation initiatives continue to support improvements in local environmental conditions and enhance the surrounding environment.

The Company is also developing indicators to measure exposure to biodiversity-related risks, including the number of sites assessed, affected land areas, implemented corrective actions, and rehabilitation measures. These indicators are disclosed periodically to support transparency and strengthen environmental risk management.

## External Engagement and Collaboration

Yamama Cement Company works to strengthen biodiversity protection and land rehabilitation practices through collaboration with relevant external stakeholders. This collaboration supports the application of technical expertise and enhances alignment with national environmental objectives. Areas of collaboration include:

- Coordinating with relevant regulatory authorities to review and approve environmental rehabilitation plans.
- Engaging environmental experts to support the development of sustainable quarry rehabilitation practices.

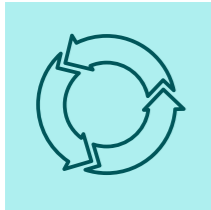
The outcomes of monitoring, assessment, and stakeholder engagement activities have contributed to the enhancement of environmental policies and controls, while strengthening accountability and operational resilience.

Yamama Cement Company continues to focus on improving biodiversity management, rehabilitating affected land areas, and protecting natural habitats through systematic assessment, continuous monitoring, and collaboration with relevant stakeholders, with the aim of reducing long-term environmental impacts.





# CIRCULAR ECONOMY



During 2025, Yamama Cement Company continued integrating circular economy practices into its operational systems, with a focus on improving resource efficiency and reducing waste across various stages of the production cycle. Circular economy principles form part of the Company's day-to-day operational practices, supporting cost efficiency, enhancing environmental performance, and strengthening long-term operational resilience.

Across its operational activities, material inputs and byproducts are managed systematically to minimize waste and avoid unnecessary disposal. Production byproducts are reintegrated into manufacturing processes or directed toward suitable external applications, contributing to reduced reliance on landfill disposal and improved raw material efficiency.

During the reporting year, the Company achieved 100% reuse of production dust by reintegrating it into cement manufacturing processes and directing a portion toward external industrial applications within an industrial symbiosis framework. These practices contribute to reducing demand for raw materials, minimizing waste volumes, and improving operational efficiency.

Circular water use also remained a key operational focus, with continued reuse of reject water generated from reverse osmosis systems and treated wastewater in raw material grinding operations. This contributed to annual water

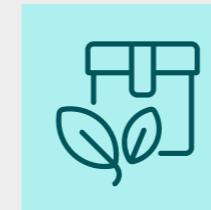
savings estimated at approximately 233,078 cubic meters and reduced reliance on treated water and groundwater resources.

Alongside this sustainable approach to water resource management, the Company continues to strengthen its practices for monitoring raw material quality beginning at quarry operations. This operational integration helps improve the consistency of raw materials and reduce variability within production processes, directly contributing to lower solid waste generation and enhanced natural resource efficiency across the value chain.

By embedding circular economy practices into its daily operations, Yamama Cement Company continues to strengthen its ability to conserve natural resources, reduce environmental impacts, and improve operational efficiency. The Company also continues to develop circular economy solutions through optimizing resource flows and collaborating with industry partners to support waste-to-resource pathways across the value chain.



# SUSTAINABLE HIGH-QUALITY PRODUCTS



**Yamama Cement Company places the development of sustainable and low-carbon products at the core of its efforts to strengthen competitiveness and create long-term value. The Company focuses on developing cement solutions that combine high performance with enhanced environmental characteristics, responding to evolving customer requirements while supporting national and global emissions reduction objectives.**

In this context, the Company is working to expand the production of low-carbon cement through reducing clinker ratios, increasing the use of alternative fuels and raw materials, and improving operational efficiency. These efforts contribute to lowering emissions across the product life cycle while also creating opportunities to enhance operational efficiency, achieve cost savings, and support future growth.

Enhanced quality control over raw materials in quarry operations, together with improvements in cement preparation times aligned with seasonal conditions, contributed to greater production stability and reduced customer complaints. These measures support product reliability and strengthen customer confidence.

The Company is also developing a framework for classifying sustainable products based on defined technical and environmental criteria, such as lower clinker content and reduced carbon dioxide emissions intensity. This framework supports the expansion of low-carbon products and strengthens the alignment of the Company's product portfolio with the transition toward a low-carbon economy.

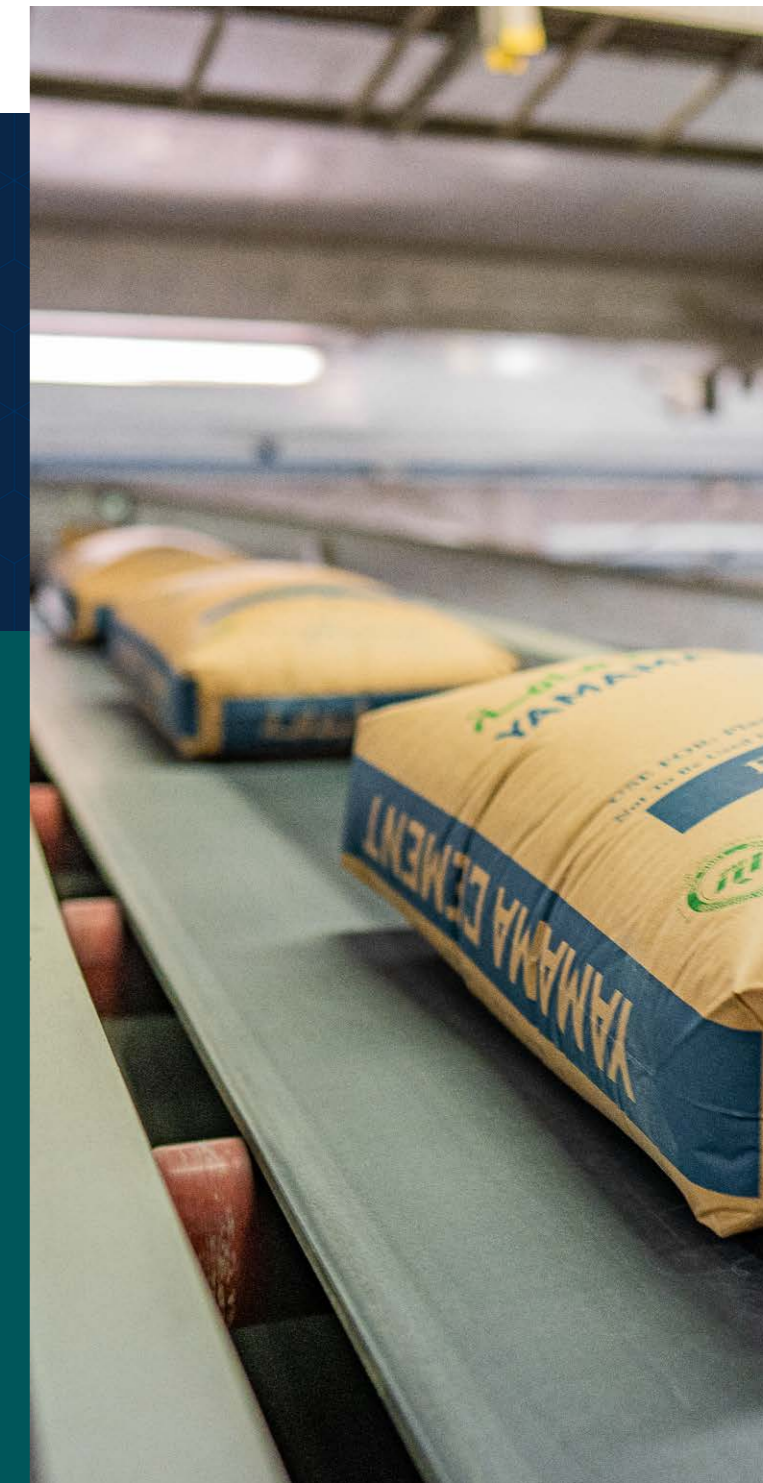
Yamama Cement is considering disclosing the contribution of sustainable products to total revenues in future years, reflecting the role of these products in supporting sustainable growth and enhancing long-term value creation.

As part of its future ambitions, Yamama Cement Company plans to launch new sustainable cement products and continue developing its production processes to reduce carbon emissions intensity, further strengthening its leadership in innovation, sustainability, and product quality.





# SUSTAINABLE SUPPLY CHAINS

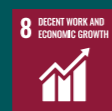


A resilient and responsible supply chain is central to Yamama Cement’s sustainability ambitions. The Company is committed to maintaining transparent, ethical, and secure supply networks that align with its ESG principles and responsible business standards.

Yamama Cement’s supply chain approach emphasizes disciplined management, respect for human rights, data protection, and accountability across procurement and operational activities. These practices support the development of long-term, trust-based relationships with partners and suppliers.

By integrating sustainability and integrity throughout the value chain, Yamama Cement seeks to strengthen efficiency and security while ensuring alignment with its broader commitment to responsible and ethical business practices.

## UN SDGs Alignment



Through ethical business practices, protection of human rights, and promotion of fair treatment of suppliers across the value chain.



Through investments in IT systems, digital tools, and supply chain infrastructure to enhance efficiency and innovation.



Through sustainable procurement processes, efficient material use, and supplier evaluations to ensure compliance with environmental and social standards.



Through enhanced transparency, strong governance, and data security across supply chain operations and business processes.

## Saudi Vision 2030 Alignment



**A Thriving Economy**  
Enhancing supply chain resilience and driving digital transformation to boost productivity, optimize costs, and ensure sustainable, reliable cement production. Supporting local content and economic diversification through strategic partnerships with suppliers.



**A Vibrant Society**  
Protecting human rights, ensuring data privacy, and promoting inclusive employment practices that enhance community well-being and foster ethical business conduct.



