



لوبريف  
luberef



# DISCOVER LUBEREF:

**Our Journey  
in Sustainability**

Sustainability Report 2023

# In The Name Of Allah

The Most Gracious  
The Most Merciful



**King Salman bin  
Abdulaziz Al-Saud**

The Custodian of the Two Holy  
Mosques



**His Royal Highness  
Prince Mohammad bin Salman  
bin Abdulaziz Al-Saud**

Crown Prince and Prime Minister

# Contents

<b>Report Overview</b>	<b>4</b>
<b>Luberef Profile</b>	<b>6</b>
<b>Luberef History</b>	<b>8</b>
<b>Chairman’s Statement</b>	<b>10</b>
<b>CEO’s Statement</b>	<b>12</b>
<b>Luberef Operations</b>	<b>14</b>
<b>Luberef Highlights for 2023</b>	<b>16</b>

## 18 Uncovering Luberef’s Sustainability Approach

Luberef Approach to ESG	20
Stakeholder Engagement	22
Materiality Assessment	24
ESG Strategy	32
Risk Management	36

## 40 Revealing Luberef’s Environmental Efforts

Greenhouse Gas Emissions	42
Air Emissions	46
Energy Use	48
Water Use	50
Waste Management	52

## 54 Exhibiting Luberef’s Safety Efforts

Health, Safety and Environment Framework	56
Occupational Health and Safety Training	60
Safety as a Core Value	61

## 66 Discover Luberef’s History of Social Impact

Employees	68
Saudization and Nitaqat	75
Luberef CSR Initiatives	76

## 78 Displaying Luberef’s Governance Quality

Corporate Governance	80
Luberef’s Corporate Governance Structure	81
Board of Directors	82
Executive Management	84
Code of Conduct	86

## 88 Annex

Appendix A: Glossary	89
Appendix B: GRI Content Index	90
Appendix C: GCC ESG Metrics	92

# Report Overview

## Report structure and boundary

GRI 2-3

This inaugural Sustainability Report offers a comprehensive account of Luberef’s ESG performance throughout the reporting period which ended 31 December 2023. The report presents a full review of the Company’s sustainability activities over the year as well as demonstrating some of the Company’s previous activities on the subject.

This Sustainability Report is available as a PDF version. All financial information as well as comprehensive disclosure on strategy and operations can be found in Luberef’s Annual Report.

## Report boundary

GRI 2-2

The sustainability reporting boundary in this report covers Luberef JSC, referred to as ‘Luberef,’ ‘the Company’ or as any similar expressions outlined below. The reporting herein focuses on events related to sustainability topics which may affect the Company’s ability to create value over the short-, medium-, and long-term, and which may have a significant probability of occurrence. Additionally, the report considers any significant impacts that the Company may have on its environment and its stakeholders.

‘We,’ ‘Luberef,’ ‘the Company’ or similar expressions are used in this report as synonyms for Luberef JSC.

## Reporting period

GRI 2-4, GRI 2-6


This report covers the 12-month period from 1 January to 31 December 2023 (the review period). There are no restatements of information from previous reports and no significant changes from previous reporting periods.

## Compliance


GRI 2-23

Luberef complies with all applicable laws, regulations and standards, and relevant guidelines in its disclosure.


The consolidated environmental, social, and governance (ESG) data has been prepared in accordance with the following standards, principles, and guidelines:




**Saudi Exchange –**  
ESG Disclosure Guidelines



**GCC Exchanges Committee –**  
GCC ESG Metrics



**GRI –** GRI Sustainability Reporting Standards (with reference)

 [The GRI index can be found on page 90.](#)

## Assurance

GRI 2-5

The sustainability information in the report was subjected to an internal audit carried out by a multidisciplinary team of different layers, to make sure the data shared are as correct as possible.

The data were not part of an external audit and is subject to change whenever required. Recognizing its significance, we are actively working to include this assurance in future reporting cycles.

## Approval

GRI 2-14

The Board of Directors of Luberef hereby approves the inaugural Sustainability Report for the fiscal year ending 2023. We commend the management team for their contributions and affirm the report’s accuracy and compliance with regulatory standards.

Dated: October 07, 2024

**LUBEREF**

Saudi Aramco Base Oil Company

## Feedback and suggestions

Feedback from our internal and external stakeholders helps and supports us to improve our practices and performance further. Please contact:

**Saleh Ali Alghamdi**

Environmental & Sustainability Leader

 [saleh.alghamdi@luberef.com](mailto:saleh.alghamdi@luberef.com)

## Disclaimer

Certain information set forth in this report contains ‘forward-looking information,’ including ‘future-oriented ESG information,’ and ‘ESG outlook’ [collectively referred to herein as forward-looking statements]. Such forward-looking statements can generally, but not always, be identified by their use of forward-looking words such as ‘plans,’ ‘estimates,’ ‘expects,’ ‘considers,’ ‘forecasts,’ ‘may,’ ‘possibly,’ ‘will,’ ‘would be,’ ‘believes,’ ‘anticipates,’ or similar expressions, the negative thereof or other variation of such terms or comparable terminology. Although forward-looking statements in this report are based upon what Management of the Company believes are reasonable assumptions, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially, may not occur as expected by the Company or at all, from those anticipated in such statements.

The Company undertakes no obligation to update forward-looking statements [whether as a result of new information, future events or otherwise], if circumstances or Management’s estimates or opinions should change except as required by applicable securities laws. The reader should consider all forward-looking statements in light of these explanations and is cautioned not to place undue reliance on forward-looking statements.

# Luberef Profile

Uncover the vision behind Luberef’s commitments to positively impact society, its mission to operate in a sustainable manner, as well as the core values which support the Company in its ESG agenda. **GRI 2-6**

## Vision

Luberef is committed to positively contributing to society and creating value for our shareholders with ESG as a core element.

## Mission

Luberef strives to minimize its environmental impact and positively affect the communities which it serves, all while delivering high-quality products.

## Core Values

Luberef conducts its business with the following core values.

### Excellence

Luberef delivers what it promises and strives to go beyond what it is expected to achieve.

### Accountability

Luberef is accountable to its customers, stakeholders, and communities and takes responsibility for what it does.

### Safety

Luberef continuously protects and secures its resources and community with safe operations and a safe workplace.

### Integrity

Luberef conducts its business ethically and respectfully.

### Citizenship

Luberef impacts society in a positive way with its presence and demonstrates social responsibility.

## Key 2023 Metrics

1,455,000<sub>MT</sub>

Base Oils Operating Capacity

98.0%

Operational Availability

601

Total Employees

2,550,289<sub>MT</sub>

Sales Volume of Byproducts

0.00

Total Recordable Incident Rate (TRIR)

4%

Flaring Reduction vs 2022

# Luberef History

Discover the long-standing history of Luberef, from its incorporation as a limited liability company nearly 50 years ago to its emergence as the leading base oil producer in the Kingdom of Saudi Arabia.

- 1976**  
 Luberef was incorporated as a limited liability company (under the name Petromin Lubricating Oil Refining Company) between Petromin (70%) and Mobil (30%).
- 1977**  
 The Jeddah facility was commissioned with a production capacity of approximately 180 thousand MT of Group I base oils.
- 1983**  
 The production capacity at the Jeddah facility was increased to approximately 220 thousand MT.
- 1991**  
 The production capacity at the Jeddah facility was increased to approximately 240 thousand MT.
- 1996**  
 Petromin's stake in the Company (70%) was transferred to Saudi Aramco.
- 1997**  
 The Yanbu facility was commissioned with a production capacity of approximately 300 thousand MT, and the facility was also used to synergize the Jeddah facility increasing its production capacity to approximately 260 thousand MT. This increased Luberef's total production capacity to approximately 560 thousand MT of Group I base oils.

- 2007**  
 Jadwa acquired Mobil's 30% stake in Luberef.
- 2013**  
 Luberef further improved the synergy between its Yanbu and Jeddah facilities, increasing Jeddah's production capacity to approximately 275 thousand MT of Group I base oils, bringing Luberef's total capacity to approximately 575 thousand MT.
- 2017**  
 The Yanbu Growth I Expansion was completed and added an additional 710 thousand MT to the production capacity.
- 2018**  
 First intake of women employees into the company, increasing each year since. Today, Luberef has women in leadership positions and female employees in all business lines of the company.
- 2019**  
 Formation of the Aramco Base Oil Alliance and adoption of the Saudi Aramco trademarks.
- 2021**  
 Luberef received the award for 'Best Performance on Health, Safety, and Environment' and the 'Most Improved on Energy Intensity' at the annual Aramco President Excellence Awards.

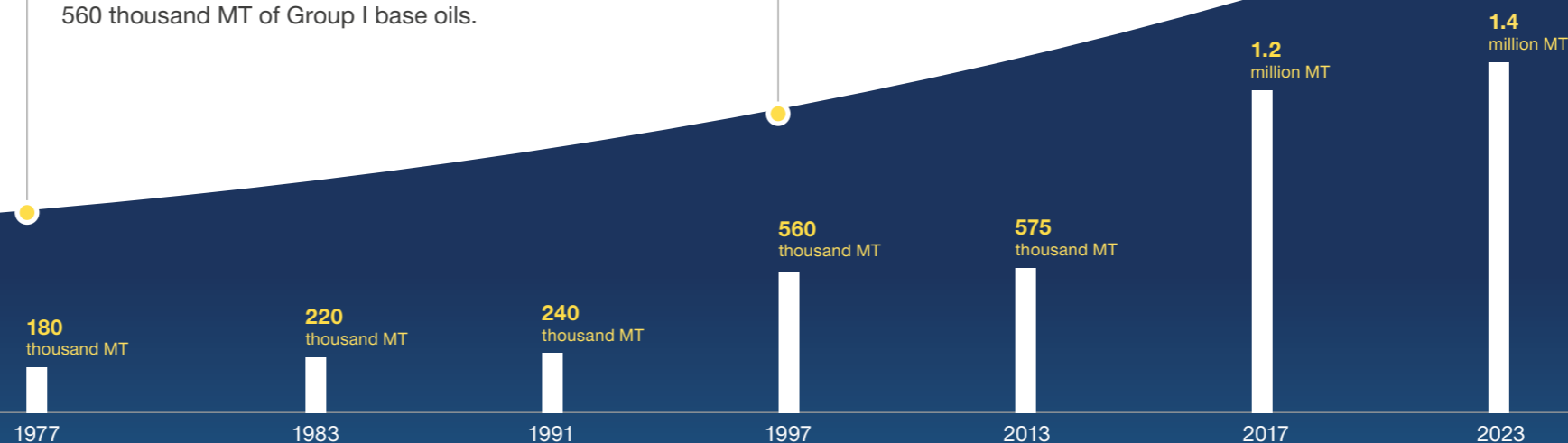
**2022**  
 Luberef was successfully listed on the Saudi Stock Exchange. The IPO was one of the largest in 2022 and was oversubscribed 29.5 times.

Nabelah Al Tunisi joined Luberef as its first female Board member, and as an Independent Non-Executive Director, bringing a wealth of technical and managerial experience to the Board.

**2023**  
 Luberef amended its Supplemental Feedstock Supply agreement with Saudi Aramco, boosting RCO supply in Yanbu by 5 thousand barrels per day which is expected to lead to an approximate annual base oil production increase of 90 thousand MT.

Luberef was fortunate to receive the 'President's Affiliate Excellence Award for the Best Performance in the Safety Category' prize at the annual Aramco President Excellence Awards.

## Production Capacity Growth



# Chairman's Statement

GRI 2-22

Dear Shareholders,

As the Chairman of the Board, it is my privilege to present our first sustainability report, reflecting our unwavering commitment to responsible corporate governance and long-term value creation. During a year where Luberef's share price climbed nearly 50%, we are fortunate to be able to further demonstrate our non-financial achievements in this inaugural report.

## Governance and Oversight

At the heart of our approach to sustainability is a robust governance structure that ensures rigorous oversight of our sustainability initiatives. Our Board of Directors, alongside dedicated committees, play a pivotal role in setting the strategic direction and monitoring the progress of our sustainability goals. This year we have made good progress in expanding the extent of our sustainability oversight, by establishing an ESG Steering Committee as well as a number of related ESG teams.

We are committed to upholding the highest standards of ethical conduct and corporate responsibility, and we believe that engaging all Company employees in this effort is a key part of promoting Luberef's sustainability.

By integrating sustainability into our core business practices, we aim to create long-term value for our stakeholders while contributing to a more sustainable future for all.

**84%**  
Saudi Employees

## Long-term Sustainability Vision

Our long-term sustainability vision is to be a regional leader in sustainable business practices, setting the benchmark for environmental stewardship, social responsibility, and economic resilience. This vision is not just a strategic imperative but a moral obligation to future generations. We are dedicated to minimizing our environmental footprint through emission reduction and energy efficiency improvement efforts, while simultaneously enhancing social well-being, and driving sustainable economic growth.

As a responsible corporate citizen, our contribution to Vision 2030 guides every decision we make, ensuring transparency and ethical conduct in our operations. We believe that striving to positively contribute to the Kingdom's goals is one of the best ways that we can be socially and environmentally conscious.

## Diversity and Inclusion

At Luberef, embracing diversity is crucial to fostering innovation, reflecting the diverse perspectives of a global market, and supporting the Kingdom's Vision 2030 goals of economic diversification and social development. The empowerment of women is an important part of this mission, and we are extremely fortunate to have many women as part of Luberef. Although much has been done for women representation across all business lines, with an increase of 33% in women employment year-on-year, we firmly believe this is only the start.

## Engagement with Stakeholders

Engaging with our stakeholders is a cornerstone of our sustainability strategy. We recognize the importance of understanding and addressing



**Mr. Ibrahim Q. Al Buainain**  
Chairman of the Board

the concerns and expectations of our customers, employees, shareholders, suppliers, and communities.

Through regular dialogue and collaboration, we aim to build trust, foster strong relationships, and create shared value. As part of this commitment, we have carried out our first impact materiality assessment to determine the most material issues across all stakeholder groups. This process, which gathered input from a diverse source of internal and external stakeholders, has been invaluable to helping direct Luberef's future pathway towards greater sustainability. The insights gained from our stakeholder feedback surveys and key financial partners have positively impacted Luberef's sustainable development trajectory for the future.

## Inaugural Sustainability Report

This year marks a significant milestone as we publish our first comprehensive sustainability report.

This report is a testament to our commitment to transparency and accountability, while also being a key new method for informing our stakeholders of Luberef's actions on sustainability.

It outlines our sustainability strategy, highlights our achievements, and details our roadmap for the future. We are excited to share our progress and challenges with our stakeholders and invite them to join us on this journey.

In order to capitalize on this opportunity to communicate our sustainability efforts, our inaugural report utilizes the globally-recognized GRI reporting framework, in addition to the United Nations Sustainable Development Goals (SDGs). These frameworks provide a comprehensive and consistent basis for reporting on our sustainability performance and impacts. They also enable us to benchmark our progress, identify areas for improvement, and communicate our achievements and challenges to our stakeholders.