**An Ambitious Nation**  
Aligning supply chain, procurement, and cybersecurity practices with national regulations and international best standards to strengthen governance, integrity, and sustainability leadership.

## Material Topics



Supply Chain Management



Responsible Marketing and Labeling



Human Rights



# SUPPLY CHAIN MANAGEMENT



**Supply chains play a pivotal role in supporting reliable, efficient, and sustainable cement production at Yamama Cement Company. The Company manages its supply chains through an integrated approach covering procurement activities, logistics services, and supplier relationship management, with the aim of ensuring the continuous availability of critical inputs, controlling costs, and reducing environmental impacts associated with operations.**

Yamama Cement secures key raw materials, including limestone, gypsum, iron, and fuel, through a strategically managed and diversified supplier base. Long-term, value-driven supplier relationships contribute to supporting quality consistency, supply reliability, and alignment on performance expectations. Procurement practices are also designed to maintain product quality and safety while supporting the Company's broader sustainability objectives.

Supply chain performance is further strengthened through enhanced supplier engagement and improved inventory forecasting, supporting more efficient resource flow management and reducing disruption risks. Investments in logistics and transportation efficiency have also contributed to reducing operational cycle times, lowering fuel consumption, enhancing operational efficiency, and generating emissions reduction benefits.

## Integrating Sustainability into Supply Chains

Sustainability considerations are integrated across Yamama Cement Company's supply chain activities, particularly with respect to indirect emissions associated with procurement and logistics. The Company is developing a more formalized supplier sustainability management framework, including a Supplier and Contractor Code of Conduct that defines minimum expectations related to human rights, decent work, working hours, wages and benefits, non-discrimination, fair labor practices, environmental protection, integrity, and anti-corruption.

The Company is also gradually integrating sustainability and ESG criteria into supplier selection, evaluation, and contracting processes, with increasing priority given to suppliers demonstrating strong environmental, social, and ethical performance. This approach includes the application of risk-based screening processes that consider supplier type, goods or services provided, geographic location, operational significance, and potential exposure to environmental, social, or ethical risks.

In this context, the Company is developing a more systematic approach for evaluating key suppliers through desktop reviews, periodic assessments, and requests for supporting evidence. Where gaps are identified, suppliers may be requested to implement corrective action plans, with progress monitored over time. The Company also retains the right to review supplier compliance with relevant requirements, and material or persistent non-compliance may result in corrective actions, suspension, or termination of contractual relationships where necessary.

The Company is also moving toward enhanced quantitative disclosure regarding its supplier assessment program, including the number of key suppliers assessed, coverage rates, the percentage of suppliers with identified gaps, and the percentage of suppliers engaged through corrective action plans. This supports greater transparency and continuous improvement in supply chain performance.

The Company implements a range of measures aimed at reducing environmental impacts and strengthening responsible sourcing practices, including:

**Alternative Raw Materials:** Exploration of recycled materials and alternative fuels to reduce dependence on virgin raw materials and lower carbon intensity.

**Transport Efficiency:** Optimization of route planning and vehicle utilization, alongside a focus on local sourcing to shorten transport distances and reduce emissions.

**Supplier Sustainability Assessments:** Prioritization of suppliers that meet environmental, social, and ethical standards aligned with Yamama Cement's sustainability criteria.

These measures support environmental performance and encourage responsible practices across the supplier network.

## Enhancing Supply Chain Resilience

Yamama Cement Company continues to strengthen supply chain resilience through deepening partnerships with suppliers, enhancing sustainability standards, and exploring lower-carbon logistics solutions. Digital tools are

also increasingly utilized in supply chain management to improve transparency, enhance efficiency, and support the management of operational and emerging sustainability risks.

Sustainability requirements are also being gradually integrated into procurement processes, covering areas such as resource efficiency, labor rights, and environmental and social risk management. Sustainability criteria are incorporated into supplier evaluations, with corrective actions implemented where necessary to address potential adverse impacts and encourage positive contributions, particularly from local suppliers and suppliers connected to local communities.

## Supply Chain Performance Management

Supply chain performance is reviewed through defined indicators used to monitor progress against operational and sustainability objectives. The outcomes of these reviews contribute to the continuous improvement of procurement policies and procedures, supporting ongoing performance enhancement.

Stakeholder engagement also represents a key element of Yamama Cement Company's supply chain management approach. Engagement with suppliers, customers, and regulatory authorities provides valuable insights into expectations, risks, and evolving best practices, supporting informed decision-making, ensuring alignment with sustainability priorities, and contributing to long-term value creation.





# RESPONSIBLE MARKETING AND LABELING



**Yamama Cement Company applies responsible marketing practices to ensure that information provided to customers and consumers is accurate, transparent, and reliable. Marketing and promotional materials are designed to clearly and credibly reflect product characteristics, performance indicators, and associated environmental aspects, supporting trust-building and enabling informed decision-making.**

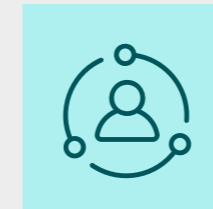
Environmental Product Declarations (EPDs) form part of Yamama Cement Company’s approach to enhancing environmental transparency and product-level environmental disclosure. EPDs are currently being applied to Ordinary Portland Cement, Sulfate-Resistant Cement, and Finishing Cement, reflecting the Company’s focus on aligning product-related communications with recognized international standards and national sustainability objectives.

In parallel, Yamama Cement Company continues to develop responsible marketing policies to ensure compliance with relevant laws, regulations, and consumer protection requirements. These policies aim to enhance consistency, clarity, and the accessibility of environmental and social information provided to stakeholders through appropriate communication channels.

Through these efforts, Yamama Cement Company seeks to strengthen credibility and support customer awareness of sustainable products, while continuing to align its marketing practices with evolving market expectations and national sustainability and circular economy priorities.



# HUMAN RIGHTS



**Yamama Cement Company considers respect for human rights to be a fundamental component of responsible business practices. The Company strives to provide a work environment that promotes dignity, equality, and ethical professional conduct, supported by fair labor practices and a workplace free from discrimination and harassment.**

Human rights practices at Yamama Cement Company are aligned with applicable labor regulations in the Kingdom of Saudi Arabia and internationally recognized human rights frameworks, supporting the identification and management of potential risks while contributing to a safe, fair, and supportive working environment for employees and contractors.

The Company recognizes that human rights risks may arise within industrial operations and across the value chain. Key areas of risk include working conditions, occupational health and safety, ethical practices within the supply chain, and broader considerations related to environmental justice.

The Company’s focus areas include ensuring fair wages and appropriate working hours, protecting employee health and safety, and preventing all forms of child labor and forced labor.

To support these priorities, Yamama Cement Company applies a structured human rights governance approach that includes the following:

- Regulatory Compliance:** Compliance with national labor laws and relevant regulatory requirements to minimize the risk of human rights violations.

- Ethical Employment Policies:** Applying principles of non-discrimination and equal opportunity, ensuring fair treatment across all job functions, providing a safe working environment, and offering fair compensation to employees and contractors.

- Monitoring and Reporting:** Tracking of human rights-related indicators through integrated management systems, supported by company-wide records and reporting processes.

Yamama Cement Company conducts periodic human rights risk assessments across its operations and supply chain to identify and evaluate actual or potential impacts. The Company aims to include its operations within the scope of these assessments and identify actual or potential risks within the assessed scope. Identified risks are intended to be addressed through corrective action plans, supplier engagement, and appropriate monitoring mechanisms, alongside the implementation of formal remediation plans at relevant sites.

The Company also intends to conduct human rights risk assessments for first-tier suppliers and contractors as part of strengthening responsible sourcing practices. Yamama Cement is committed to providing grievance and reporting mechanisms for raising concerns and taking corrective actions where required, including supplier remediation plans, disciplinary actions, or contract termination through approved channels.

Yamama Cement Company continues to uphold high standards in labor practices, ethics, and compliance, while strengthening employee engagement, fostering a culture of openness and inclusion, and expanding human rights due diligence across operations and supply chains to support risk management and responsible growth.





# SAFE AND RESPONSIBLE OPERATIONS



At Yamama Cement, operational responsibility extends beyond production to safeguarding people, supporting communities, and contributing to long-term sustainability. The Company is guided by principles of integrity, safety, employee well-being, and positive social impact.

Yamama Cement’s approach brings together robust health and safety practices, effective human capital development, and constructive engagement with local communities. Through this integrated approach, the Company seeks to create shared value for employees, customers, and society, while we maintain environmental compliance and responsible business conduct across our operations.

By placing people, safety, and ethical practices at the center of its operations, Yamama Cement strengthens organizational resilience, supports inclusive development, and contributes to the broader sustainability objectives of the Kingdom of Saudi Arabia – objectives that we actively work to advance through our strategy and daily practices.

## UN SDGs Alignment

- 

**3 GOOD HEALTH AND WELL-BEING**  
By prioritizing occupational health and safety, striving for zero incidents, and fostering a culture of well-being across all operations.
- 

**4 QUALITY EDUCATION**  
By developing employees systematically, providing technical training, and engaging them in national programs such as the Professional Development Program for Saudi Engineers.
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**5 GENDER EQUALITY**  
By promoting gender inclusion, supporting return-to-work policies, and ensuring fair treatment for all employees.
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**8 DECENT WORK AND ECONOMIC GROWTH**  
By achieving high localization rates, maintaining long employee retention, and implementing equitable labor practices that promote inclusive and sustainable economic growth.
- 

**10 REDUCED INEQUALITIES**  
By promoting equal opportunity, implementing fair employment policies, and fostering a workplace culture that values respect and inclusion.
- 

**16 PEACE, JUSTICE AND STRONG INSTITUTIONS**  
By adhering to strict governance, ethics, compliance, and anti-corruption policies across all operations.
- 

**17 PARTNERSHIPS FOR THE GOALS**  
By collaborating with community organizations and supporting government-led platforms focused on social development.