As we look ahead, the Board of Directors and the Executive Management remain committed to positioning Luberef for sustainable growth which provides all our stakeholders with benefits and value. I would also like to thank all our customers, valued partners, and Luberef's employees whose professionalism and dedication have allowed us to celebrate such strong performance. Together, we are building a sustainable future for all.

**+33%**  
Women Employment Y-o-Y

# CEO's Statement

GRI 2-22

0.0

Total Recordable Incident Rate (TRIR)

-11%

Scope 2 GHG Emissions at Jeddah



**Samer A. Al-Hokail**  
President & CEO

Dear Shareholders,

As we reflect on a strong year of progress and growth, I am proud to share Luberef's inaugural sustainability report, an important step in the Company's sustainability journey. In a year characterized by political difficulties and uncertain economic conditions, our focus has been on continuously improving our operational excellence and building on the elements which make Luberef uniquely positioned in the industry.

## Sustainable Operations

Despite the challenging market conditions, we have delivered record numbers in terms of base oil production volumes, as well as sales volumes. We were also able to reduce our unit costs for base oil production and debottleneck our GII train. Alongside these substantial achievements, Luberef also completed its Jeddah facility turnaround safely, within schedule, and within budget during the first quarter of 2023.

Increasingly, our operations have involved a steadfast focus on integrating sustainable practices into every facet of our business. We understand and appreciate the importance of growing in a sustainable manner, an approach which positively affects both the Company and the communities that it serves.

Luberef's commitment to sustainable operations is not only a moral imperative but also a strategic priority that drives innovation and enhances our competitive advantage.

## ESG Journey

Our strategic direction on sustainability is a crucial part of Luberef's strategy. We aim to continuously improve our performance and approach in order to eventually become a sustainability leader in the region. This year, we have made significant strides in developing our ESG strategy, determining the sustainability factors that are most material to stakeholders, and releasing our inaugural sustainability report. These efforts are part of our broader strategy to ensure that we create long-term value for all our stakeholders, including customers, employees, shareholders, and the communities we serve.

Leadership and vision are crucial in navigating the complexities of today's global challenges. Our leadership team is deeply committed to fostering a culture of sustainability, encouraging innovation, and supporting

initiatives that drive positive environmental and social impact. As part of this effort, we expanded our governance oversight of sustainability issues, while also expanding the number of dedicated groups and committees which oversee the Company's sustainability progress.

## Safe Approach

Safety remains our unwavering priority. We are extremely glad that our relentless approach to risk elimination has resulted in our continued Total Recordable Incident Rate (TRIR) of 0.0. This record has spanned more than four years, demonstrating our industry-leading safety procedures, all while accumulating more than 35 million man-hours without Loss Time Injuries (LTI).

The safety of our employees and contractors is a fundamental part of how Luberef approaches its commitment to sustainability, while also helping to promote reliability and support low production costs.

I feel immensely fortunate that our staff continue to maintain a proactive and informed approach to safe operations, underlining safety as an important part of Luberef's identity.

## Environmental Stewardship

Our journey towards sustainable operations is an ongoing process of transformation and improvement. An important part of our environmental stewardship initiatives comes through our commitment to Net Zero 2050, in addition to many of our environmentally conscious optimization initiatives. In 2023, we took a significant step toward our 2050 Net Zero target by participating in the largest voluntary carbon credit auction held in Nairobi, Kenya.

Ranging from improving the energy efficiency of our processes to adopting renewable energy sources, as well as managing our waste and water use, we are rethinking how we operate in order to minimize our environmental impact.

In closing, I would like to express my gratitude to all our stakeholders for their unwavering support and dedication to our shared vision. Together, we are building a more sustainable future, and I am confident that we will continue to make meaningful progress in the years to come. Thank you for being a part of Luberef's journey.

# Luberef Operations

Discover Luberef’s presence in key markets and the strategic locations of our assets. As a leading producer in the region and worldwide, Luberef specializes in producing high-quality base oils that are essential for a wide range of industrial and automotive lubricants.

GRI 2-1, 203-1

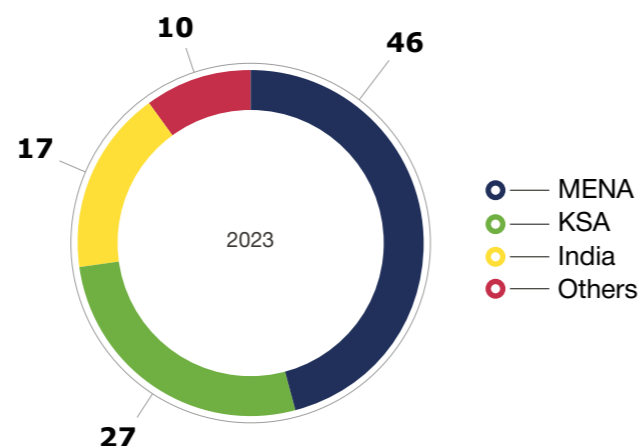
## A Global Leader in Base Oil Production and Distribution:

Luberef is one of the largest base oils producers in the world and the only virgin base oils producer in the Kingdom of Saudi Arabia. Luberef’s products are sold in the Kingdom and other countries across the MENA region, the Americas, and Europe.

### Our Products

Luberef produces various Group I and Group II base oils and byproducts, including asphalt, Marine Heavy Fuel Oil (MHFO) and sulfur, as well as white products such as Ultra-Low Sulfur Diesel (ULSD), naphtha, and drilling fluid.

Sales By Region, %



### Our Assets

Luberef’s primary business is the production and distribution of high-quality base oils and other petroleum derivatives. Luberef operates two facilities in Yanbu and Jeddah to produce Group I and Group II base oils.



### Annual production capacity

Jeddah facility

275,000<sub>MT</sub>

Yanbu facility

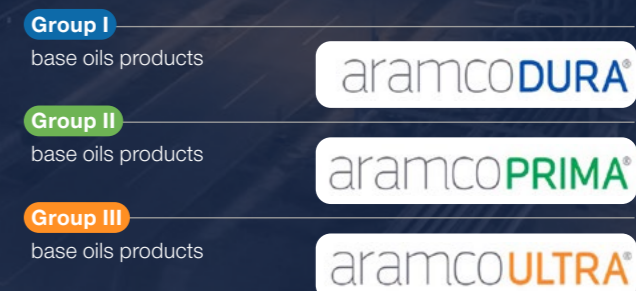
1,180,000<sub>MT</sub>

## Aramco Base Oil Alliance

Luberef is a proud member of the Aramco Base Oil Alliance, along with S-Oil and Motiva, with a marketing zone in the Middle East (including Pakistan) and Africa.

As part of Aramco Base Oil Alliance, Luberef procures Group III base oils from other Alliance members and resells them in the region. Such products are used in a wide range of industrial and automotive lubricants by a range of customers.

Alliance members market their products under trademarks licensed by Saudi Aramco.



# Luberef Highlights for 2023

2<sup>nd</sup> Quarter

Luberef participated in the largest ever voluntary carbon credit auction held by the Regional Voluntary Carbon Market Company (RVCMC) in Nairobi, Kenya.

20 thousand carbon credits were acquired at the auction, demonstrating Luberef's commitment to achieving net-zero emissions by 2050.



3<sup>rd</sup> Quarter

Luberef appointed Mr. Samer A. Hokali as the new Company President & CEO. A leader with over 25 years of experience in the energy sector, Mr. Samer brings a wealth of expertise in leadership, planning, and strategic management. Throughout his career he has held prominent positions at Saudi Aramco and its subsidiaries, including those based abroad.

Mr. Samer has experience with dealing various stakeholder groups around the world, bringing an understanding of the importance of sustainability in decision-making. Additionally, he places great importance on improving operational safety as well as furthering Luberef's decarbonization efforts.

Uncover the key events involving Luberef in 2023, ranging from sponsoring environmental initiatives, process optimizations, and volunteering at carbon credit auctions.

1<sup>st</sup> Quarter

Luberef completed the Jeddah refinery turnaround successfully and safely with zero health, safety, and environmental (HSE) incidents or injuries. Comprehensive testing, inspection, and improvement for the refinery were successfully performed to achieve competitiveness, reliability, and sustainability of the refinery.

Luberef signed an agreement with Nournet to secure next generation IT infrastructure and cloud management services. Additionally, the 'RISE with SAP' agreement, signed with SAP, aims to enhance Luberef's enterprise resource planning (ERP) capabilities.

Luberef, in partnership with the Social Responsibility Association in Makkah, sponsored the planting of 1,000 neem trees as part of the 'Green Makkah Initiative'. Additionally, as part of the 'Green Homeland' initiative, more than 35 volunteer employees from Luberef and members of their families participated in this environmental initiative.



مداك  
madac  
مداك... حيث متعة التعلم  
Madac...the Joy of Learning



Luberef supported the MADAK Academy Education Endowment Project in Media Province, by sponsoring a smart lab project conforming to the highest international standards. This smart lab will positively impact local communities by providing additional learning and teaching opportunities, as well as fostering improved research and innovation.


4<sup>th</sup> Quarter

Discover more about Luberef's CSR initiatives on pg. 76



# Luberef's Sustainability Approach

 ESG Strategy Development

 New Materiality Assessment

 ESG Targets

Discover Luberef's approach to sustainability, one which emphasizes a strategic and holistic framework that integrates environmental, social, and governance (ESG) considerations, ensuring long-term value creation and resilience across all operations.

# Luberef Approach to ESG

Luberef's sustainability approach has been designed to deliver significant benefits by enhancing operational efficiency, reducing environmental impact, and positively impacting the communities we serve. Through a holistic system for managing ESG factors, Luberef is able to create value for both our internal and external stakeholders. This strategic commitment will not only strengthen Luberef's market position but also promote long-term societal and environmental well-being.

## ESG Vision

Establishing a clear ESG vision is an important part of Luberef's sustainability journey. This step promotes sustainable growth, as well as contributing to long-term resilience and creating various opportunities for the Company.

Luberef's ESG vision is built on three main aspects:

### Consistency with business strategy

Luberef's vision should be aligned with the expectations of its internal stakeholders in support of the Company's mission and vision

### Acknowledgement of Company's baseline

Assessing Luberef's current capabilities, resources, and expertise in ESG-related areas is crucial to setting a realistic vision

### Alignment with external stakeholders

The defined vision should likewise address the interests of the whole range of external stakeholders

## Incorporating ESG

In addition to setting out a clear vision, Luberef has been working to meaningfully incorporate sustainability considerations into its operations. This process is vital for improving risk mitigation, unlocking new opportunities, and fostering innovation.

Discover the steps that Luberef has taken to integrate ESG factors into its business strategy and approach, demonstrating commitment to responsible business practices and long-term value creation:

### ESG approach based on economic value creation

Focusing on regulatory compliance as a foundation, while strategically seizing value-creating opportunities linked to ESG

### Transparent and inclusive ESG culture

Cultivating an internal culture based on transparent communication where every employee is educated about, engaged in, and committed to ESG principles

### Structured roadmap for sustainable growth

Setting clear, measurable targets and creating a roadmap for continuous improvement across all ESG dimensions

## Sustainable Management Systems

As part of Luberef's sustainability efforts, the Company has already implemented a number of ISO management systems, to best reflect its commitment to sustainable operations. Luberef is currently certified for the ISO 14001:2015 Environmental Management Systems and ISO 50001:2018 Standard for Energy Management Systems.

Additionally, the testing laboratories at both the Yanbu and Jeddah facilities are accredited by the American Association for Laboratory Accreditation (A2LA) for technical compliance in chemical testing (ISO/IEC 17025:2017). These accreditations ensure the safety of Luberef's operations, while also guiding the Company's environmental stewardship approach.



Luberef is committed to positively contributing to society and creating value for our shareholders with ESG as a core element.



# Stakeholder Engagement

GRI 2-29

Luberef deeply values the interests of all its stakeholders, ensuring that their concerns are considered and important information is provided when required. Luberef recognizes that effective management of stakeholder engagement is essential for building trust, while also enhancing the transparency of our sustainability efforts.

Through active involvement and communication with our stakeholders, Luberef is able to better navigate challenges, gather feedback to identify and capitalize on opportunities, as well as further improve its impact on communities it serves.

Luberef's new Code of Conduct contains several provisions for guiding the Company's, and its employees', approach to engagement with external stakeholders. These provisions set out the correct methods for engagement, which help to create a unified communication position for the Company.



## Luberef Stakeholders

The Company has a number of different key stakeholder groups, which it frequently engages with. These groups include regulatory bodies, business partners, Saudi Aramco, as well as a number of other individual and corporate investors.

Luberef engages with these groups through transparent communication and collaborative initiatives to ensure that its operations align with their expectations and contribute positively to society.

The following table sets out information relating to our key stakeholders, their interests, and the way in which Luberef engages with them.

Stakeholder Group	Category	Communication Channel	Main Concern	Material Topic
Royal Commission for Jubail and Yanbu National Center of Environmental Compliance National Center of Waste Management	Environmental	Emails, Phone Calls, Official Letters	<ul style="list-style-type: none"> <li>Waste Generated from Luberef</li> <li>Air Pollutants</li> <li>Waste Water &amp; Water Consumption</li> </ul>	<ul style="list-style-type: none"> <li>Waste Management &amp; Circularity</li> <li>Air Emissions and Control</li> <li>Water Management</li> </ul>
Board of Directors	Shareholder	Emails, Phone Calls, Official Letters, Quarterly Meetings	<ul style="list-style-type: none"> <li>Diversity in the Workforce</li> <li>Business Risks</li> <li>Governance</li> </ul>	<ul style="list-style-type: none"> <li>Diversity, Inclusion and Labor Rights</li> <li>Risk Management</li> <li>Corporate Governance</li> </ul>
Ministry of Energy	Business / Corporate	Emails, Phone Calls, Official Letters	<ul style="list-style-type: none"> <li>Safety in the Workplace</li> <li>Governance</li> </ul>	<ul style="list-style-type: none"> <li>Health, Safety, and Security</li> <li>Corporate Governance</li> </ul>
Investors	Shareholder	Earning Calls, Annual General Assembly Meetings, Investor Conferences, Online Forms, Hotline, Market Announcements	<ul style="list-style-type: none"> <li>Business Risks</li> <li>Compliance</li> </ul>	<ul style="list-style-type: none"> <li>Risk Management</li> <li>Corporate Ethics</li> </ul>
Saudi Aramco 	Business / Corporate	Emails, Phone Calls, Official Letters, Hot Line	<ul style="list-style-type: none"> <li>Carbon Footprint</li> <li>Waste Management</li> <li>Corporate Social Responsibility (CSR)</li> <li>HR Harmonization</li> <li>Energy Performance</li> <li>Governance</li> <li>Compliance</li> <li>Business Risks</li> <li>Safety</li> </ul>	<ul style="list-style-type: none"> <li>Decarbonization &amp; Climate Change</li> <li>Waste Management &amp; Circularity</li> <li>Community Engagement and Impact</li> <li>Employee Recruitment, Development &amp; Retention</li> <li>Water Management</li> <li>Corporate Governance</li> <li>Corporate Ethics</li> <li>Risk Management</li> <li>Health, Safety &amp; Security</li> </ul>

# Materiality Assessment

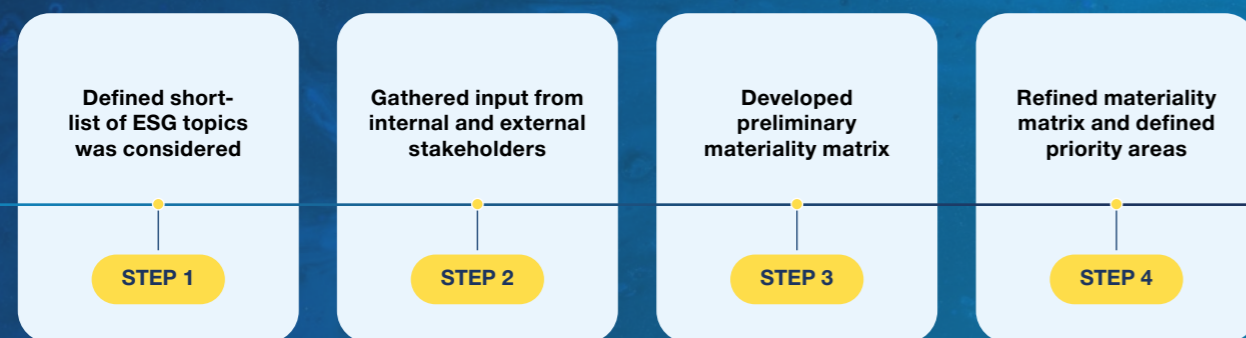
Discover the extensive work that Luberef has carried out to conduct its first impact materiality assessment, helping the Company to identify and prioritize the most critical environmental, social, and governance issues that impact our business and stakeholders.