## Saudi Vision 2030 Alignment





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**A Thriving Economy**  
Yamama Cement contributes to economic growth, skills development, and industrial excellence in Saudi Arabia through continuous investment in employee training, workforce localization, and customer satisfaction.
- 

**A Vibrant Society**  
We support the creation of a more resilient and inclusive society that values human development and well-being by providing a harm-free workplace and launching initiatives that promote wellness and meaningful community engagement.
- 

**An Ambitious Nation**  
Yamama Cement is committed to strengthening transparency, stakeholder trust, and leadership in responsible business practices by reinforcing corporate governance, upholding ethical conduct, and aligning with national social responsibility standards.

## Material Topics

-  Social Responsibility
-  Health, Safety, and Wellbeing
-  Human Capital Management
-  Customer Relations





# SOCIAL RESPONSIBILITY



**Yamama Cement Company recognizes that its role as a leading industrial company extends beyond economic and environmental performance to include its responsibility toward the communities in which it operates. The Company seeks to manage its social impacts responsibly, maintain constructive relationships with stakeholders, and address social risks through structured and proactive practices.**

Social considerations are integrated into project planning and operational activities through the assessment and monitoring of potential impacts on air quality, soil conditions, and the well-being of local communities. These activities are implemented in alignment with environmental standards issued by the National Center for Environmental Compliance, supporting alignment with the Kingdom of Saudi Arabia's broader national sustainability objectives.

As part of the integration of social responsibility within its institutional sustainability approach, Yamama Cement Company continues to balance economic growth with contributions to community development and environmental protection. Through its initiatives, the Company supports education and innovation, empowers beneficiary groups, and enhances quality of life, in alignment with the objectives of Saudi Vision 2030.

Engagement with local communities and stakeholders represents a core component of the Company's social approach. Yamama Cement engages with residents, government entities, and industry stakeholders to understand feedback, exchange perspectives, and support collaborative solutions that contribute to social well-being. Environmental management systems are also linked to social impact monitoring mechanisms, enabling consistent performance tracking, relevant reporting, and continuous improvement across operations.

During 2025, Yamama Cement Company expanded its community development efforts through partnerships with organizations operating across humanitarian, educational, charitable, and healthcare sectors, strengthening community engagement and supporting local development initiatives. Total community support provided by the Company during the year exceeded SAR 2.3 million, directed toward a range of initiatives, reaffirming the Company's commitment to its developmental role as an active partner within society.





## Key Corporate Social Responsibility Initiatives in 2025

As part of strengthening its pivotal role and reflecting its strong commitment to corporate social responsibility as a core pillar of its sustainability strategy, Yamama Cement Company implemented a range of initiatives and programs during 2025 to support various beneficiary entities across multiple sectors, including education, healthcare, social development, and national partnerships.

### Humanitarian and Social Partnerships



#### King Khalid Military Academy Graduation Ceremony Sponsorship

Yamama Cement sponsored the graduation ceremony of King Khalid Military Academy Cadets, aiming to support national institutions and contribute to initiatives with social impact.



#### Sponsorship of the Founding Day Ceremony – King Khalid Military Academy

Yamama Cement Company participated in sponsoring the Founding Day ceremony at King Khalid Military Academy, with the aim of strengthening national belonging, recognizing the efforts of military personnel, and supporting national events with social impact.



#### Sponsorship of the “Day of Loyalty” Ceremony – Fallen Heroes of Duty

Yamama Cement Company sponsored the “Day of Loyalty” ceremony honoring the children of fallen heroes of duty in collaboration with the Ministry of Interior, in recognition of the sacrifices made by the martyrs, support for their families, and reinforcement of national and social values.



#### King Saud University – Distribution of Food Baskets

In collaboration with the Hayat Watan Student Club at King Saud University, Yamama Cement Company participated in distributing more than 2,500 Ramadan food baskets across Makkah, Riyadh, and Al Kharj, with the participation of employees, in support of families in need and to promote a culture of volunteerism.



#### Housing Support Initiative

Yamama Cement collaborated with the Al-Bir Charity Society in Al-Ahsa to renovate and rehabilitate more than 25 homes for families in need, contributing to improved living conditions and enhanced family and social stability.

### Healthcare Partnerships



#### Maafah Health Association

Yamama Cement sponsored the treatment of a cancer patient and provided the necessary medical supplies throughout the treatment journey, contributing to improving patients’ quality of life and strengthening social solidarity.



#### Saudi Cancer Society (Sanad)

In collaboration with the Saudi Cancer Society (Sanad), Yamama Cement contributed to providing transportation and accommodation for patients traveling from outside Riyadh to receive treatment, helping ease the burden on patients and their families and ensuring continued access to healthcare services.



#### Rheumatism Patients Care Association

Yamama Cement collaborated with the Rheumatism Patients Care Association to provide medical treatment for the association’s beneficiaries, contributing to easing the health and financial burdens on patients and supporting their access to the necessary care.



#### Support for Fibro Association

Yamama Cement contributed to the establishment of the Fibro Association and continues to support its efforts in providing treatment and healthcare services to patients, helping improve access to healthcare, enhance patients’ quality of life, and strengthen social solidarity.

### Educational and National Partnerships



#### Ayat Irfad – Educational Classroom at Al Malaz Women’s Prison

Yamama Cement Company continued its collaboration with the Ayat Irfad Endowment to sponsor and develop the educational classroom affiliated with the educational institute at Al Malaz Women’s Prison. This initiative contributes to empowering beneficiaries through education, enhancing their knowledge and skills, and supporting rehabilitation opportunities and positive social reintegration.



#### Al Yamama Charity Association

In collaboration with Al Yamama Charity Association, Yamama Cement Company provided a training course in data analysis using Power BI for 21 male and female students, with the aim of developing digital skills, building technical capabilities, and enhancing youth readiness for the labor market.



#### Support for Children with Disabilities

Since 2022, Yamama Cement Company has continued sponsoring the educational classroom for children with disabilities at the association’s premises on an annual basis, contributing to the provision of a suitable learning environment, the development of children’s skills, and the promotion of their integration into society.



#### Support for the Holy Quran Memorization Association in Jalajil

Yamama Cement Company supported the Holy Quran Memorization Association in Jalajil with the aim of empowering male and female students to memorize the Holy Quran and strengthen values, contributing to community development and the preservation of cultural identity.



#### Sponsorship of the Governance Conference – Alfaisal University

Yamama Cement Company sponsored the fourth edition of the Governance Conference at Alfaisal University, with the aim of enhancing awareness of good governance and transparency practices among students and academics, supporting the development of their professional and managerial capabilities, and contributing to the promotion of governance culture and responsible institutional practices.



In addition to the initiatives mentioned above, the Company continued expanding its community partnerships through supporting a range of other humanitarian, healthcare, and educational initiatives. These included providing discount packages for employees, supporting the Ehsan platform, contributing to volunteer initiatives serving pilgrims in collaboration with educational institutions, supporting specialized healthcare associations, and sponsoring educational initiatives and student events aimed at supporting education and developing youth capabilities. These initiatives reflect the Company’s commitment to diversifying its community contributions and strengthening its social impact in ways that address the needs of different segments of society.

Looking ahead, Yamama Cement Company aims to continue developing its corporate social responsibility programs by expanding community partnerships, increasing the number of initiatives with sustainable impact, and further activating volunteer, educational, and healthcare initiatives. These efforts are intended to broaden the base of beneficiaries and enhance the social impact of the Company’s initiatives, in alignment with its strategic objectives and the goals of Saudi Vision 2030.



# HEALTH, SAFETY, AND WELLBEING



Yamama Cement Company places the health, safety, and well-being of its employees and stakeholders across operational sites at the center of its priorities. Given the nature of the industrial environment and the risks that may arise from it, the Company applies a structured and disciplined approach to risk management, accident prevention, and the protection of individuals across all activities and operational locations.

The Company's occupational health and safety approach is based on certified management systems aligned with ISO 45001 for Occupational Health and Safety Management Systems. These systems provide a structured framework for identifying and assessing health and safety risks and implementing the necessary mitigation measures, while ensuring compliance with relevant legal and regulatory requirements, including Civil Defense requirements and instructions issued by the National Center for Environmental Compliance, which are continuously monitored and integrated into operational activities.

## Health and Safety Management Approach

Yamama Cement Company's occupational health and safety management approach is built on a combination of preventive controls, systematic management systems, and continuous improvement practices, including the following:

- Establishing strict safety policies and procedures to prevent workplace incidents and minimize exposure to potential risks.
- Conducting comprehensive environmental impact assessments to identify and address health and safety risks as part of integrated operational planning.
- Applying advanced safety tracking systems used to monitor compliance, report incidents, and evaluate performance.
- Performing periodic reviews and assessments of the occupational health and safety management system to ensure effectiveness and continuously analyze risks.
- Promoting and reinforcing a "safety first" culture through plant walkthroughs, awareness sessions, and active employee engagement.
- Implementing periodic training programs in occupational safety, health, and environmental protection for all employees.

The results of hazard identification and risk assessments are analyzed regularly to identify trends and gaps within existing controls. Risks are assessed based on severity and likelihood, and corrective actions are determined according to the established hierarchy of controls. Work-related risks are identified through inspections and incident investigations, with findings used to update procedures, strengthen controls, improve training programs, and support management reviews. This contributes to the continuous improvement of the occupational health and safety management system across all Company sites.



## Worker Participation and Communication

Employee participation is a fundamental pillar of Yamama Cement's occupational health and safety culture. Employees are involved in the development, implementation, and evaluation of the Occupational Health and Safety Management System through regular safety meetings, awareness sessions, and ongoing engagement mechanisms. Occupational health and safety information is communicated through internal messages, email, training sessions, and approved internal communication channels.

Employee feedback is also taken into consideration to improve policies and procedures and enhance the effectiveness of the system, while encouraging open dialogue and constructive communication across all organizational levels.

A formal procedure has been established for reporting workplace hazards and unsafe conditions, allowing employees to report directly to safety inspectors. In addition, an electronic reporting system is being implemented to facilitate and accelerate the reporting process. Confidentiality is maintained to protect whistleblowers from any retaliatory actions and to strengthen a culture of transparency and trust.

The Occupational Health and Safety Management System applies to all workers, including employees, contractors, and visitors, and covers all of the Company's operational activities and sites.

## Training and Capacity Building

Yamama Cement Company provides comprehensive occupational health and safety training programs to strengthen awareness, competency, and preparedness across all personnel. These programs include general occupational health and safety training, specialized job-specific training related to identified risks, and advanced programs for high-risk activities and operations.

Employees also participate in internationally recognized professional courses and certifications such as NEBOSH and OSHA, in addition to advanced training in environmental management and fire safety. Refresher courses and on-the-job training programs are implemented to maintain ongoing readiness, while training needs are reviewed periodically to ensure alignment with evolving operational risks and relevant regulatory requirements.

## Safety Performance

The occupational health and safety performance achieved by Yamama Cement Company during 2025 reflects the effectiveness of its occupational health and safety management system, with the following results:



This performance reflects the discipline applied in implementing occupational health and safety practices and adherence to approved standards.

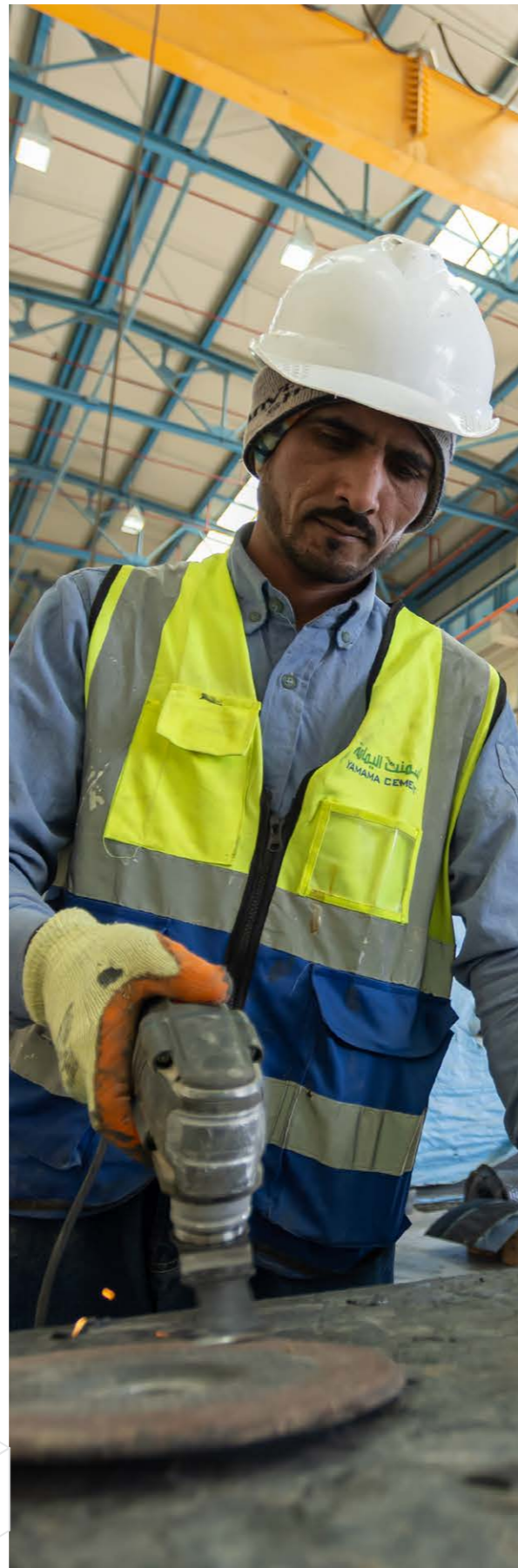


During the reporting year, Yamama Cement Company implemented key environmental and occupational health and safety initiatives and received recognition for excellence in occupational health and safety practices. Continuous improvement initiatives and training programs also contributed to strengthening the Company's commitment to safety and sustainability.

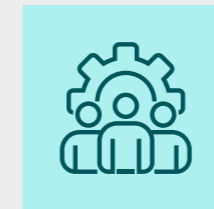
### Managing Health and Safety Risks Across Operations and Business Relationships

Yamama Cement Company applies a proactive approach to managing occupational health and safety risks across its operations and business relationships. Suppliers and contractors are evaluated against the Company's approved occupational health and safety standards, with corrective actions implemented where necessary to mitigate risks and protect workers. Continuous improvement is also supported through regular internal reviews and the engagement of consultants and technical experts when required.

Health, safety, and well-being remain fundamental elements of Yamama Cement Company's sustainability approach. Through disciplined risk management, certified systems, and active workforce engagement, the Company continues to strengthen its occupational health and safety performance and reinforce its objective of preventing incidents across all operations.



# HUMAN CAPITAL MANAGEMENT



**Long-term performance and sustainability at Yamama Cement Company are closely linked to the strength, capabilities, and engagement of its workforce. The Company manages its human capital through an approach focused on skills development, career progression, and fostering an inclusive and stable work environment that enables employees to contribute effectively to operational excellence and institutional success.**

Human capital management considerations are integrated into Yamama Cement Company's broader ESG approach. By embedding sustainability principles into workforce practices, the Company supports inclusive growth, workforce stability, and a values-driven corporate culture, while ensuring that people remain at the center of its sustainability strategy.

Employee development extends beyond technical capacity building to include opportunities for professional growth, career advancement, and meaningful career pathways aligned with individual aspirations and the Company's long-term objectives.

### Workforce Development and Training

Continuous learning represents a key component of Yamama Cement Company's human capital management approach. The approved training and development policy supports skills enhancement and ongoing professional development across all employee categories, with a focus on strengthening internal capabilities and supporting long-term organizational growth through targeted investments in learning and capacity building.

In 2025, Yamama Cement Company delivered a total of 31,896 training hours, compared to 30,305 training hours in 2024, reflecting the Company's continued focus on developing internal capabilities and enhancing workforce competency. Total expenditure on training and development reached approximately SAR 4.8 million during 2025, representing an average investment of SAR 6,858 per employee, as part of the Company's ongoing commitment to human capital development and workforce readiness.





Training and Development	Unit	2023	2024	2025
Average training hours for the following:				
Male employees	Hours	21	26	27
Female employees	Hours	34	38	38
Middle Management	Hours	35	35	70
Senior management	Hours	40	42	36
Employee	Hours	21	27	28

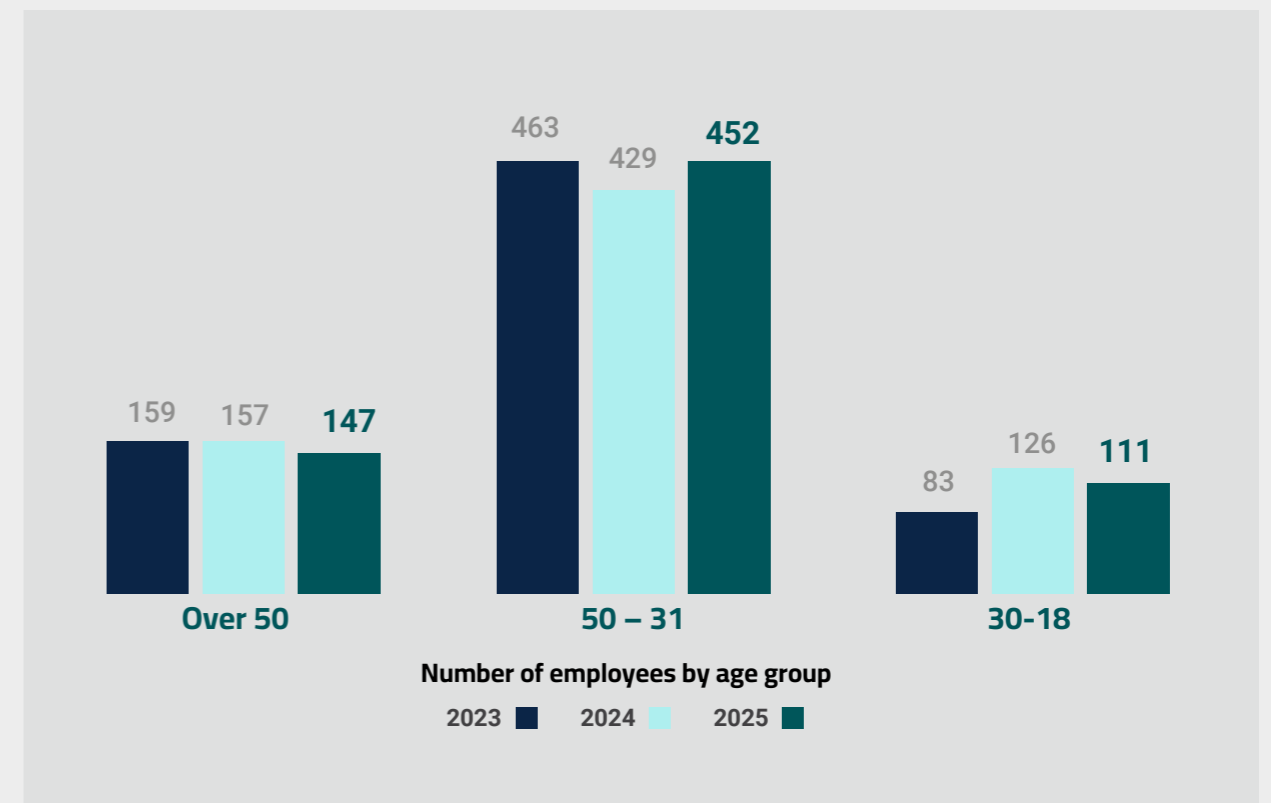
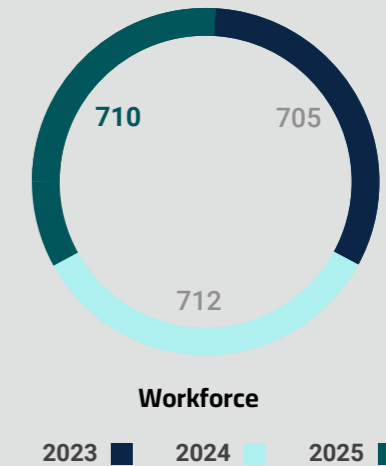
Training programs are designed to ensure employees remain aligned with industry developments and operational requirements. Yamama Cement delivers structured learning initiatives covering key areas such as occupational safety, operational excellence, environmental compliance, and leadership development.