## Materiality Process GRI 3-1

Establishing a comprehensive materiality assessment of the Company's material topics, as they relate to both internal and external stakeholders, is an important part of Luberef's sustainability approach.

Through identifying key topics, Luberef can more effectively allocate its resources and efforts, manage risks, and strategically address matters crucial for its long-term sustainability.

Luberef's materiality assessment process was carried out in four key steps, which are outlined below:

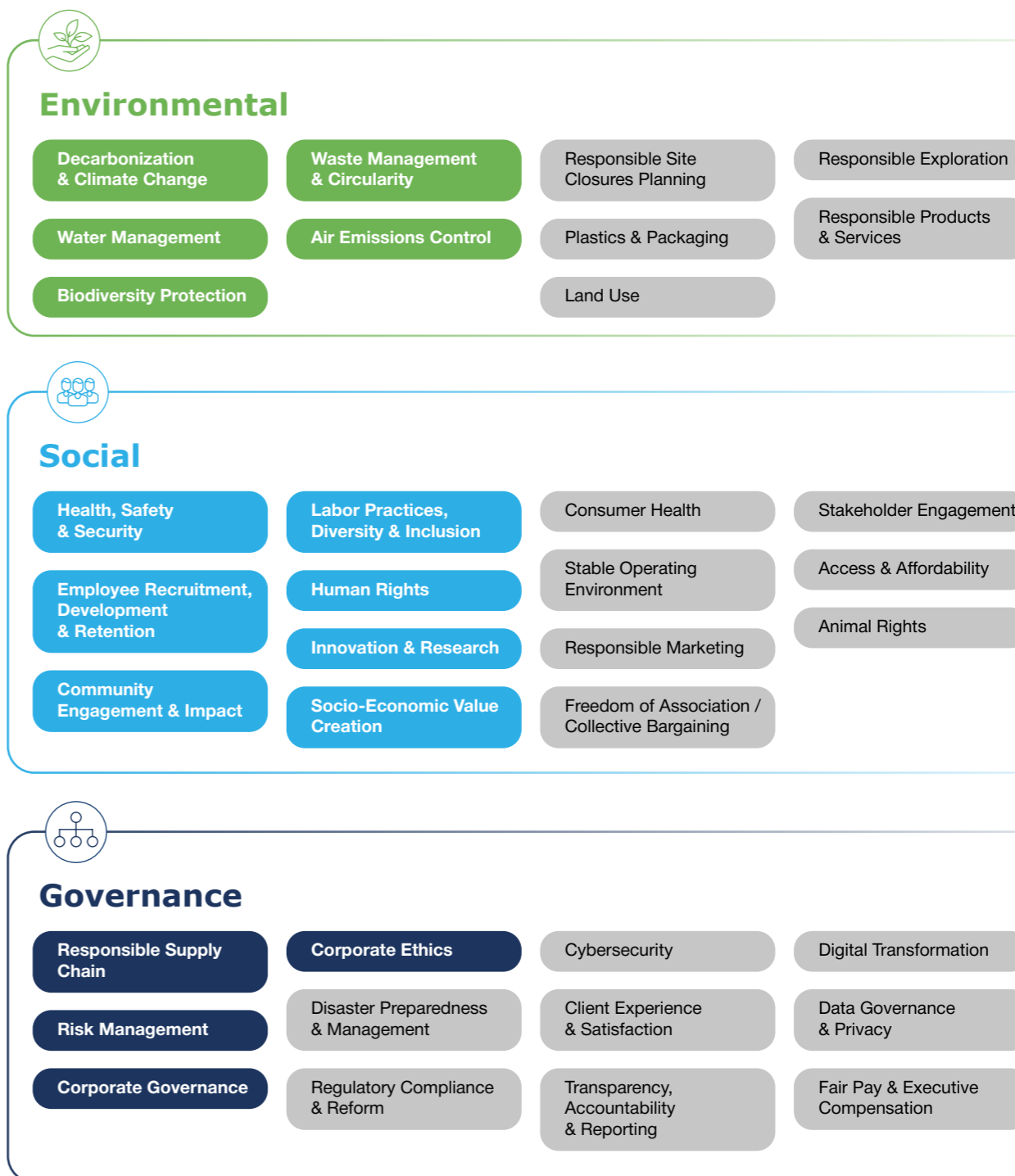


## STEP 1 Defined short-list of ESG topics was considered

An ESG industry long-list of more than 80 topics in the Oil & Gas sector was developed. Based on this list, material ESG topics were assessed, using the input of stakeholders and information from the materiality matrices of industry players.

Additionally, the current FSG global materiality assessment was utilized to further develop a material topic selection in line with best practices. As a result, Luberef arrived at a selection of 36 material topics which were deemed relevant to the Company. Further to this list, 16 material topics were selected as the priority areas by both internal and external stakeholders.

### Luberef Material Topics and Priority Areas GRI 3-2



## STEP 2 Gathered input from internal and external stakeholders

The process then required the Company to assess the relevance of the shortlisted material topics against the interests and feedback of both internal and external stakeholders. The input from various stakeholders consisted of a number of conducted interviews, as well as surveys received from management, business partners, and regulatory bodies.

The full list of stakeholder inputs from which Luberef gathered information included:



## STEP 3 Developed preliminary materiality matrix

Based on the varied input from Luberef's internal and external stakeholder groups, the Company began the process of creating the initial draft of the materiality matrix. The preliminary draft included the full selection of material topics as initially selected by Luberef from its analytical work and the input from various stakeholders.

<sup>1</sup> Royal Commission for Jubail and Yanbu  
<sup>2</sup> Ministry of Environment, Water and Agriculture  
<sup>3</sup> Ministry of Human Resources and Social Development  
<sup>4</sup> Ministry of Commerce  
<sup>5</sup> Capital Markets Authority  
<sup>6</sup> Local Content and Government Procurement Authority

## STEP 4 Refined materiality matrix and defined priority areas

The final step in the process consisted of a thorough analysis and consideration of all stakeholder inputs, interview insights, and market trend reviews to define the priority ESG topics. This process ensures that Luberef focuses on the ESG factors that are most crucial to its success as well as ones that align with the priorities of its stakeholders.

Luberef received feedback consisting of the key priority areas from both its external stakeholder groups and its internal stakeholders. This input was then combined with various other sources of expertise on the subject, including input from Boston Consulting Group and Saudi Aramco, to create a final selection of priority material topics. The input from Luberef's stakeholder groups can be seen below.

### External stakeholder priority material topics

Priority level	Environmental	Social	Governance
<b>Very high</b>	1 Decarbonization & Climate Change	1 Health, Safety & Security 2 Socio-Economic Value Creation	1 Risk Management
<b>High</b>	2 Air Emissions Control 3 Water Management 4 Waste Management & Circularity	3 Employee Recruitment, Development & Retention 4 Labor Practices, Diversity & Inclusion	2 Corporate Governance 3 Corporate Ethics
<b>Moderate</b>	5 Biodiversity Protection	5 Community Engagement & Impact 6 Human Rights 7 Innovation & Research	4 Responsible Supply Chain

### Internal stakeholder priority material topics

Priority level	Environmental	Social	Governance
<b>Very high</b>	1 Air Emissions Control 2 Decarbonization & Climate Change	1 Health, Safety & Security	1 Risk Management 2 Corporate Governance
<b>High</b>	3 Waste Management & Circularity 4 Water Management	2 Employee Recruitment, Development & Retention 3 Socio-Economic Value Creation 4 Labor Practices, Diversity & Inclusion 5 Community Engagement & Impact	3 Corporate Ethics
<b>Moderate</b>	5 Biodiversity Protection	7 Innovation & Research 8 Human Rights	4 Responsible Supply Chain

At the end of the process, Luberef arrived at the finalized version of its impact materiality assessment, with a total of 16 priority material topics based on a whole range of inputs and information sources. These topics were then further narrowed down to 12 topics which were

selected based on their relevance to Company operations. This process has been a crucial part of Luberef's sustainability journey, as it will support the Company in achieving its ambitious ESG vision in a way that acknowledges the expectations of its stakeholders.

### Luberef Materiality Matrix

Topics Priority: Moderate High Very High **Our focus**



Relevance for long-term business success as perceived internally

## KSA Vision 2030 Alignment



Aligning Luberef's sustainability journey and key ESG considerations with the KSA Vision 2030 goals is crucial for fostering improved sustainable development and economic diversification in the region. As a key player in the Oil & Gas sector within the region, Luberef is keenly aware of its responsibility to positively contribute to the Kingdom's ambitious sustainability ambitions.

By integrating these objectives into the Company's strategic sustainability priorities, Luberef can contribute to national prosperity, enhance its reputation, and attract investment while also promoting social and environmental responsibility.

Discover the ways in which Luberef's ESG priority areas relate to the strategic objectives outlined in KSA Vision 2030.

### Luberef and KSA Vision 2030

	Environmental	Social	Governance
Strengthen Prevention Against Health Threats		5	10
Reduce All Types of Pollution (e.g., air, sound, water, soil)	1 4		
Safeguard the Environment from Natural Threats			10
Grow Contribution of Renewables to National Energy Mix	1		
Enhance Competitiveness of the Energy Market	1		
Push Forward the GCC Integration Agenda	1 2 3 4	5 6 8 9	10 11 12
Build a Life-Long Learning Journey		6	
Improve Fundamental Learning Outcomes		6	
Ensure Alignment of Educational Outputs with Labor Market Needs		6 7 8	11
Expand Vocational Training to Provide for Labor Market Needs		6 7 8	11
Improve Readiness of Youth to Enter the Labor Market		6 7 8	11
Ensure Sustainable Use of Water Resources	2		
Enhance Businesses' Focus on their Social Responsibilities		5 6 7 8 9	
Enhance Businesses' Focus on the Sustainability of the Economy	1 2 3 4	5 6 7 8 9	10 11 12

- |                                    |  |                         |
|------------------------------------|--|-------------------------|
| <b>Environmental</b>               | <b>Social</b>                                  | <b>Governance</b>       |
| 1 Decarbonization & Climate Change | 5 Health, Safety & Security                    | 10 Risk Management      |
| 2 Water Management                 | 6 Employee Recruitment, Development, Retention | 11 Corporate Governance |
| 3 Waste Management & Circularity   | 7 Community Engagement & Impact                | 12 Corporate Ethics     |
| 4 Air Emissions Control            | 8 Labor Practices, Diversity & Inclusion       |                         |
|                                    | 9 Socio-Economic Value Creation                |                         |

# UN Sustainable Development Goal Alignment

Luberef similarly recognizes the benefit of aligning its ESG consideration with global frameworks for sustainable development. Through utilizing the UN Sustainable Development Goals (UN SDGs), Luberef is able to contribute to global sustainability efforts and social equity.

The use of international sustainability frameworks is one of the steps that Luberef is taking to demonstrate its commitment to implementing ESG factors into its operations, while also contributing to its efforts to become a regional sustainability leader in the industry.

Uncover Luberef's alignment with international standards for sustainable development through the UN SDGs.

## E

### Decarbonization & Climate Change



### Water Management



### Waste Management & Circularity



### Air Emissions Control



## S

### Health, Safety & Security



### Employee Recruitment, Development & Retention



### Community Engagement & Impact



### Labor Practices, Diversity & Inclusion



### Socio-Economic Value Creation



## G

### Risk Management



### Corporate Governance



### Corporate Ethics



# ESG Strategy

Discover Luberef's implemented framework for developing its ESG strategy, a crucial part of its journey in sustainability. The implementation of an ESG strategy is a fundamental step in promoting Luberef's long-term sustainability, reducing environmental impacts, and aligning the Company's operations with global climate objectives.

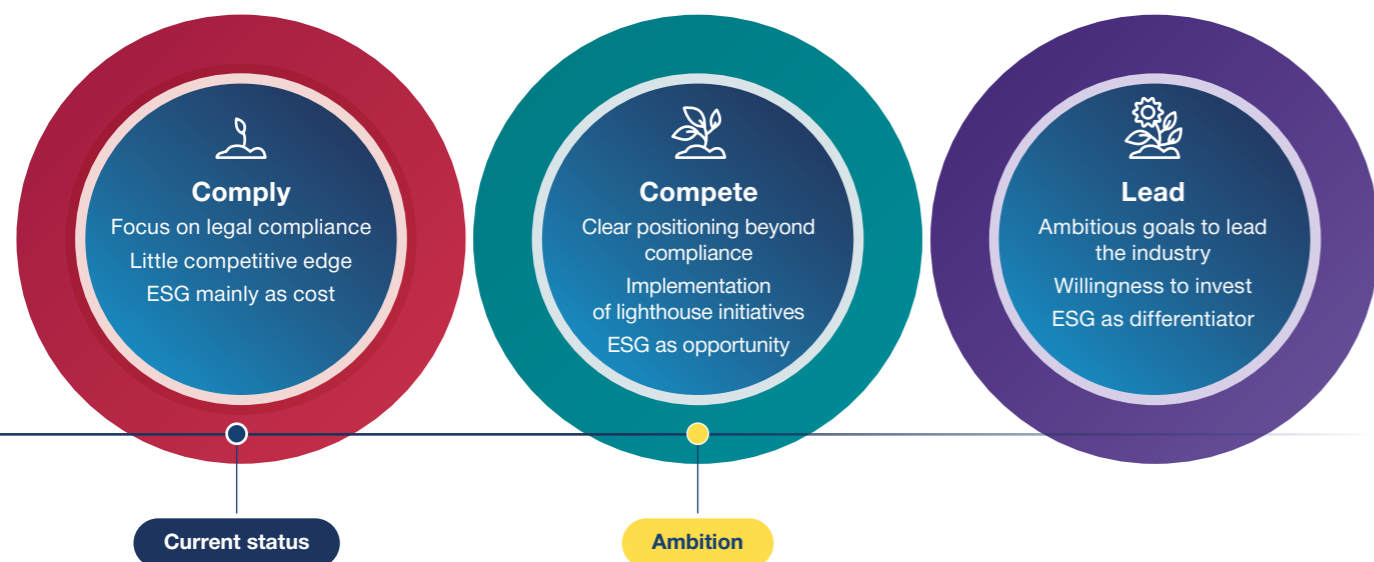
## Approach to ESG Strategy Development

From the outset, Luberef's approach to developing its ESG strategy has been based on the distinction of 'Comply-Compete-Lead,' providing a tangible way to understand sustainability actions.

Luberef has assigned a substantial amount of effort to improve its ESG agenda, positively contribute to the climate and society, while also keeping the interests of its stakeholders in mind. In this effort, Luberef has established its position and sustainability ambitions to become a 'Competitor' in the sustainable development sphere.

Luberef has already begun the process to reach a high-level of 'Comply,' utilising all the resources and capabilities at its disposal. Some of these initiatives include:

- Creating a dedicated ESG team
- Implementing the newly-defined Code of Conduct
- Improving the tracking and reporting of relevant ESG KPIs
- Publishing a report following the GRI Standard



## Determining Ambitions and Targets

Setting ambitions and targets as part of Luberef's ESG strategy is vital to driving continuous improvement and demonstrating the Company's commitment to responsible operations.

Clear, measurable goals enable Luberef to track progress, enhance accountability, and transparently communicate its achievements to stakeholders.

As part of this target-setting process, Luberef has established a framework of five key principles which inform the final targets for each material topic priority area. These principles consist of the following:



## ESG Targets

### Environment

Net Zero by 2050

10% reduction in Scope 1 emissions by 2030

100% of electricity decarbonized by 2035

90% reduction of flaring emissions by 2026 (with 2022 as baseline)

4% reduction in water consumption intensity in Yanbu by 2025 (with 2022 as baseline)

Produce 100% low-sulfur base oil by 2026

50% reduction of high-sulfur fuel oil production by 2026 (with 2023 as baseline)

### Health, Safety & Security

TRIR <0.076 every year

8 safety campaigns per year

Decrease in occupational diseases reported

100% compliance with NCA's ECC by 2024

Sponsor 1 regional HSS event per year

x2 wellness initiatives each year

### Social

100% of critical roles covered by 2025

x2 female employees by 2030

>60% employees with training plans every year

<4% resignation rate

Zero discrimination incidents every year

100% of evaluations conducted on time by 2025

### Community

x2 total number of volunteering hours by 2024

300 volunteers by 2024 (50% increase over 2023)

>70% local procurement every year

86% Saudi employees by 2024

### Governance

100% employees trained on the Code of Conduct by the end of 2025

At least 1 corporate ethics awareness communication per quarter

Chief Compliance Officer appointed by end of 2024

ESG team and Risk Officer trained on ESG by the end of 2024

Appoint a Risk Officer before end of 2024

## Sustainability Oversight GRI 2-12, 2-13

Luberef is keenly aware of the importance of incorporating sustainability governance oversight into its ESG strategy in order to ensure that the Company upholds the highest standards of ethical, social, and environmental responsibility. This oversight is able to enhance strategic decision-making, fostering transparency while also strengthening accountability, and reinforcing long-term value creation.

Through embedding sustainability at the governance level, Luberef is taking steps to align its business practices with global best practices and regulatory expectations. Luberef's journey towards improved sustainability governance is based on three key dimensions:

- **Governance Structure:** Establishing a board and executive structure to embed ESG into the Company's overall strategy and ensure transparent oversight
- **Organizational Structure:** Determining the ESG function's position in the organization, identifying involved departments, and defining key roles for effective execution of the ESG strategy
- **Operating Model:** Defining key sustainability activities, assigning responsibilities, and setting essential meetings for strategy execution

Based on this framework, Luberef has established the following mandates to improve its sustainability oversight for the various levels of organizational structures within the Company:

- **Board-level Committees:** Setting and approving overarching ESG goals, allocating major resources, and reviewing high-level progress
- **Management-Level Committees:** Defining specific ESG strategies, managing and approving the ESG roadmap, as well as monitoring its progress in detail
- **ESG Function:** Overseeing and supporting the ESG strategy execution, including managing day-to-day resources, project coordination, and internal communication

[Find out more about Luberef's organizational structure here](#)

# Risk Management

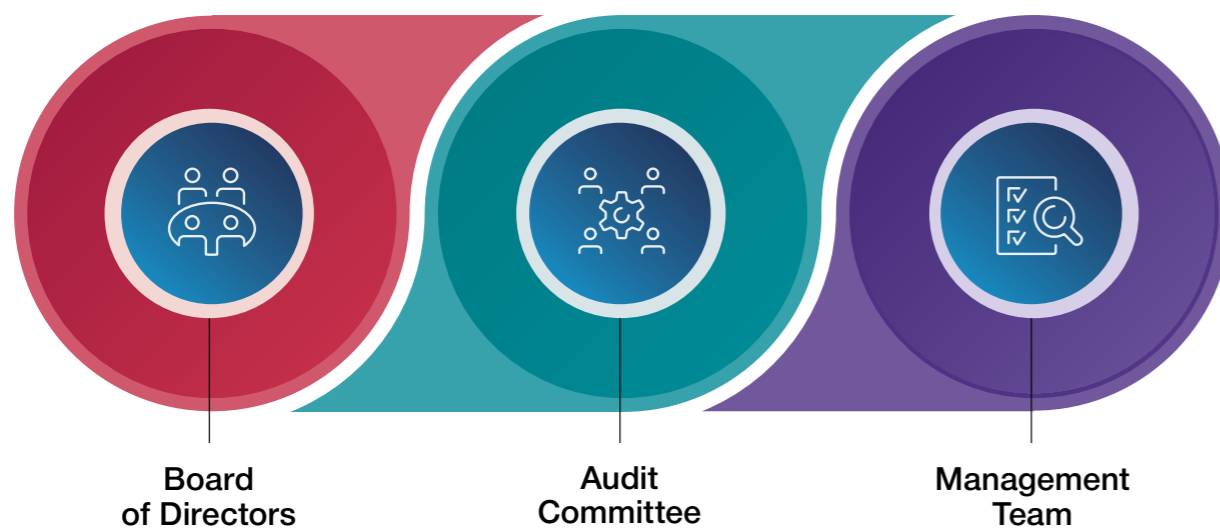
## Risk Management Systems and Approach

Luberef navigates a dynamic lubricants landscape marked by fluctuating market prices, evolving regulations, and competitive pressures. Informed risk-taking is crucial for success.

The Company proactively manages its strategic, operational, and financial risks through continuous assessment and strategic mitigation measures.

Every decision balances potential rewards against associated risks, ensuring sustainable growth and value creation for our stakeholders.

### Risk Management Framework



Luberef's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Luberef's activities.

The Board of Directors provides risk oversight as a component of its strategic leadership. The Board Audit Committee oversees the risk management framework and monitors specific risks.

The primary role of the Board Audit Committee is to monitor overall management of risks to assist the Board of Directors with establishing risk tolerance, guiding strategy, overseeing ESG and operational risks, and fostering a risk-aware culture supported by an independent audit.

Luberef's Enterprise Risk Management (ERM) framework follows three lines of defence. Business units and support teams actively identify and address risks within their areas as the first line. Dedicated risk management is the second line to monitor and report overall risk. As the third line, an independent Internal Audit ensures the effectiveness of risk controls.

### Risk Management Process



Through training and established standards, Luberef empowers employees to fulfil their roles in risk management. Luberef is continuously monitoring evolving scenarios and any change in the risk management policies will be reflected in the future reporting periods.

# Luberef ESG Risk Factors GRI 3-3

Risk management in Luberef is applied across all departments, their sections, and any business areas including governing entities such as the Internal Audit function.

The risk management approach takes into consideration the potential implications for business continuity disruption in the event of a risk not being addressed.

Below are some of the risks that Luberef addresses:

Risk Description	Potential Impact	Resolution
<b>IPO and non-compliance with the CMA regulations</b> The risk of Luberef's non-compliance to CMA regulations after its IPO may lead to fines, legal fees in case of investigations, and reputational impact in case of inaccurate or delayed financial reporting, which can potentially impact the value of Luberef's shares on the stock exchange.	The Company could be at risk of receiving penalties and reputational damage, which may impact Luberef's stock price.	Luberef has adopted all relevant regulations across its financial disclosure. This intention was further supported by establishing a standalone compliance function, to verify that the financial disclosure is accurate.
<b>Bad weather conditions impacting truck loading or product delivery</b> Bad weather may delay the delivery of products to customers, thereby impacting the relationship and satisfaction level. Any delays in delivery may also impact the production and customer sales.	Additional costs to Luberef in case of external uncontrolled risks. In 2022, the cost of such risk was below 50,000 USD.	Currently the Company has an active agreement to split the costs between Luberef and its shippers.
<b>Non-compliance with the Environmental Regulations</b> The risk associated with non-compliance to the National Centre of Environmental Compliance (NCEC). This is a recently established governmental entity, which has published its regulations to all facilities that are outside the Royal Commission areas. This oversight includes the Jeddah Refinery.	There may be monetary fines and other implications in case of repeated instances of non-compliance. Additionally, there is likely to be a negative impact on people and environment, should the regulations not be followed. Such actions could also harm Luberef's reputation with external stakeholders.	Luberef's correction plan at the Jeddah Refinery is currently in motion. This plan consists of, but is not limited to, desulfurizing fuel oil and installing monitoring systems as well as making quarterly reports to the center. In addition, Luberef proactively opens and maintains communication channels with new and existing emerging regulatory bodies, to ensure their needs and requirements are consistently embedded in the Company's business.
<b>Jeddah facility flooding due to heavy rain</b> Due to its location, heavy rains in Jeddah City can lead to flooding in the southern part of the city where the refinery is situated. Such events usually force Luberef to shut down the facility for an estimated 5-7 days before it can be operational again.	The most apparent impact is that of direct economic loss, often valued at \$2M plus \$3M of indirect losses.	Luberef has been working to fix such risks through installing big capacity depleting pumps. Additionally, there is a dedicated Emergency Response plan, and a Production Recovery plan at the Yanbu Refinery.
<b>Hiring low-performing contractors affecting projects' progress</b> The risk of hiring unqualified contractors causing projects delays, higher costs, and poor execution. Contractors do not always comply with their commitments in terms of timing and manpower.	Financial impact due to delays and low quality of execution, resulting in overruns and a production delay. Financial impact could rise to multiple millions of dollars (qualitative estimation).	There is a unified checklist between the Projects Department and Procurement & Contracts Department for vendor performance. The contractor registration process has been improved to filter out bad-performing contractors from the beginning. Additionally, the Legal team assures contract drafting, which allows flexibility for Luberef to protect its rights.
<b>Low compliance with cybersecurity NCA regulations</b> The risk of low compliance of Luberef with cybersecurity NCA regulations that may lead to penalties, and pressure exerted from the regulator on Luberef.	Investigation required by internal audit to prevent escalation. Required reporting to shareholders and the government. Luberef might be subjected to penalties and fines in the future if it does not reach a high level of compliance.	Luberef has enacted several initiatives and changes to mitigate cybersecurity compliance risks, including: <ul style="list-style-type: none"> <li>• Hiring consultants as SME in the cybersecurity team (gap assessment and closing the gaps)</li> <li>• Implementing Info Shield Management System (Phishing simulator)</li> <li>• Implementing Learning Management System</li> <li>• Establishing a security operation center</li> <li>• Implementing a vulnerability system</li> </ul> Note: As of 2024, Luberef is 91% compliant with the National Cybersecurity Authority
<b>Risk of loss of connectivity to the shared folders due to flooding or prevention of access to Luberef</b> Business users rely on the shared folders to store and process daily business data. The data center hosting the files' servers is located at a Company facility which is at a risk of physical damage.	In the event of connectivity issues, there is a risk of total or partial data loss, as well as a slow process of data restoration.	Luberef ensures backup copies are made with remote replicas for restoring the data, in addition to using remote cloud software where all company data is replicated to assure fast restoration.



Greenhouse Gas Emissions >

42

Water Use >

50

Waste Management >

52

# Revealing

Air Emissions >

46

Energy Use >

48

## Luberef's Environmental Efforts

 Net Zero by 2050

 Environmental Projects and Initiatives

**-11%** Scope 2 GHG Emissions at Jeddah

Find out about the efforts that Luberef has made to improve on its environmental footprint and its approach to natural resource management, as well as its path towards Net Zero and decarbonization.

# Greenhouse Gas Emissions

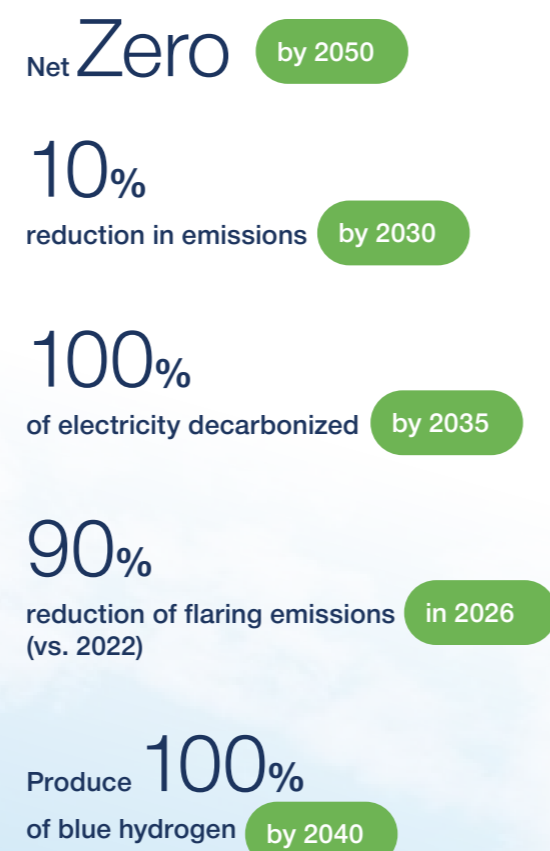
Discover the ways in which Luberef has been managing its GHG emissions, making progress to improve the Company's environmental impact, and positively contribute to the National Goals of Saudi Arabia.