These efforts are guided by Yamama Cement’s training and development policy, which aims to strengthen internal capabilities, enhance workforce performance, and support sustained organizational growth.



### Workforce Overview

Yamama Cement Company’s workforce continues to play a pivotal role in strengthening operational performance and advancing the Company’s sustainability ambitions. Effective workforce planning and talent management practices contribute to enhancing institutional stability and ensuring the availability of the skills and expertise required to meet evolving business needs.



The 2025 workforce data reflects relative stability in the size of Yamama Cement Company’s workforce, supporting operational continuity and contributing to the retention of institutional expertise and capabilities.

The workforce age distribution also demonstrates a balanced and diverse workforce structure, with the 31–50 age group representing the largest proportion of employees. This reflects the presence of intermediate to advanced operational expertise, alongside continued representation of both younger and older age groups, supporting knowledge transfer and the long-term sustainability of human capital.

Overall, these indicators reflect a balanced workforce management approach that combines the retention of experience with the attraction of talent, supporting operational resilience and long-term performance continuity.



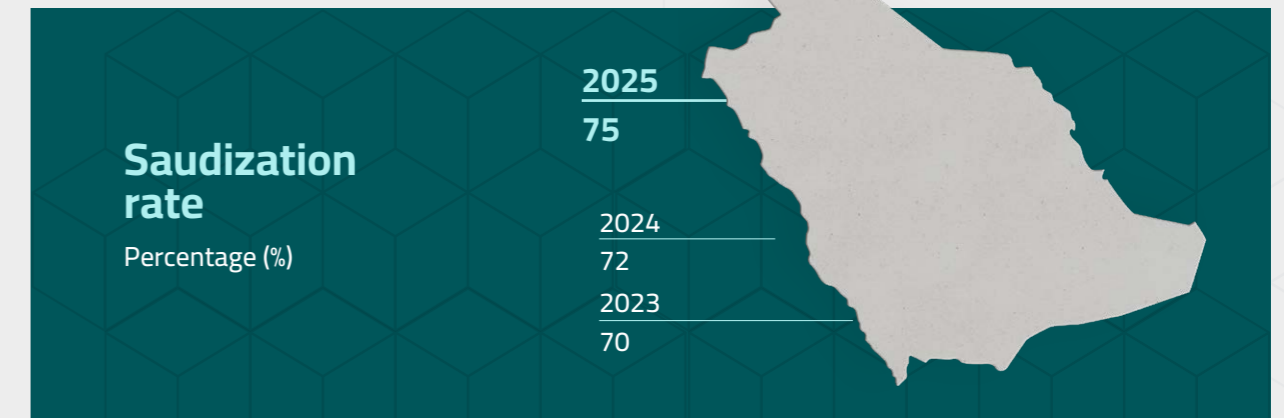
Management Diversity by Gender	Unit	2025
Total number of senior managers	Number	6
Female senior managers	Number	0
Male senior managers	Number	6
Total number of middle managers	Number	15
Female middle managers	Number	0
Male middle managers	Number	15



### National Workforce Development (Saudization)

Yamama Cement Company remains firmly committed to supporting the development of the national workforce by prioritizing the recruitment, retention, and professional advancement of Saudi talent. The Company's localization strategy is closely aligned with government efforts aimed at increasing employment opportunities for Saudi nationals and building a strong and sustainable economy driven by local capabilities.

Over the past three years, Yamama Cement Company has continued to steadily advance its workforce localization objectives, with Saudization rates increasing from 72% in 2024 to 75% in 2025. This progress reflects the Company's continued focus on providing meaningful career pathways for Saudi professionals and contributing to the Kingdom's broader economic and social development goals.



### Talent Attraction, Retention, and Turnover

Yamama Cement Company continues to attract and retain talent while maintaining workforce stability. Talent management practices focus on achieving an effective balance between recruitment needs and retention efforts, supporting business continuity and long-term performance.

During 2025, workforce stability was reflected in the gradual decline of the employee turnover rate to 3.24%, compared to 4% in 2024, demonstrating the maturity of the work environment and the effectiveness of retention strategies. Alongside this stability, the Company recruited 49 new employees during the reporting year, with a focus on balancing the attraction of promising talent and diverse professional expertise. This approach supports the continuity of institutional knowledge transfer and strengthens innovative capabilities that contribute to the Company's future ambitions.

The Company is also working to develop more advanced mechanisms for tracking internal mobility and internal vacancy fulfillment rates, supporting career progression, enhancing the utilization of internal talent, and providing additional indicators of the effectiveness of development and succession planning programs. These efforts contribute to strengthening job stability and building long-term career pathways within the Company.





New Employees and Turnover	Unit	2023	2024	2025
Total number and rate of new employee hires, by age group and gender				
Newly hired employees	Number	54	50	49
Male employees	Number	49	43	48
Female employees	Number	5	7	1
Total number and rate of employee turnover, by age group and gender				
Employee turnover rate	Percentage	4.95	4	3.24
Male employees	Number	45	26	23
Female employees	Number	3	3	0
Under 30	Number	16	9	7
30 – 50	Number	21	15	12
Over 50	Number	11	5	4

## Employee Engagement

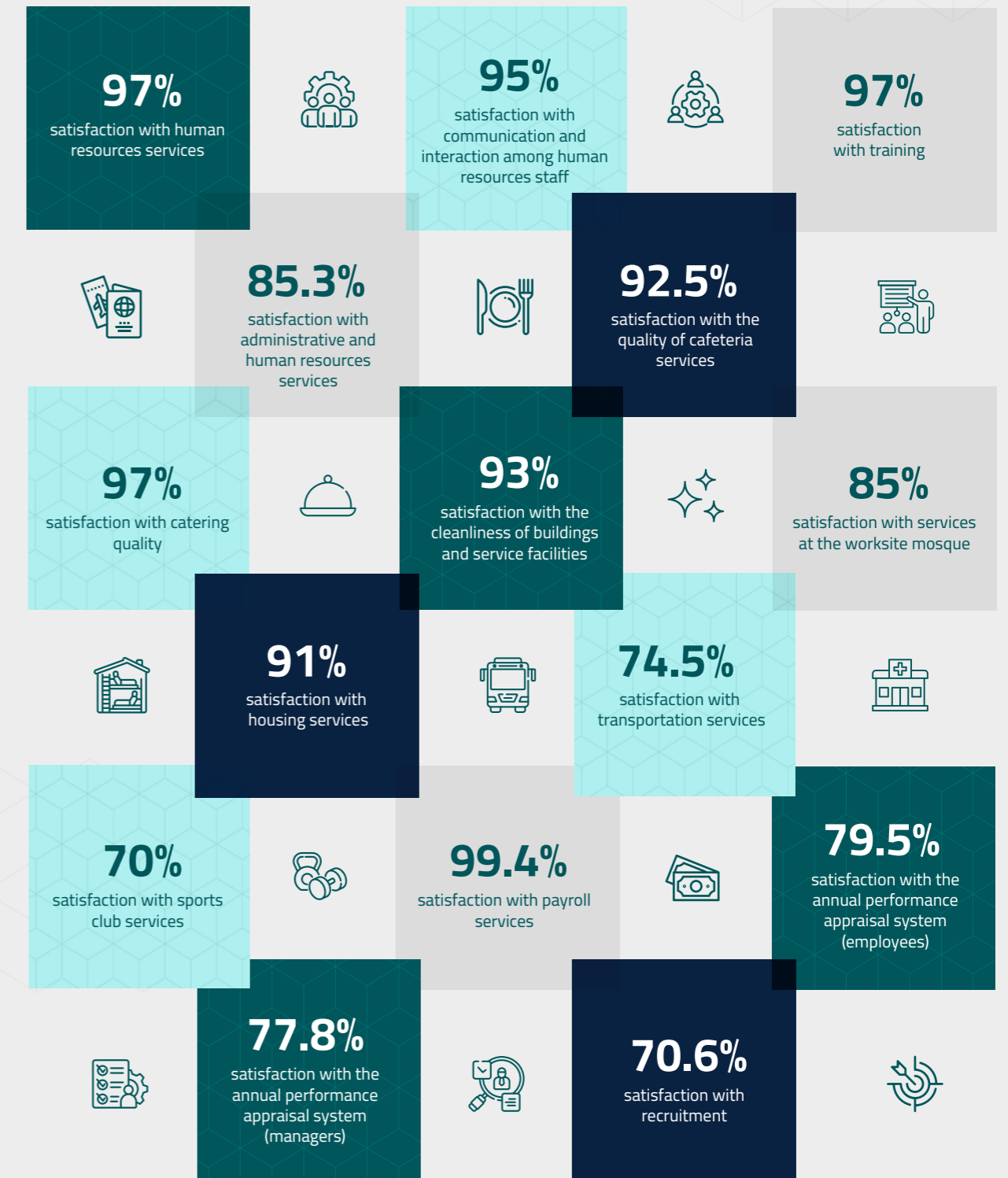
Yamama Cement Company recognizes that an engaged and motivated workforce is essential for driving innovation, achieving operational excellence, and strengthening long-term sustainability. By listening to employees and working closely across departments, the Company seeks to foster a supportive work environment built on collaboration and openness.

The Company applies a structured employee engagement framework that includes internal communication channels, periodic surveys, direct discussions, and the follow-up of employee feedback and suggestions. This approach supports a better understanding of employee expectations, improves the work environment, and continuously enhances the employee experience.

During 2025, the Human Resources Department at Yamama Cement Company conducted a comprehensive employee satisfaction and engagement survey as part of its ongoing commitment to improving the workplace environment and enhancing employee experience. The survey covered several key areas, including the work environment, the quality of services and facilities, and professional development opportunities.

The results demonstrated high levels of employee satisfaction across various aspects, with the overall average satisfaction rate reaching approximately 87%, reflecting the effectiveness of the initiatives implemented during the year and the Company's success in providing an integrated and motivating work environment.

## Key Survey Results



These results reflect the progress achieved in managing the employee experience, as the Company's efforts cover various aspects related to work environment, professional development, and supporting services. Yamama Cement Company seeks to leverage these outcomes to further develop areas requiring continuous improvement, reinforcing employee satisfaction and supporting the Company's objectives in sustainability and institutional excellence.



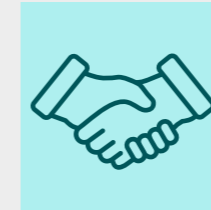
## Employee Retention and Workforce Stability

Yamama Cement Company places significant importance on employee retention and workforce stability as part of its human capital management approach. The Company currently employs 710 full-time employees while maintaining high retention levels, with employees returning to work following leave periods and continuing their professional careers within the Company. This reflects strong employee satisfaction, a stable work environment, and the availability of long-term development opportunities.

Through its internal human resources systems, the Company also applies mechanisms to monitor working hours and overtime, supporting compliance with relevant regulatory requirements while contributing to reducing lost working hours, enhancing employee well-being, and promoting a balanced work environment.



# CUSTOMER RELATIONS



**Yamama Cement Company manages its customer relationships through an operational model centered on quality and safety, reflecting the critical role of cement in the construction and infrastructure development sectors. The Company recognizes that consistent product performance, regulatory compliance, and reliable service are essential elements in maintaining customer trust and building long-term relationships.**

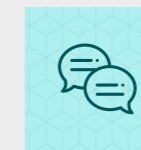
Given that cement directly impacts the structural integrity of buildings and public safety, Yamama Cement applies strict controls across product manufacturing, quality assurance, and delivery processes. Customer relationship management practices are closely linked to product performance management, compliance with national standards, and continuous customer engagement throughout the project lifecycle, which the Company continues to strengthen on an ongoing basis.

To support this approach, Yamama Cement Company has established systems and procedures focused on the following:



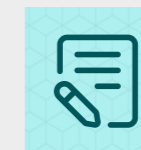
### Quality Assurance and Product Safety:

Cement products undergo internal testing and external regulatory reviews to verify compliance with approved quality and safety requirements, while ensuring that these controls remain robust and continuously updated.



### Customer Communication and Service Continuity:

Structured support channels are utilized to manage inquiries, address issues, and support the reliable supply of products for construction and infrastructure projects, while maintaining effective and proactive communication with customers.



### Feedback and Performance Oversight:

Customer feedback, complaints, and quality performance indicators are monitored to identify areas for improvement and maintain reliable service standards, supporting the continuous improvement of operational practices.

Through this approach, Yamama Cement Company seeks to ensure the quality of its products and services while maintaining compliance with applicable regulatory requirements. These elements contribute to strengthening long-term customer trust and supporting the development of safe, resilient, and high-quality infrastructure across the Kingdom.





# GOVERNANCE AND ETHICAL LEADERSHIP

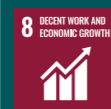


**Strong governance at Yamama Cement emphasizes responsible leadership and long-term business sustainability. The Company's governance approach emphasizes ethical conduct, accountability, and transparency, supporting sound decision-making, effective risk oversight, and compliance with applicable regulatory requirements.**

**Yamama Cement's governance framework establishes clear roles and responsibilities and incorporates environmental and social considerations into oversight and control processes. Ethical values are reinforced through defined policies and practices that guide conduct across the organization.**

**Through regular review and engagement, Yamama Cement promotes a culture of integrity and responsible management. The governance model is shaped to remain aligned with national priorities and evolving international best practices, supporting the creation of sustainable value for the business and its stakeholders.**

## UN SDGs Alignment



Through the promotion of ethical leadership, the implementation of fair employment practices, and the adoption of governance policies that drive economic productivity and foster decent work environments.



By integrating the principles of equal opportunity, diversity, and fair treatment into governance structures and decision-making processes.



By implementing strict anti-corruption policies, effective risk management frameworks, transparent disclosure practices, and ethical compliance mechanisms across all operations.



By maintaining active and ongoing engagement with stakeholders, regulators, and industry bodies to advance shared governance objectives and promote sustainable business practices.

## Saudi Vision 2030 Alignment



**A Thriving Economy**  
We work to strengthen investor confidence and effectively manage risks while supporting the Kingdom's efforts to build a competitive and resilient private sector. This is achieved through our commitment to transparent governance, rigorous oversight by the Board of Directors, and adherence to ethical business practices.



**A Vibrant Society**  
We contribute to fostering an ethical, fair, and responsible work environment that strengthens public trust and supports inclusive development by promoting a culture of integrity, accountability, and stakeholder responsiveness.



**An Ambitious Nation**  
We embody the Kingdom's aspiration to lead in sustainable industrial development and institutional excellence by establishing robust governance frameworks, implementing anti-corruption measures, and maintaining full compliance with national regulations and global standards.

## Material Topics



Corporate Governance and Business Ethics



Data Privacy and Security



# CORPORATE GOVERNANCE AND BUSINESS ETHICS



Yamama Cement Company's governance framework provides the structure through which strategic direction, oversight, and accountability are exercised across the Company. Effective governance supports long-term sustainability, risk management, and responsible decision-making, while reinforcing ethical conduct and compliance with regulatory requirements at all levels.

The Company's governance approach is guided by the principles of transparency, accountability, responsibility, fairness, and sustainability. These principles shape corporate behavior, support stakeholder trust, and ensure alignment with Yamama Cement Company's long-term business objectives.

## Governance Framework and Controls

Yamama Cement implements structured governance practices aligned with the applicable regulations in the Kingdom of Saudi Arabia and internationally recognized best practices. The Company's governance processes are designed to protect the interests of shareholders and stakeholders, ensure appropriate disclosure of conflicts of interest, and support alignment between business strategy and broader social and economic considerations. Regular disclosure and reporting mechanisms also support transparency, ethical conduct, and continuous improvement.

Governance responsibilities are supported by a set of approved corporate policies that define expectations for ethical behavior and responsible conduct, including:

- Conflict of Interest Policy
- Corporate Social Responsibility Policy
- Code of Professional Conduct
- Disclosure and Transparency Policy
- Whistleblowing and Whistleblower Protection Policy

Further information on these policies is available on our [Governance Policies website](#).

The Company also adopts an integrated enterprise risk management framework that clearly defines roles and responsibilities in accordance with the Three Lines of Defense model. Operational departments within business units are responsible for identifying and managing risks within daily operations, while risk management and compliance functions are responsible for establishing frameworks and policies and monitoring adherence to them. Internal Audit provides independent assurance to the Board of Directors and the Audit Committee regarding the effectiveness of internal control systems and risk management processes.



## Board Structure and Oversight

The Board of Directors is responsible for defining the strategic direction of Yamama Cement Company and overseeing governance, performance, and risk management. In 2025, the Board consisted of eight members, including three independent members and five non-executive members, with no executive members serving on the Board.

The increase in the number of independent members compared to 2024 reflects the Company's continued efforts to strengthen Board independence and reinforce its oversight role, contributing to enhanced governance effectiveness and a more balanced decision-making process.

	2023	2024	2025
Total Number of Executive Members	0	0	0
Total Number of Independent Members	2	2	3
Total Number of Non-Executive Members	5	5	5
Total Number of Board Members	7	7	8

The Board oversees key governance areas, including:

- Ethical conduct and professional integrity
- Regulatory compliance
- Enterprise risk management
- ESG strategy and performance

The Company conducts periodic enterprise-wide risk assessments through which key risks are identified and evaluated based on their likelihood and potential financial, operational, and strategic impacts. The risk register, mitigation plans, and corrective measures are updated regularly.

The Company also considers emerging medium- and long-term risks, such as regulatory changes, energy costs, and supply chain risks, and works to assess their potential impacts and integrate them into strategic planning and risk management processes.



The oversight board is supported by two standing committees:



**Audit Committee**

The Committee oversees internal control systems, financial reporting, and risk management. The Committee consists of three independent members and members from outside the Board.



**Remuneration and Nominations Committee**

This Committee supports the Board of Directors in overseeing succession planning, evaluating competencies, and providing recommendations that strengthen Board effectiveness and align with workforce objectives.



**Investment Committee**

This Committee supports the Board of Directors in overseeing strategic investments and managing long-term strategic assets and related risks.

Governance practices are guided by approved policies subject to review by the Nomination and Remuneration Committee prior to approval by the Board of Directors. These policies include elements related to financial compensation and remuneration.

**Sustainability and Climate Change Governance**

To strengthen oversight of sustainability-related matters, Yamama Cement Company established a Sustainability Committee to enhance governance over ESG priorities and support the integration of sustainability considerations within corporate governance structures.