## Approach to Managing Emissions

Managing greenhouse gas emissions is crucial for Luberef as it directly impacts environmental sustainability. By actively aiming to reduce them, the Company can mitigate its contribution to climate change, thereby aligning with global efforts and investor expectations to help limit the environmental agenda.

Additionally, effective emission management enhances operational efficiency, reduces potential financial risks associated with carbon pricing, and could strengthen Luberef's reputation among stakeholders, including investors, customers, and regulatory bodies.

### Luberef GHG Targets



## Net Zero and Luberef

Establishing and committing to a Net Zero goal is paramount for Luberef, as it signifies a robust dedication to mitigating climate change and fostering a sustainable future. The Company has long been involved in optimizing production processes and creating initiatives to improve its carbon footprint.

Achieving Net Zero emissions requires a comprehensive approach that includes reducing operational carbon footprints, investing in renewable energy, and enhancing energy efficiency. Although there is still a way to go

on the journey towards Net Zero, the foundation has already been laid through Luberef's forward-looking approach.

Meanwhile, the benefits extend beyond solely affecting environmental impact in a positive way. Striving for Net Zero can drive innovation, improve risk management, attract environmentally conscious investors, and meet increasing regulatory demands.

### Net Zero Targets

**Kingdom of Saudi Arabia**

Net Zero by 2060

with 278 mt CO<sub>2</sub>e reduction by 2030

**aramco Saudi Aramco**

Net Zero by 2050

with 10–15% reduction by 2035 vs. baseline

**لوبريف Luberef**

Net Zero by 2050

with 10% reduction by 2030 vs. baseline

All of Luberef's submitted projects are designed to generate revenue (negative abatement cost), aligning with Aramco's preference for cost-effective solutions.

## Emission Reduction Projects

Discover some of Luberef's projects and initiatives which form a part of its Net Zero decarbonization roadmap, improving operational efficiency and the Company's emission metrics.

### Kick-off of Flare Gas Recovery System Project in Yanbu

- Impact** Reduction of flare in Luberef's Yanbu Refinery
- Cost** 4.5 million USD
- Project Completion** 2026
- Project Target** Decarbonization initiative to recover flared gases

## Emission Reduction Initiatives

GRI 305-5

- Improved efficiency coming from Growth II project increase in capacity
- Pre-flash heater improvement to have higher efficiency, taking advantage of flue gas heat being converted to absorbed heat
- Upgrading tubes in the convection section of the Vacuum Distillation Unit (VDU) heaters
- Converting B3002 into forced draft and preheat flue gas for the Furfural Extraction Unit (FUE)
- Revisiting operation philosophy of boilers to maximize utilization
- Replacing B2001 by steam heater for the Propane De-Asphalting Unit (PDA)

### Luberef GHG Emissions, *metric tons CO<sub>2</sub>-e (t)*

GRI 305-1, 305-2

	2022	2023	y-o-y change
<b>Yanbu Site</b>			
<b>Total Scope 1 emissions</b>	<b>781,868</b>	<b>792,745</b>	<b>+1.4%</b>
Methane in gross global Scope 1 emissions	993	977	-1.6%
Amount of gross global Scope 1 emissions from combustion	773,827	784,912	+1.4%
Amount of gross global Scope 1 emissions from flared hydrocarbons	8,041	7,833	-2.6%
<b>Total Scope 2 GHG emissions</b>	<b>156,921</b>	<b>163,958</b>	<b>+4.5%</b>
<b>Jeddah Site</b>			
<b>Total Scope 1 emissions</b>	<b>336,583</b>	<b>309,950</b>	<b>-7.9%</b>
Methane in gross global Scope 1 emissions	359	330	-8.1%
Amount of gross global Scope 1 emissions from combustion	334,243	307,666	-7.9%
Amount of gross global Scope 1 emissions from flared hydrocarbons	2,340	2,284	-2.4%
<b>Total Scope 2 GHG emissions</b>	<b>28,625</b>	<b>25,372</b>	<b>-11.4%</b>

# Air Emissions

Uncover the steps that Luberef has been taking to manage the emission of various air pollutants, thereby positively contributing to global efforts for environmental protection.

Effective air emissions management is one of Luberef's priority areas, aiming to minimize pollutants such as sulfur dioxides and nitrogen oxides, which contribute to and air quality degradation.

## Luberef Air Emission Targets

Full compliance with regulations

by 2026

50% reduction of high-sulfur fuel oil production

by 2026 (vs. 2023)

100% of required metrics correctly measured

by 2025

# Air Emission Reduction Initiatives

As part of Luberef's journey to effectively managing its air pollutant emissions, the Company has a number of planned projects and initiatives at different stages of completion.

Luberef currently has an established plan for enhancing production of low-sulfur base oil and by-products: this plan will positively contribute to the reduction of sulfur dioxide emission going forward.

## Ultrasonically-Enhanced Oxidative Desulfurization (uODS) Project at the Jeddah Site

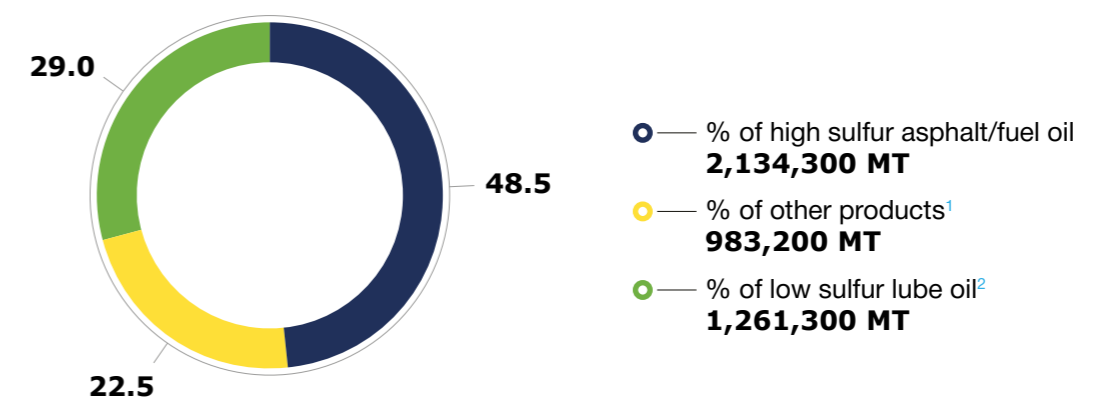
This project is a collaboration between Luberef and King Abdullah University (KAUST) to desulfurize fuel oil.

- **Impact:** Reduction of SOX contamination from 3.5 wt% to 0.5 wt%
- **Project Completion:** Currently under field testing
- **Project Target:** Removing sulfur from fuel oil and reducing SO<sub>2</sub> air emissions

## Installing Low NOx Burners at the Jeddah Site

- **Impact:** Reduction in NOx from the vacuum heater B-1001 in Jeddah Refinery
- **Project Completion:** March 2023
- **Project Target:** Improving operations to maintain the environmental permit to operate (EPO) from National Centre of Environmental Compliance (NCEC)

## Luberef Production in 2023



<sup>1</sup> Other products include, but are not limited to: Ultra low sulfur diesel, naphtha, and a number of extracts.

<sup>2</sup> Low sulfur production includes 150SN, 500SN, BSS, 70N, 110N, 230N, 500N, and drilling oil.



# Energy Use

Effective energy management and improvements to energy efficiency are pivotal for Luberef, forming an important part of the Company's strategic sustainability goals. Transitioning to renewable energy sources enhances corporate resilience, aligns with global sustainability goals, and secures long-term viability in a rapidly evolving energy landscape.

## Energy Management Systems

As part of Luberef's sustainability efforts, Luberef strives to meet industry standards and is certified for the ISO 14001:2015 Environmental Management Systems and ISO 50001:2018 Standard for Energy Management Systems.

The implementation of such global systems for effective energy management are a part of Luberef's sustainability journey, providing a solid framework to further build on.



# Energy Use Reduction Initiatives GRI 302-4, 302-5

In the effort to improve on the operational energy efficiency of Luberef's production, the Company has established a pipeline for several projects, initiatives, and operational enhancements.

- Solving steam hammering issue in one area
- Maximizing utilization of units' throughput while utilizing the same energy consumption
- Firing adjustments in refineries to reduce excess O<sub>2</sub>
- Revisiting EII calculation with the SOLOMON association (reference of energy intensity studies)
- Converting parking site to Solar PV parking, with an expected output of 1.23 MW
- Implementing additional solar panel projects for admin buildings and services in Yanbu

Each of Luberef's energy management initiatives has been designed to have a direct impact on reducing the Company's Energy Intensity Index (EII). Currently, Luberef operates at a status of 102. The initiatives listed aimed to enhance Yanbu's status to reach 84 points. The EII is a unitless figure and is the way that Luberef monitors and assesses its energy intensity metrics.

## Luberef Energy Intensity Index Rating – 102

## Luberef's Energy Consumption GRI 302-1

Total fuel consumption within the organization from non-renewable sources and division/percentages by fuel type, *kJ*

	2022	2023	y-o-y change
<b>Yanbu Site</b>	9,466,363,968,973	9,578,374,875,471	+1.0%
<b>Jeddah Site</b>	4,098,575,736,579	3,772,683,979,138	– 7.9%

# Water Use

GRI 303-1

Water management is an important topic for Luberef, as it is critical for any Company operating in water-stressed areas to be striving towards sustainable water use.

Implementing holistic water conservation strategies and initiatives ensures the sustainability of Luberef's operations and minimizes its environmental footprint. By optimizing water

use and recycling processes, the Company demonstrates its commitment to responsible resource management and the protection of local ecosystems.

## Luberef Water Targets

**4%**  
reduction in water consumption intensity in Yanbu

by 2025 (vs. 2022 levels)

**100%**  
of required metrics correctly measured

by 2025

## Water Recycling

Discover the steps that Luberef has been taking to improve on its sustainable practices of water use and recycling. Through implementing advanced water-recycling technologies and stringent management practices, Luberef can significantly reduce its freshwater consumption, ensuring the sustainability of local water resources. This commitment not only supports the Company's operational resilience but also demonstrates its dedication to environmental stewardship and community well-being.

Luberef tracks its performance on water recycling using the Condensate Recovery KPI. This KPI is calculated as the amount of water recovered from processes divided by the amount of steam produced from the refinery. Recovered condensate is mixed with fresh water to produce new steam, so higher condensate recovery directly reduces fresh water consumption, contributing to overall water conservation and operational efficiency.

# Water Use Reduction Initiatives

Discover several of Luberef's initiatives to improve its water efficiency and water recycling methods.

- Recycling water stream to cooling towers – pipe manufacturing was redesigned to divert water from stream to stream, saving up to 20% of fresh water use by cooling tower
- Solving steam-hammering issues – avoiding releasing water into ground water when possible, saving fresh water for future use
- Future initiative to process one water stream contaminated with NH<sub>3</sub> from the Hydrogen Manufacturing Unit – ammonia to be treated and the fresh water used recovered
- Future initiative to process one water stream from the Vacuum Distillation Unit – H<sub>2</sub>S to be treated and water recovered

## Luberef Water Use

GRI 303-3, 303-4, 303-5

	Unit	2022	2023	y-o-y change
<b>Yanbu</b>				
Total Water Withdrawal	Cubic meters (m <sup>3</sup> )	2,179,629	2,417,743	+11%
Total Water Discharged	Cubic meters (m <sup>3</sup> )	1,211,319	1,355,449	+11.9%
Water Consumption Intensity	m <sup>3</sup> /kba (thousand barrels per annum)	0.38	0.41	+7.9%
<b>Jeddah<sup>1</sup></b>				
Total water withdrawal	Cubic meters (m <sup>3</sup> )	N.A.	535,154	

<sup>1</sup> No discharge metrics for Jeddah due to lack of flow-meter.

# Waste Management GRI 306-3

Effective waste management is an important part of Luberef's operations, ensuring the minimization of environmental impact and compliance with regulatory standards. By implementing waste reduction, recycling, and disposal strategies, Luberef can enhance its operational processes and improve its ecological footprint.

## Luberef Waste Targets

Increase feedstock of used lube oil

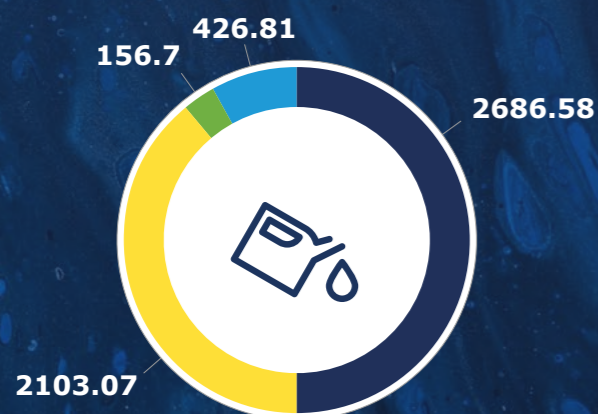
to **116.3** thousand T  
by 2025 (1% increase)

**100%**  
of required metrics correctly measured  
by 2025

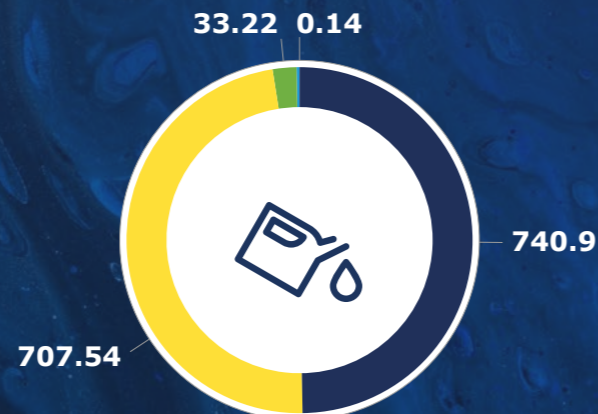
### Waste Management at Yanbu Refinery

Waste in 2023 (hazardous), Ton

Oily Sludge



Oily Sludge/Catalyst

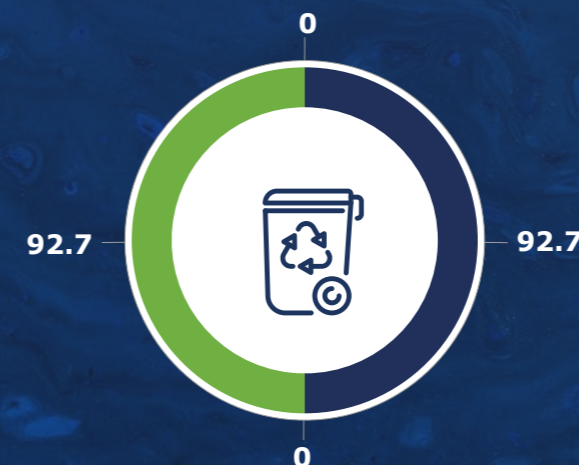


- Total Waste
- Recycled
- Landfill
- Evaporated

- Total Waste
- Recycled
- Landfill
- Evaporated

Waste in 2023 (non-hazardous), Ton

Trash



- Total Waste
- Recycled
- Landfill
- Evaporated

### Waste Management at the Jeddah Refinery

Waste in 2023 (hazardous)

Type of Waste	Unit	Total Waste
Insulation Waste	Ton	412
Oil Water	Ton	31.7
Chemical Waste	Ton	33
Chemical Drums	Pcs	7
Used Battery	Pcs	47

## Waste Management Initiatives

Luberef recognizes the importance of a comprehensive approach to waste management, both in terms of its impact on the environment and local communities.