Oversight of climate change and sustainability-related matters has been assigned to the Sustainability Committee, which is responsible for periodically reviewing performance and progress in implementing the ESG strategy and submitting recommendations to the Board of Directors. This supports the integration of climate change considerations into decision-making processes and strategic planning.

**Conflict of Interest and Critical Issues Management**

Yamama Cement Company applies a Conflict of Interest Policy to ensure transparency and accountability at both the Board and executive management levels. Potential conflicts of interest are disclosed through structured declarations and are subject to periodic review. No material issues were reported to the Board of Directors during 2025.

To support ethical reporting and encourage open communication, the Company maintains a dedicated reporting channel that enables employees and stakeholders to raise concerns and observations. All reports are reviewed by the Audit Committee to ensure impartial handling and the implementation of appropriate actions. The channel allows for confidential and anonymous reporting, and reports are managed in accordance with established procedures covering review, investigation, and corrective actions within approved timelines. Periodic reports are also submitted to the Audit Committee.

**Ethical Conduct and Compliance**

Ethical conduct forms the foundation of Yamama Cement Company's operations. The Company adopts a zero-tolerance approach toward unlawful practices and remains committed to national and international requirements related to anti-corruption, fair competition, and responsible market practices. Employees receive periodic training programs and awareness sessions covering compliance and business ethics.

The Professional Conduct Policy applies to all Company employees and includes provisions related to anti-corruption and anti-bribery practices, conflicts of interest, confidentiality of information, compliance with fair competition and anti-money laundering regulations, as well as principles related to non-discrimination and occupational health and safety.

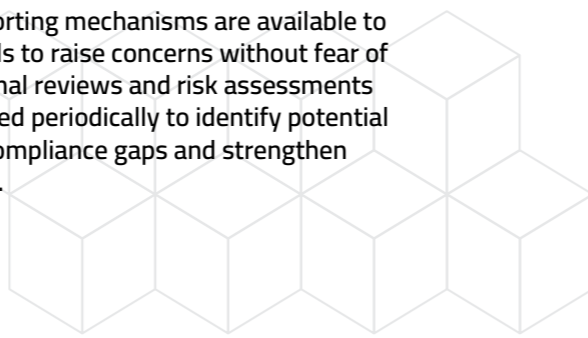
Confidential reporting mechanisms are available to enable individuals to raise concerns without fear of retaliation. Internal reviews and risk assessments are also conducted periodically to identify potential governance or compliance gaps and strengthen internal controls.

**Embedding Ethics in Corporate Culture**

Yamama Cement Company's governance approach extends beyond regulatory compliance to include embedding corporate values and reinforcing ethical conduct and compliance across all levels of the organization. The Company's governance model supports ethical behavior, accountability, and transparency, while integrating ESG considerations into decision-making processes and operational activities.

The Company also discloses, on a periodic basis, any confirmed violations of the Professional Conduct Policy, including cases related to corruption or bribery, discrimination or harassment, conflicts of interest, or data breaches, if any, as well as the corrective actions taken. The Company reaffirms its commitment to all relevant laws and regulations and maintains a policy of not making political contributions.

Yamama Cement Company continues to strengthen its governance practices in alignment with Saudi Vision 2030, supporting national priorities and strategic directions while reflecting its commitment to applying leading governance and sustainability practices. Through enhanced transparency, compliance, and stakeholder engagement, the Company seeks to foster a corporate culture grounded in integrity and responsibility, supporting the creation of sustainable long-term value for both the business and its stakeholders.





# DATA PRIVACY AND SECURITY



**Yamama Cement Company manages data privacy and information security as part of its broader approach to strengthening operational resilience, regulatory compliance, and risk management. As reliance on digital systems continues to grow in supporting core operational activities, the Company applies structured controls to protect sensitive business, operational, and personal data, supporting the maintenance of stakeholder trust.**

The Company works to align its data protection practices with applicable regulatory requirements in the Kingdom of Saudi Arabia and internationally recognized standards. Data privacy policies are also reviewed and updated periodically to address risks related to unauthorized access, data misuse, and cybersecurity threats.

Information security is supported by a range of defined controls and procedures designed to identify, assess, and mitigate digital risks. These controls include conducting periodic information security risk assessments, restricting system access based on approved authorization levels, and implementing monitoring mechanisms to oversee data usage and ensure compliance with internal policies and national regulations.

The Company is also strengthening the clarity of its information security governance structure, including defining executive responsibility for cybersecurity and establishing reporting mechanisms to senior management and relevant oversight bodies, supporting accountability and regular oversight of cybersecurity risks.

Employee awareness represents a key component of Yamama Cement Company's data protection framework. A dedicated cybersecurity awareness program is implemented to enhance understanding of information security risks, such as phishing and data breaches, and to strengthen safe data handling practices across operations. This program contributes to fostering a shared culture of information security and reinforcing individual responsibility for data protection.

Yamama Cement Company has adopted an Information Security Management System aligned with ISO 27001, which provides a structured framework for protecting financial and operational information, as well as intellectual property rights. This certification enhances the Company's ability to manage cybersecurity risks systematically across all operations.

The Company also works to strengthen the integration of cybersecurity controls with business continuity and disaster recovery plans, while conducting periodic vulnerability assessments and appropriate technical testing where necessary to support operational readiness and resilience.

In addition, the Company maintains dedicated internal channels for reporting incidents or suspicious activities related to information security and is working to further enhance disclosure regarding confirmed cybersecurity incidents and related corrective actions where required, supporting transparency and continuous improvement in digital risk management.

Looking ahead, Yamama Cement Company will continue strengthening its data privacy and cybersecurity framework through enhancing monitoring mechanisms, expanding employee awareness initiatives, and integrating advanced security controls to ensure alignment with the evolving cybersecurity landscape.

## Digitalization and Information Technology

Yamama Cement Company continues to advance its digital transformation efforts to support operational efficiency, data governance, and informed decision-making. Digital initiatives focus on enhancing business applications, modernizing information technology infrastructure, and integrating information security considerations into technology systems.

Yamama Cement Company implemented several key initiatives to strengthen operational processes and digital services. The automation of raw material receiving processes contributed to streamlining workflows and improving data accuracy. Enhancements introduced to the shareholder and ownership management system also improved operational efficiency and transparency. In addition, improvements to reporting quality within human resources and supply chain systems supported more informed decision-making.

The Company also reduced the processing time for 20% of recurring maintenance issues through enhanced tracking mechanisms and targeted response measures within the equipment maintenance system. Employee experience was further improved through the upgrade of 20% of self-service functions within the Enterprise Resource Planning (ERP) system.

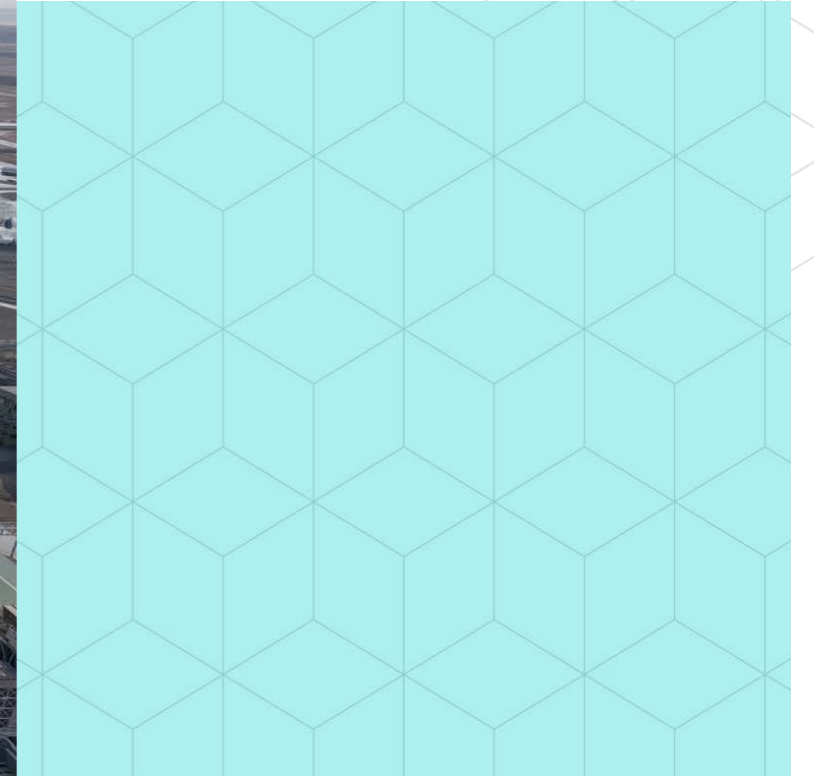
Enhancements were also implemented across tanks, delivery systems, related equipment, and end-user devices to support more reliable operations and higher productivity levels. The Company additionally improved the data center environment at its headquarters to strengthen system stability and overall performance.

In parallel, the Company undertook measures to strengthen IT governance and cybersecurity. As a result, 60% of IT services are now governed in alignment with ISO 27001 standards. System administrator passwords across all local servers are also changed automatically every three months to reduce security vulnerabilities.

Information security policies have been applied to all devices accessing Company email accounts, while the security level within the IT support system increased to 80%. These efforts are integrated within a cybersecurity governance framework that embeds information security considerations into technology projects, supplier relationships, and human resources systems, in alignment with the Essential Cybersecurity Controls issued by the National Cybersecurity Authority.

Periodic reviews and audits of cybersecurity policies are also conducted to ensure alignment with best practices and mitigate risks across all digital platforms. This systematic approach contributes to strengthening resilience and providing robust protection against emerging cyber threats.