Currently, the Company has a number of initiatives in the initial stages. One of these includes a study related to increasing the processing of used lube oil by leveraging the MoU with Petromin and GEMS for used lube oil revalorization.

03

Health, Safety and Environment Framework >

56

Safety as a Core Value >

61

60

Occupational Health and Safety Training >

# Exhibiting

## Luberef's Safety Efforts

0.00 Lost Time Injury Frequency Rate (LTIFR)

36.12M Safe Manhours

0.00 Total Recordable Incidents Rate (TRIR)

100% Work Permits Completed

Discover the system and procedures set in place by Luberef in order to improve the safety of its people and its operations, ensuring business continuity and the well-being of its internal stakeholders.

# Health, Safety and Environment Framework

Uncover Luberef's approach to establishing stringent Health, Safety, and Environment (HSE) practices as a part of its business operations.

Through implementing robust HSE protocols Luberef is able to significantly mitigate the risk of workplace injuries and illnesses, fostering a culture of safety that enhances overall employee well-being and morale. This proactive approach not only safeguards the workforce but also reduces operational disruptions and associated costs stemming from lost workdays and potential legal liabilities.

## Luberef's HSE Approach

Luberef is committed to conducting its business in a manner that protects the safety and health of employees, contractors, customers, and the public. Furthermore, the Company is committed to conducting business in a manner that is compatible with the balanced environmental and economic needs of the communities in which it operates.

Luberef's strong focus on HSE contributes to its long-term sustainability by promoting efficient and safe work processes. By investing in providing comprehensive safety training and continuous improvement of safety standards, Luberef increases the productivity and quality of work. Such practices are a key contributor to Luberef's historical excellence in HSE, resulting in fewer accidents and incidents.

This commitment requires that facilities are designed and operated to high standards, and safety, health, and environmental risks are systematically identified and managed. Luberef's management systems provide a structured approach to assist in meeting this commitment with the goal of a perfect execution and flawless operations.

This approach allows the Company to allocate resources more effectively, while also driving innovation in operational processes. Ultimately, the integration of rigorous health and safety practices aligns with broader sustainability goals, contributing to Luberef's resilience and success in an increasingly safety-conscious global economy.

## Luberef HSE Targets



## Luberef HSE Structure

GRI 403-1, 403-2

Luberef's dedicated structure for managing HSE issues ensures a systematic identification, assessment, and mitigation of workplace hazards, while also ensuring that sufficient oversight is given to such issues. This structured approach to HSE fosters a culture of continuous improvement, compliance with regulatory requirements, and ultimately leading to enhanced employee safety and well-being.

Luberef's Safety Management System (SMS) has been established since 2011, based on the Dupont Sustainable Solutions program. Luberef's 'Safety First' approach covers all aspects of Luberef's business activities, which has helped establish a safety culture that has resulted in a TRIR (Total Recordable Incident Rate) of 0.00 for the fourth successive year in 2023.

### Management Oversight

Luberef's safety process consists of a crucial aspect of direct managerial and supervisory responsibility, which requires active participation at all levels. Each employee that holds a supervisory position must ensure that employee safety and health, together with the protection of company assets, is an integral part of the operations for which they are responsible.

and health of the employees working for them, and are held accountable for their compliance with the Safety Procedure.

All Managers and Superintendents are responsible for enforcing all Safety Procedures, with first-line Supervisors established as the foundation of this system. They are directly responsible for the safety

Further to this, Luberef carries out regular HSE Central Committee Meetings which consider topics ranging from planning for implementing internal audits, revisiting HSE KPIs and targets, and discussing maintenance, to reflecting on new targets and regulations, and more. This system ensures that management is aware of the progress and finer details related to HSE in the Company.

### Industrial Security Department

The Industrial Safety & Security (ISS) Manager is responsible for updating and maintaining all Safety Procedures and related documents contained in the Company's Safety Manual. In conjunction with all Department Managers, the ISS Manager is responsible for enforcing all Safety Procedures, and related documents

to the Health and Safety of those involved in Company activities. The oversight provided by the ISS Manager supports Luberef in ensuring the implementation and relevance of its Safety Procedures, substantially reducing workplace incidents and fostering a safer, more sustainable work environment.



## Employees

As the backbone and lifeline of Luberef's operations, each Company employee and contractor is expected to conduct business in a safe and efficient manner, while adhering to all Safety Procedures. Additionally, all Luberef employees are responsible for informing their co-workers and other Luberef personnel (including contractors) about potential hazards and unsafe conditions or behaviors.

Furthermore, it is the responsibility of each and every employee to help their originating department in understanding the Safety

Procedure and incorporating all aspects of the Safety Procedure elements into their everyday jobs, reporting each near miss or accident immediately to their supervisor.

All Luberef employees function as a team and work together to carry out all required processes in a safe manner. By building a working environment which prioritizes safety, openness, and personal responsibility, Luberef is able to further safeguard its employees from workplace hazards.

## Contractors

Contractors working at Luberef facilities or any locations of Luberef property are required to comply with all Luberef Safety Procedures. It is the responsibility of the Contracts Section to ensure that all contract service agreements define the contractor's responsibilities, obligations

and liabilities for the safe conduct of their workers. Furthermore, it is the responsibility of the ISS Manager to notify all contractors about all applicable Safety Procedures before they commence work.



## Luberef H&S Metrics

GRI 403-8, 403-9, 403-10

Safe Working Metrics		Unit	2022	2023
Hours worked by contractors		hours	1,044,080	1,698,525
Hours worked by employees		hours	1,162,080	1,143,200
Percentage of employees and contractors covered by an occupational health and safety management system		%	100	100

Employee Safety Metrics		Unit	2022	2023
Total number of recordable work-related injuries, for all employees		# of injuries	0	0
Rate of recordable work-related injuries, for all employees		rate (per 200,000 hours worked)	0	0
Total number of high-consequence work-related injuries (excluding fatalities), for all employees		# of injuries	0	0
Rate of high-consequence work-related injuries (excluding fatalities), for all employees		rate (per 200,000 hours worked)	0	0
Total number of fatalities as a result of work-related injuries, for all employees		# of fatalities	0	0
Rate of fatalities as a result of work-related injuries, for all employees		rate (per 200,000 hours worked)	0	0

Contractor Safety Metrics		Unit	2022	2023
Total number of recordable work-related injuries, for all contractors		# of injuries	0	0
Rate of recordable work-related injuries, for all contractors		rate (per 200,000 hours worked)	0	0
Total number of high-consequence work-related injuries (excluding fatalities), for all contractors		# of injuries	0	0
Rate of high-consequence work-related injuries (excluding fatalities), for all contractors		rate (per 200,000 hours worked)	0	0
Total number of fatalities as a result of work-related injuries, for all contractors		# of fatalities	0	0
Rate of fatalities as a result of work-related injuries, for all contractors		rate (per 200,000 hours worked)	0	0

## Hazard Control Methodology

GRI 403-2, 403-4

Luberef is keenly aware of the importance of utilizing a robust hazard control and assessment methodology as it helps identify, evaluate, and mitigate risks effectively, ensuring a safer environment for individuals and minimizing potential harm or damage.

Luberef employs various risk control methodologies to identify, report, evaluate, and mitigate work place risks and hazards. These methodologies include the use of work permit audits, management walkthroughs, external audits, HAZOPs, and others.

HAZOP, which stands for Hazard and Operability Study, is a structured and systematic technique used to identify potential hazards and operability issues within industrial processes. The primary goal of a HAZOP is to analyze the design and operation of a process to ensure that it functions safely and efficiently. This method involves a detailed examination of process flow diagrams and other related documentation by a multidisciplinary team, which typically includes engineers, operators, and safety professionals.

# Occupational Health and Safety Training

Luberef understands the importance of providing comprehensive occupational health and safety (OHS) training to employees when fostering a safe and productive workplace environment. Such training ensures that employees are well-informed about potential hazards, safe work practices, and emergency procedures, significantly reducing the likelihood of workplace incidents. This training empowers employees

with the knowledge and skills to identify and mitigate risks, thereby promoting a proactive safety culture.

At the same time, OHS training is critical for regulatory compliance and operational efficiency. By adhering to industry standards and legal requirements, Luberef is able to avoid fines and legal issues, while also building on its reputation for safety and reliability.

## Luberef's Safety Training

GRI 403-5

Discover about Luberef's approach to providing operational health and safety training to its employees, thereby improving the knowledge and skills of field employees. Luberef's OSH training includes, but is not limited to:

- Certifying field employees in Work Permit Issuer Training
- Certifying field employees in Work Permit Receiver Training
- Certifying field employees in Gas Tester Training
- Certifying field employees in LOTO Training (Lock Out Tag Out)

Luberef manages the majority of its OSH training initiatives internally, with the Safety and Fire Section being in charge of certification of both field teams and contractors. This optimizes the training approach, as all trainings are carried out by internal certified trainers. Such a system allows Luberef to quality control the level of OSH training being provided, while not incurring additional costs from external trainers.

The complexity and scope of the operational health and safety courses vary depending on the specifics of each course. However, in general, training courses last anywhere from 2 to 5 days, with certain courses consisting of additional exams to verify knowledge acquisition.

Luberef places great emphasis both on safety as well as on inclusivity. For this reason, both men and women are eligible for the same training if their job includes field activities. No personnel, neither internal nor external, are able to access the refinery or conduct certain jobs if they are without proper education and certification.



# Safety as a Core Value

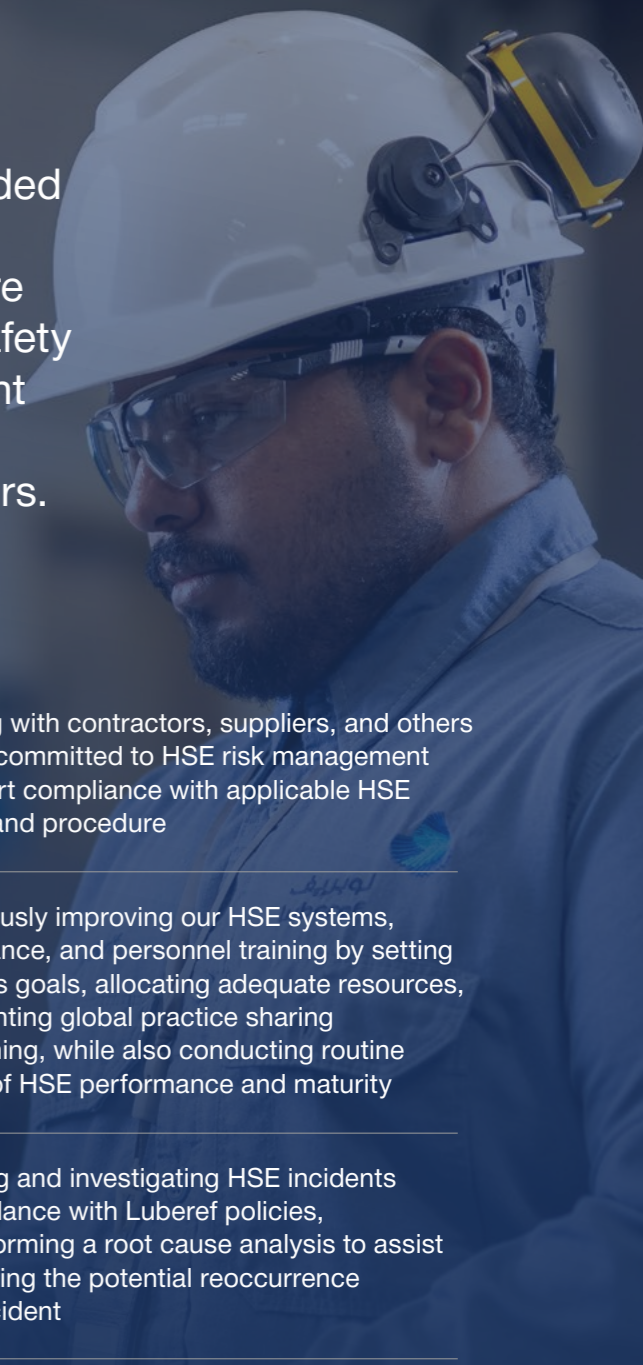
At Luberef, safety is a core value embedded in every aspect of operations, ensuring that all employees and contractors adhere to the highest standards of health and safety practices. Discover Luberef's commitment and success in providing a safe working environment for all its internal stakeholders.

## Luberef HSE Commitments

Luberef prioritizes zero harm to employees, communities, and the environment, an approach embedded in company culture and seen as a key to success. Through the implementation of leading HSE practices, the Company strives to protect its employees, contractors, communities, and the environment in the best way possible.

In prioritizing health and safety, Luberef is committed to:

- Eliminating all types of occupational, process, or environmental accidents
- Setting accountability for safety and demonstrating visible safety leadership
- Managing HSE risks in compliance with applicable laws and regulations
- Developing and sustaining HSE competencies in the workforce
- Designing, constructing, operating, and maintaining facilities in accordance with applicable environment, health and safety laws and regulations, and utilizing recognized industry safety practices, where applicable
- Engaging with contractors, suppliers, and others who are committed to HSE risk management to support compliance with applicable HSE policies and procedure
- Continuously improving our HSE systems, performance, and personnel training by setting ambitious goals, allocating adequate resources, implementing global practice sharing and learning, while also conducting routine reviews of HSE performance and maturity
- Reporting and investigating HSE incidents in accordance with Luberef policies, and performing a root cause analysis to assist in mitigating the potential reoccurrence of the incident
- Promoting off-the-job HSE and community awareness
- Reviewing and continuously improving HSE performance
- Evaluating our products and educating our employees, contractors, customers, and/or the public on their safe and environmentally-conscious use.



# Luberef HSE KPIs

## HSE Procedures & Performance

Implementing rigorous work permits, conducting permit audits, and regularly reviewing operating procedures is crucial for maintaining operational safety, while also ensuring regulatory compliance.

HSE Procedures & Performance KPIs	Jeddah	Yanbu	YTD <sup>1</sup>	Goal
Work Permits Completed	100%	100%	100%	100%
High Risk Permit Audit	100%	56%	93%	90%
High Risk Permit Covered by Final Job Safety Analysis	100%	100%	100%	100%
Operating Procedures Reviewed as per Schedule	98%	98%	98%	85%
Job Cycle Check	95%	95%	95%	80%

<sup>1</sup> YTD for these and the following metrics refers to the period from March 2023 to March 2024.

## Emergency Preparedness

Luberef is dedicated to establishing a system of emergency preparedness, which is crucial for ensuring the safety of employees, minimizing operational disruptions, and safeguarding company assets against unforeseen incidents.

As a part of this effort, Luberef verified that the fire protection systems in Jeddah substations were in compliance with relevant standards, while also creating a deluge system for Furfural and MEK at the Jeddah Site.

Emergency Preparedness KPIs	Jeddah	Yanbu	YTD	Goal
Emergency Drill Execution as per Schedule	100%	100%	100%	100%
Emergency Drill Actions Closed Within Due Date	100%	100%	100%	84%
Hypothetical Drills Completed as per Schedule	100%	100%	100%	100%
Gas Detector/Fire Testing Compliance	100%	100%	100%	85%
Equipment's Fire System Program	100%	100%	100%	80%
Active Mitigation Plan for High & Medium Risk Activities	0 <sub>(H)</sub> 2 <sub>(MH)</sub> 1 <sub>(M)</sub>	1 <sub>(H)</sub> 1 <sub>(MH)</sub> 40 <sub>(M)</sub>	—	—

## Incident Investigation

HSE incident investigations are vital for identifying root causes, implementing corrective actions, and preventing future incidents. Luberef has a strong commitment to creating a safety approach where incidents are seen as opportunities for improvement, with every effort made so that they are not repeated.

Incident Investigation KPIs	Jeddah	Yanbu	YTD	Goal
No. of Incidents Issued vs. Closed	82%	98%	86%	85%
Incident Recommendations Implemented	74%	87%	76%	83%
No. of Incidents Exceeding 20 Days with No Closure	8	0	—	0
Average Duration of Investigation (in Days)	53	29	—	20
Repeated Safety Issues	0	0	0	0
RCA Training Provided for Employees vs. Planned	100%	100%	100%	100%

## Management of Change

Management of Change is a systematic approach used to manage safety, health, and environmental risks associated with changes in processes, procedures, equipment, and personnel within an organization. It ensures that any changes are reviewed, documented, and approved to prevent adverse effects on safety and operations.

Luberef is firmly committed to ensuring that no significant operational changes are implemented without due processes and safety considerations.

Management of Change KPIs	Jeddah	Yanbu	YTD	Goal
Open Actions	4.3%	4.6%	4.4%	≤5%
Approved SD <sup>1</sup> MOCs Completion by PMD <sup>2</sup>	100%	100%	100%	100%
Approved Non-SD <sup>1</sup> MOCs Completion by PMD <sup>2</sup>	85%	71%	78%	≥70%
Approved MOCs Completion by All Departments	82%	81%	82%	≥70%
MOCs Under Authorization	2.6%	2.0%	2.3%	≤5%
MOCs Violation	2.8%	4.3%	3.5%	≤5%
Compliance to MOC Procedure	97.2%	95.7%	96.4%	≥95%


<sup>1</sup> SD denotes Shutdown.

<sup>2</sup> PMD denotes Project Management Department.

# Discover

## Luberef's History of Social Impact

84%  Saudi Employees

11%  Salary Contributed to Benefit Plans

4%  Turnover Rate

40  Average Employee Training Hours

Find out about Luberef's consistent efforts to promote socially responsible practices as well as the positive impact the Company has had on its stakeholders and the communities that it serves.

Employees >

68

Saudization and Nitaqat >

75

Luberef CSR initiatives >

76

04

# Employees

GRI 2-7, 2-8

## Luberef Approach to Social Responsibility

Luberef appreciates the importance of promoting social responsibility amongst its employees as being a fundamental part of fostering a workplace culture that values ethical behavior, community engagement, and environmental stewardship.

Through prioritizing social responsibility, Luberef empowers its employees to take active roles in initiatives that positively impact society. These opportunities allow employees to witness their own contributions making a tangible difference, positively impacting both them and those they engage with.

Moreover, an approach which values social responsibility benefits Luberef by attracting and retaining talent. Increasingly, employees are seeking employers who prioritize ethical practices and contribute to the greater good. By positive social practices and promoting corporate social responsibility, Luberef can further differentiate itself from other companies in the region based on its strong sustainability and corporate ethics.

## Luberef Social Targets

Discover the commitments that Luberef has made relating to its social activities and aspirations:

100% of critical roles covered by 2025

>60% employees with training plans every year

>40% of employees with job skills certifications every year

<4% resignation rate

x2 total number of volunteering hours by 2024

300 volunteers by 2024 (50% increase vs. 2023)

x2 female employees by 2030

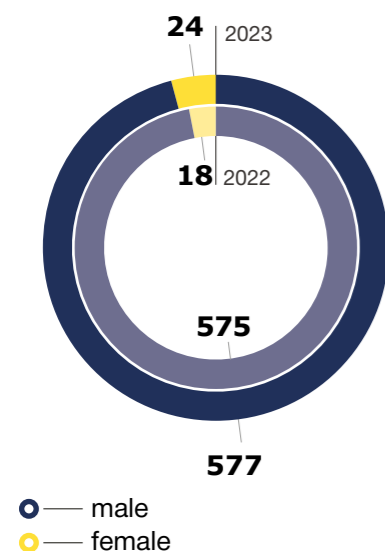
Zero discrimination incidents every year

86% Saudi employees by 2024

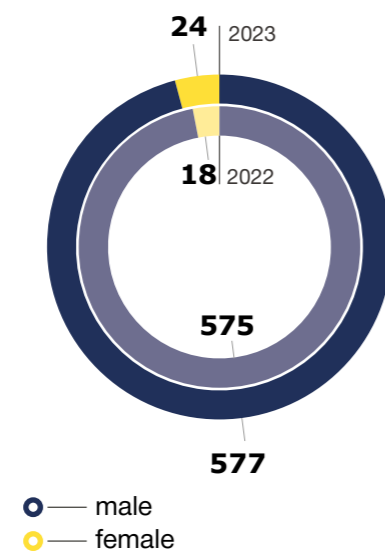
>70% local procurement every year

### Employment Metrics

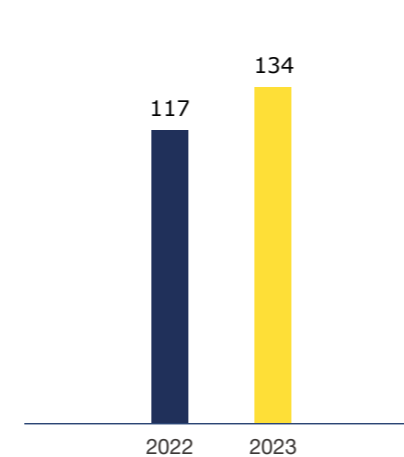
Total number of employees



Total number of full-time employees



Total number of contractors



## Employee Engagement

Employee engagement is an important component of Luberef's success, as it directly impacts productivity, safe practices, and overall performance. When employees are engaged with, they are more likely to be committed to their roles, and thereby contribute positively to the Company's workplace culture.

Engaged employees tend to take ownership of their work, often aligning their personal goals with the Company's objectives, and actively participating in problem-solving and decision-making processes. This sense of involvement not only enhances job satisfaction and reduces turnover rates but also contributes to Luberef's growth and competitiveness in the market. By fostering an environment that promotes engagement, Luberef is able to harness the full potential of its workforce, leading to better results and sustainability success.

Luberef utilizes a number of different methods to engage with its employees, including but not limited to:

#### Surveys:

frequently shared in the form of announcements to measure employee satisfaction

#### Meetings with management:

carried out with a variety of different levels of supervisors

# Diversity and Inclusion GRI 405-1

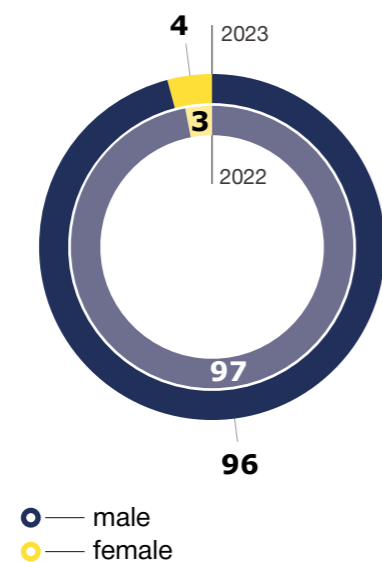
Luberef greatly values the insights and contributions that originate from its employees, recognizing that promoting a diverse workforce can contribute to enhanced success for the Company.

By embracing the diverse perspectives, backgrounds, and experiences of its employees, Luberef can further improve the collective problem-solving of its teams, while also promoting a cohesive working environment.

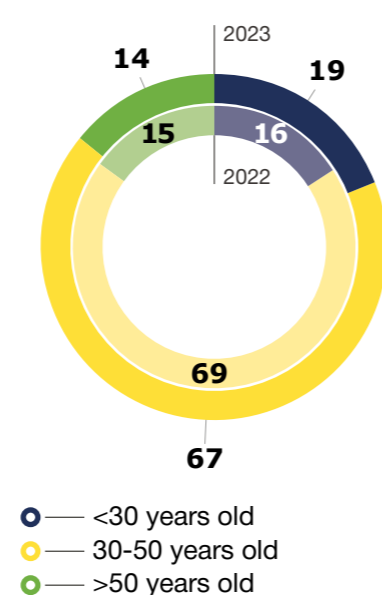
Over the past several years, Luberef has been consistently hiring more women as well as younger workers. Based on the understanding of the importance and benefits of improving the diversity of its workforce, Luberef has committed to double female employment by 2030, compared to its baseline year of 2022.

## Employee Demographic Metrics

Percentage of employees per gender



Percentage of employees per age group



# Employee Well-being

Through implementing comprehensive well-being support and initiatives, Luberef ensures their workforce remains healthy and motivated. Such an approach not only demonstrates the Company's commitment to its employees but also to fostering a supportive and inclusive workplace culture.

Luberef assigns importance to the well-being of its employees as this leads to reduced absenteeism, lower stress levels, and better engagement, which in turn enhances performance. Investing in employee well-being is not just a moral imperative for Luberef but a strategic business decision that drives long-term growth and resilience.

Luberef promotes the well-being of its employees by providing each employee who has met the conditions of their extended service conditions with support for their housing loans. Luberef's housing loan program subsidizes the interest of such a loan, based on each eligible employee's commitment and salary, up to a maximum sum of 1.2 million SAR.

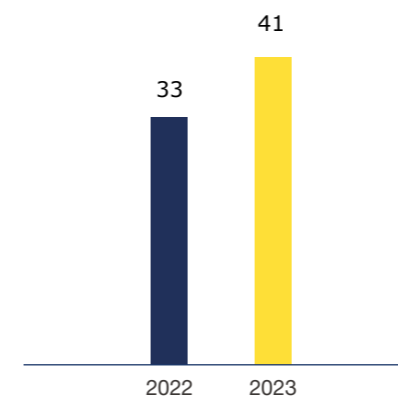
Luberef's other well-being initiatives include extended medical insurance support when the employee exceeds his/her annual limit, provided the proper justification is provided. Additionally, certain relocation allowances are provided if an employee is relocated from Jeddah to Yanbu or vice versa.

# Hiring at Luberef GRI 401-1

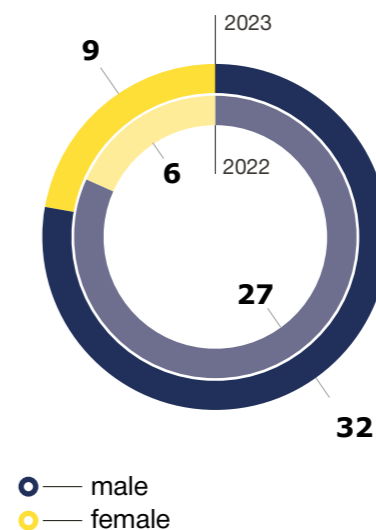
Strong hiring practices, resulting in the employment of qualified staff, are a fundamental part of Luberef's strategy, as they ensure that the right talent is placed in roles that align with their skills and the Company's strategic objectives. Effective recruitment processes attract top-tier candidates who bring expertise, innovation, and a strong work ethic, helping to drive Luberef forward.

Qualified staff contribute to higher productivity, better decision-making, and enhanced teamwork, creating a positive and efficient work environment. At the same time, ensuring that all vacant positions are filled is a crucial target for Luberef, since this substantially lowers the potential negative impacts on productivity and successful delivery of the Company's products.

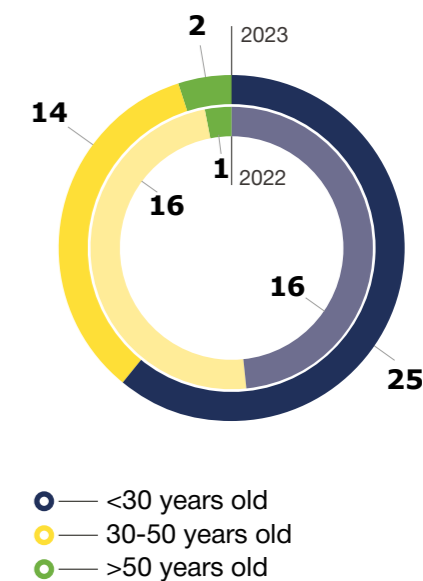
## Total number of new employee hires during the reporting period



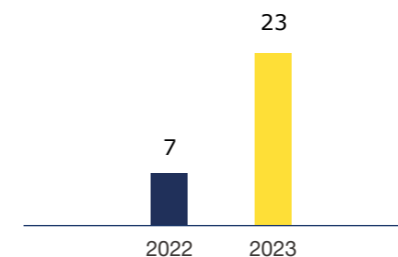
Number of new employees per gender



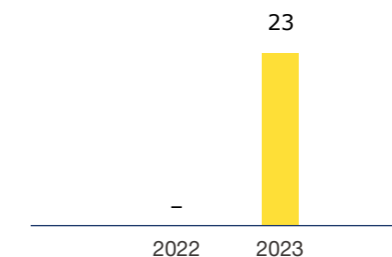
Number of new employees per age group



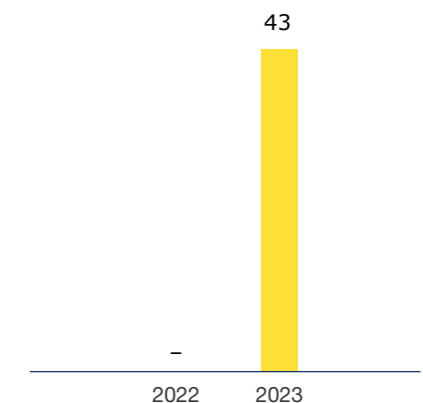
## Total number of hired graduates



## Total number of apprentices



## Total number of interns



# Luberef Turnover

GRI 401-1

Strongly linked to Luberef's hiring approach, striving to decrease employee turnover is an important topic for maintaining operational stability, continuity, and growth. High turnover rates can be costly, disrupting workflow and diminishing technical and operational knowledge.