# APPENDICES





# GRI CONTENT INDEX

<b>Statement of Use</b>	Yamama Cement has reported the information presented in the GRI Content Index for the period from January 1 to December 31, 2025, with reference to the GRI Standards.
<b>GRI I used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard(s)</b>	None

GRI standard/ other source	Disclosur	/Page number and or answer
<b>General Disclosures</b>		
GRI 2: General Disclosures 2021	2-1 Organizational details	9-14
	2-2 Entities included in the organization’s sustainability reporting	3
	2-3 Reporting period, frequency and contact point	3
	2-4 Restatements of information	38
	2-5 External assurance	The report is not externally assured
	2-6 Activities, value chain and other business relationships	9-14
	2-7 Employees	64-67
	2-8 Workers who are not employees	49-50
	2-9 Governance structure and composition	73-75
	2-10 Nomination and selection of the highest governance body	73-75
	2-11 Chair of the highest governance body	73-75
	2-12 Role of the highest governance body in overseeing the management of impacts	73-75
	2-13 Delegation of responsibility for managing impacts	73-75
	2-14 Role of the highest governance body in sustainability reporting	5-8, 19-20, 73-75
	2-15 Conflicts of interest	73-75
	2-16 Communication of critical concerns	73-75
	2-17 Collective knowledge of the highest governance body	73-75
	2-18 Evaluation of the performance of the highest governance body	73-75
	2-19 Remuneration policies	73-75
	2-20 Process to determine remuneration	73-75
	2-21 Annual total compensation ratio	73-75
	2-22 Statement on sustainable development strategy	18
	2-23 Policy commitments	62, 73-76
	2-24 Embedding policy commitments	62, 73-76
	2-25 Processes to remediate negative impacts	73-75
	2-26 Mechanisms for seeking advice and raising concerns	73-75
	2-27 Compliance with laws and regulations	73-75
	2-28 Membership associations	57-58
	2-29 Approach to stakeholder engagement	23-25

GRI standard/ other source	Disclosur	/Page number and or answer
	2-30 Collective bargaining agreements	Collective bargaining is prohibited in the Kingdom of Saudi Arabia.
<b>Material Topics</b>		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	26-28
	3-2 List of material topics	27-28
<b>Climate Change and GHG Emissions</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	33-24
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	34
	305-2 Energy indirect (Scope 2) GHG emissions	34
	305-4 GHG emissions intensity	34
	305-5 Reduction of GHG emissions	33-24
<b>Energy Efficiency</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	35-36
GRI 302: Energy 2016	302-1 Energy consumption within the organization	36
	302-3 Energy intensity	36
	302-4 Reduction of energy consumption	35-36
<b>Circular Economy</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	45
	301-2 Recycled input materials used	45
<b>Water Management</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	37-39
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	37-39
	303-2 Management of water discharge-related impacts	39
	303-3 Water withdrawal	38
	303-5 Water consumption	38
<b>Waste and Pollution Management</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	41
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	41
	306-2 Management of significant waste-related impacts	41
<b>Biodiversity and Land Use</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	42-44

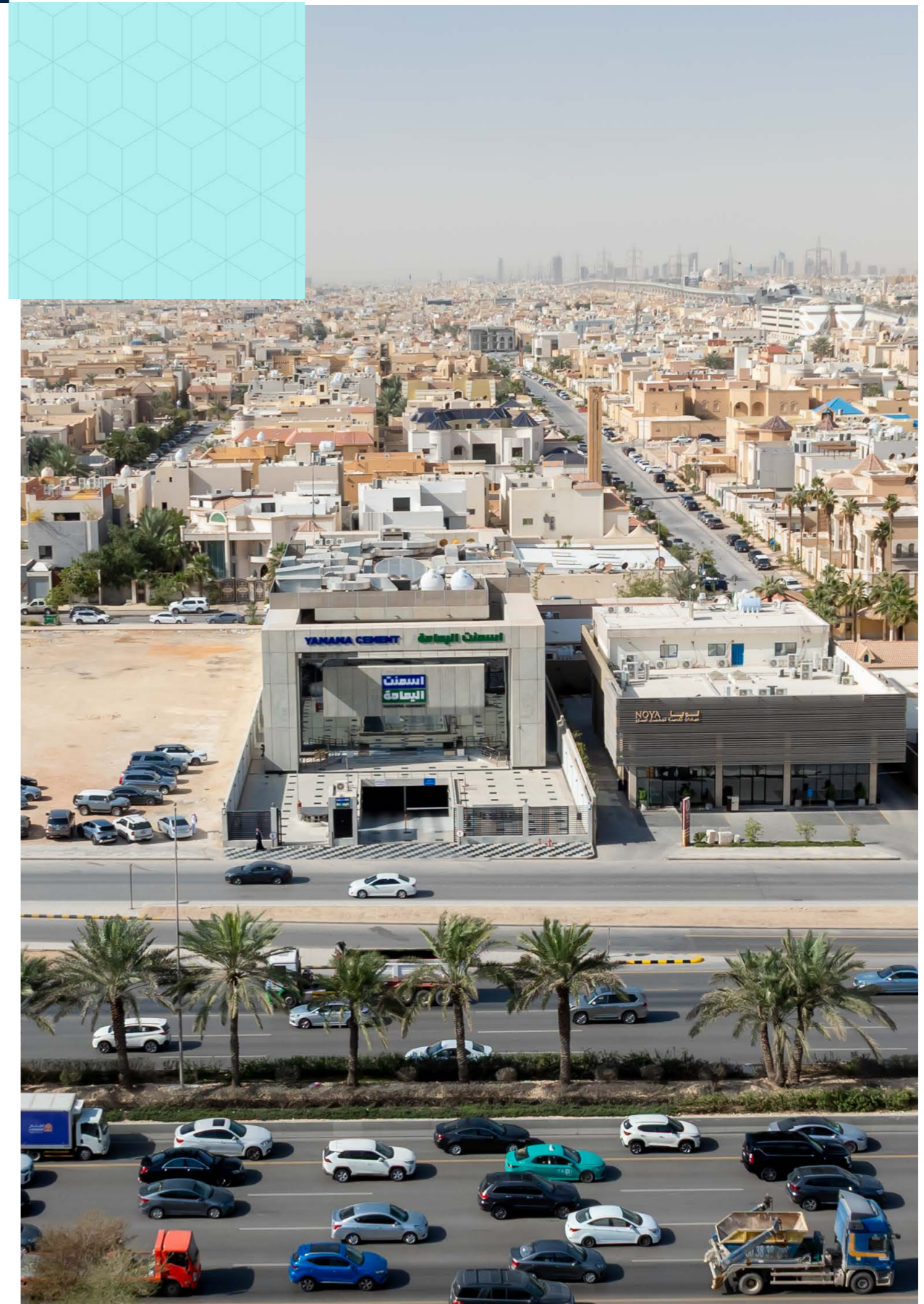


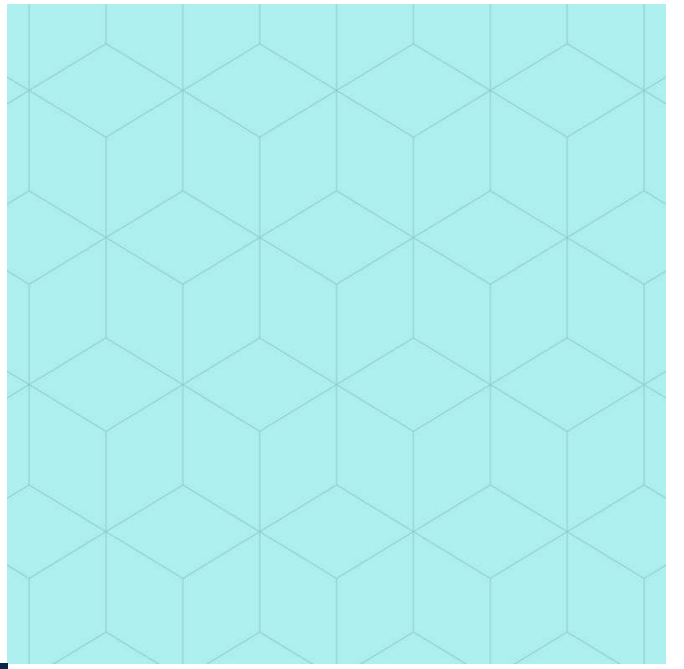
GRI standard/ other source	Disclosur	Page number and/ or answer
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	42-44
<b>Supply Chain Management</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	49-50
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	49
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	49
<b>Responsible Marketing and Labeling</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	51
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	51
<b>Human Rights</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	52
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	52
GRI 412: Human Rights Assessment	412-1 Operations that have been subject to human rights assessments or reviews	52
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	52
<b>Social Responsibility</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	55-58
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported 203-2 Significant indirect economic impacts	69 55
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	55-58

GRI standard/ other source	Disclosur	Page number and/ or answer
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	55-58
<b>Health, Safety, and Wellbeing</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	59-61
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system 403-2 Hazard identification, risk assessment, and incident investigation 403-3 Occupational health services 403-4 Worker participation, consultation, and communication on occupational health and safety 403-5 Worker training on occupational health and safety 403-6 Promotion of worker health 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships 403-9 Work-related injuries	59 60-61 60 60 60 60-61 60-61 60
<b>Human Capital Management</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	62-65
GRI 401: Employment 2016	401-1 New employee hires and employee turnover 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	62-65 68
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee 404-2 Programs for upgrading employee skills and transition assistance programs	63 62-63
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	74-75
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	65
<b>Corporate Governance and Business Ethics</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	72
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	74-75



GRI standard/ other source	Disclosur	Page number and/ or answer
<b>Data Privacy and Security</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	77-78
<b>Topics from the applicable GRI Sector Standards identified as non-material</b>		
<b>ISustainable High-quality Products</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	46
<b>Customer Relations</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	70





SUSTAINABILITY REPORT  
2025