For this reason, Luberef focuses on retention strategies, such as fostering a positive workplace culture, offering competitive benefits, providing opportunities for professional development, as well as other well-being benefits.

Turnover Metrics	Unit	2022	2023
Employee turnover during the reporting period	# of male employee turnover	55	25
	# of female employee turnover	3	1
Employee turnover by age during the reporting period	# of employee turnover – <30 years old	1	4
	# of employee turnover – 30-50 years old	15	15
	# of employee turnover – >50 years old	42	7
Turnover rate	%	10%	4%

# Parental Leave

GRI 401-3

Luberef recognizes that providing adequate parental leave is crucial for supporting employees' work-life balance, while also fostering a family-friendly workplace that values and respects the needs of its workforce.

Luberef's commitment to providing such a workplace not only enhances employee morale and loyalty but also helps position the Company as a socially responsible employer.

Parental Leave Metrics <sup>1</sup>	Unit	2022	2023
Total number of employees that were entitled to parental leave	# of male employees	43	47
	# of female employees	–	1

**100%**  
Retention and return-to-work rate of employees that took parental leave

<sup>1</sup> All those entitled took their parental leave and returned to work once it ended.

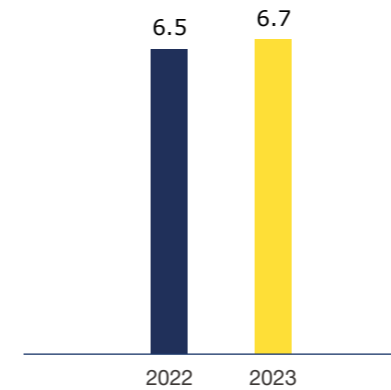
# Luberef Remuneration

GRI 2-19, 2-21, 201-3, 202-1, 405-2

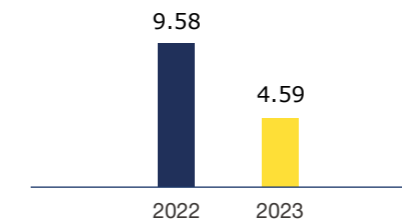
Responsible remuneration practices are an important part of Luberef's efforts to create an equitable and motivating workplace. By ensuring that compensation is fair, transparent, and equal, Luberef improves its ability to attract and retain top talent, while simultaneously promoting a culture of trust and inclusivity.

The Company's efforts to establish equitable pay strengthens its employment capabilities, reduces turnover, and mitigates the risk of costly legal disputes. Ultimately, responsible remuneration is a cornerstone of sustainable business practices, driving Luberef's long-term success.

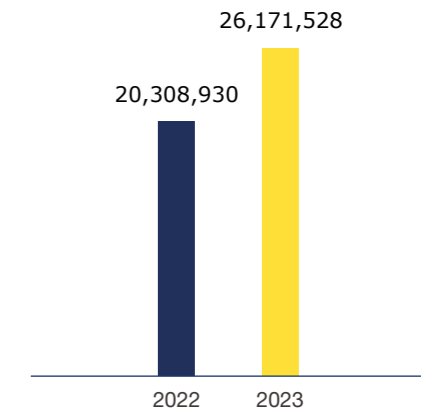
**Total compensation ratio of the organization's highest-paid individual to the median total compensation for all employees, ratio X:1**



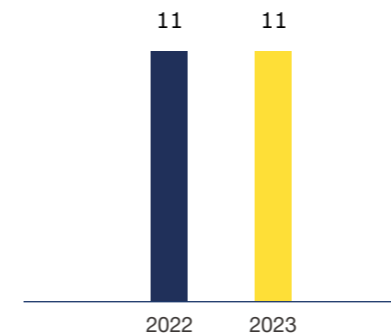
**Ratio of the percentage increase in total compensation for the organization's highest-paid individual to the median percentage increase in total compensation for all employees, ratio X:1**



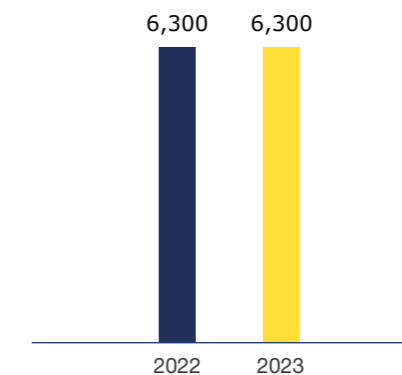
**Estimated value of the liabilities of benefit plans met by the organization's general resources, SAR**



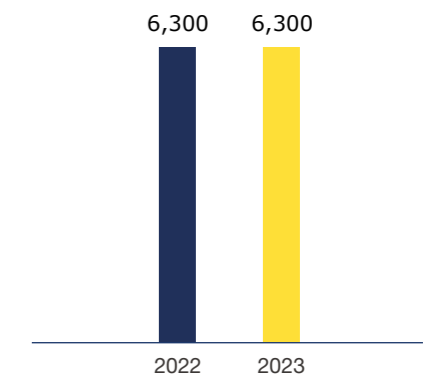
**Percentage of salary contributed by employer to benefit plans, %**



**Entry level wage/minimum wage ratio for women, SAR**



**Entry level wage/minimum wage ratio for men, SAR**



**1:1** Ratio of the basic salary and remuneration of women to men

## Training at Luberef

GRI 404-2, 404-3

Luberef is strongly committed to enhancing the skills and expertise of all its employees, including those working on-site, in offices, as well as those in managerial positions. Discover some of the ways in which Luberef supports the skill development of its employees.

Providing comprehensive employee training is vital for cultivating a skilled and adaptable workforce. For Luberef's employees, training programs offer opportunities for professional development, enabling them to acquire new skills, enhance their existing competencies, and advance their careers. For this reason, Luberef

considers its investment in employee growth as beneficial in not only boosting the collective knowledge and job satisfaction, but also in helping to promote a culture of continuous learning and improvement.

Furthermore, offering robust training programs is a strategic imperative that drives long-term success and sustainability. Training leaders within the Company ensures that they are equipped with the necessary skills to effectively manage teams, make informed decisions, and navigate the complexities of the Luberef business environment.

### Explore some of the key methods and formats for training provided by Luberef across its entire workforce:

#### Technical Training

Technical training is carried out across a number of different formats:

- Saudi Aramco Courses
- Technical Seminars
- Online Training
- Certification Courses
- Courses on Competency Mapping (CMAPs)

#### Leadership Training

Leadership training is provided based on levels in the Company:

- Manager & Executive:**
  - 4 Essential Roles Training
  - Situational Leadership
- Supervisor & Superintendent:**
  - Situational Leadership
  - 6 Roles for Leading a Team
- Professionals:**
  - 7 Habits for Highly Effective People
  - Marketing Development Program

#### Industrial Training

Luberef has established a **Job Skills Ladder** with progression based around on-the-job skills and training:

- Mentoring
- Online CBT
- Job Task Standards
- Classroom Training
- Safety Training
- English Language Training

### Luberef Employee Skill Development Metrics

Training Metrics	Unit	2022	2023
Average hours of male employee training	# of hours	40	40
Average hours of female employee training	# of hours	40	40
Percentage of male employees who received a regular performance and career development review	% of employees	97.1%	96.0%
Percentage of employees with training plans	% of employees	N.A.	75%
Percentage of employees with job skills certifications	% of employees	N.A.	47%

## Saudization and Nitaqat

Saudization and the Nitaqat program are pivotal initiatives for all employers in the Kingdom of Saudi Arabia, aimed at increasing the employment of Saudi nationals in the private sector. These programs are essential for aligning the national workforce with the Kingdom of Saudi Arabia Vision 2030 goals, which seek to diversify the economy and reduce dependence on oil revenues.

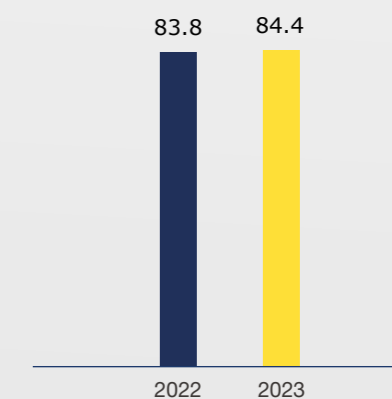
Luberef has for many years been aligned with the philosophy and requirements of the Saudization program, with more than 80% of the workforce originating from the Kingdom. By prioritizing the employment of Saudi citizens, Luberef contributes to the national objective of enhancing local talent and fostering economic stability. This strategic alignment not only supports the Kingdom's long-term economic goals but also ensures a more balanced and sustainable labor market.

For the people of Saudi Arabia, Saudization and Nitaqat offer numerous benefits by providing increased job opportunities and promoting career development for local talent. These initiatives help reduce the unemployment rate among Saudi nationals and enhance their participation in the private sector. Luberef is fortunate to be able to support the local communities in the Kingdom by providing such opportunities to the Saudi nationals.

In addition to the positive social impact, Luberef's active participation and compliance with these programs also benefits the Company itself. By employing a higher percentage of Saudi nationals, Luberef is able to leverage the insights and cultural understanding of its workers, to further enhance its operations and market strategies. Luberef's compliance with these regulations also ensures that the Company avoids potential penalties and enjoys favorable government support and incentives.

Ultimately, Luberef's participation in Saudization and Nitaqat extends beyond regulatory compliance and economic benefits. These initiatives are crucial for creating a sustainable and resilient economic ecosystem in Saudi Arabia. By ensuring that local talent is nurtured and employed, businesses contribute to the broader societal goal of economic empowerment and national development. Through these efforts, Luberef not only aligns itself with national priorities but it also participates in shaping a prosperous future for the Kingdom of Saudi Arabia.

Saudization Metric, % of Saudi employees



Current Nitaqat Level  
**Platinum**

# Luberef CSR Initiatives

GRI 413-1

Corporate Social Responsibility (CSR) initiatives are one of the key ways in which Luberef positively impacts its stakeholders and the communities which it serves. By engaging in CSR activities, Luberef demonstrates its commitment to ethical practices, environmental sustainability, and social welfare.

Luberef's long-standing history of positive community engagement and support of CSR initiatives has built trust and credibility with stakeholders. Moreover, CSR initiatives can lead to increased employee satisfaction and retention, as employees take pride in being part of an organization that prioritizes social and environmental responsibility.

For the communities, CSR initiatives provide tangible benefits such as improved infrastructure, educational opportunities, and environmental conservation. Luberef's investments in community development projects have helped uplift the local economy and have enhanced the quality of life for the residents of those communities.

A symbiotic relationship between Luberef and the communities with which it engages not only creates a positive social impact, but also ensures a sustainable business environment. By addressing social and environmental issues, the Company contributes to the long-term well-being of the communities it operates in, thereby promoting a stable and supportive ecosystem.

## CSR Initiatives in 2023

Discover some of the key programs and initiatives that Luberef has participated in during the reporting period:

### Green Makkah Initiative

In line with the Kingdom of Saudi Arabia Vision 2030 and in partnership with the Social Responsibility Association in Makkah, Luberef sponsored the planting of 1,000 neem trees in the eastern forest and as part of the "Green Homeland" initiative, more than 35 volunteer employees from Luberef and members of their families participated in this environmental initiative.

The total sponsorship amount was **27,500 SAR.**

### Luberef's Tournament 2023

Since sports is the first step in having a healthy body and mind, Luberef supported its employees to participate in the Football Tournament 2023 and awarded the first-place winners.

### Support the Education in MADAK Academy Initiative

Luberef supported the MADAK Academy Education Endowment Project in Media Province, by sponsoring a smart lab project conforming to the highest international standards.

The total sponsorship amount was **2,400,000 SAR.**

### Ramadan Food Basket

In collaboration with Waqf Maan for Society Development, Luberef and its employees have been contributing for the fifth consecutive year now to help with the distribution of food bags to more than 2500 low-income families, orphan families, and people with disabilities in Makkah Region.

In addition to the donation, Luberef contributed **75,000 SAR.**

### Kaswa Alsaida Aisha Initiative

Luberef participated in Kaswa Alsaida Aisha as a silver sponsor for the second consecutive year. Kaswa Alsaida Aisha aims to provide Eid clothing for families in need, starting with the campaign in the month of Sha'ban. The initiative is focused on receiving and collecting used and new clothes through the contribution of community members and we are proud of Luberef's family members who volunteered in the initiative.

The total sponsorship amount was **75,000 SAR.**

### The Destination Program Initiative

In collaboration with Waqf Maan for Community Development, Luberef sponsored the Destination Program Initiative, which aims to train and qualify young women for the labor market within an integrated training application journey.

### Let's Walk the Walk Together 2023

Under the umbrella of Corporate Social Responsibility and in collaboration with the Help Center, Luberef's was gold-sponsored for the fourth time in a row in Jeddah Corniche Waterfront. The initiative highlights the skills and athletic ability of people with disabilities, and it will help to spread awareness in society.

### Launching the Corporate Volunteering Program 'World of Giving'

On the occasion of International Day of Social Responsibility Corporate Volunteering, Luberef internally launched a volunteer program under the name of 'World of Giving' as one of its Social Responsibility Program, which motivates the spirit of giving and support the Kingdom of Saudi Arabia Vision 2030 which focuses on volunteer work.

### Back to School Initiative

Luberef has partnered with Waqf Ma'an for the second year to sponsor school bags, where Luberef's employees volunteered to organize school bags equipped with essential supplies. This initiative, caters to children from low-income families, ensuring they have everything necessary for a successful educational journey.



### My Store Initiative

Under the umbrella of Corporate Social Responsibility and in cooperation with the Majid Society for Development and Social Services, Luberef launched the My Store initiative for productive families focusing on existing small businesses of handicrafts and creative industries. The initiative was activated during Entrepreneurship Week, which aims to enable and support business owners to develop their businesses and build an online store.



05

# Displaying

Board of Directors >

Code of Conduct >

82

86

81

Corporate Governance Structure >

84

Executive Management >

## Luberef's Governance Quality

 New Code of Conduct

**33%** Independent Non-Executive Directors

 New ESG Governance Oversight

Find out how Luberef's governance quality exemplifies its commitment to transparency, sustainability, and ethical practices. The Company continually strives to uphold the highest standards of corporate governance, ensuring responsible operations and fostering stakeholder trust.

# Corporate Governance

Discover how Luberef strives for excellence in corporate governance. Committed to the highest standards of ethical business practices and sustainability goals, Luberef continuously seeks to refine its governance framework to align with industry best practices and the interests of its shareholders, investors, partners, customers, and local communities.

The Company has ensured that its governance system was developed according to the Corporate Governance Regulations (CGRs) as issued by the Capital Market Authority (CMA) and Saudi Aramco's Ethics and Regulatory Compliance Framework.

## Sustainability Governance

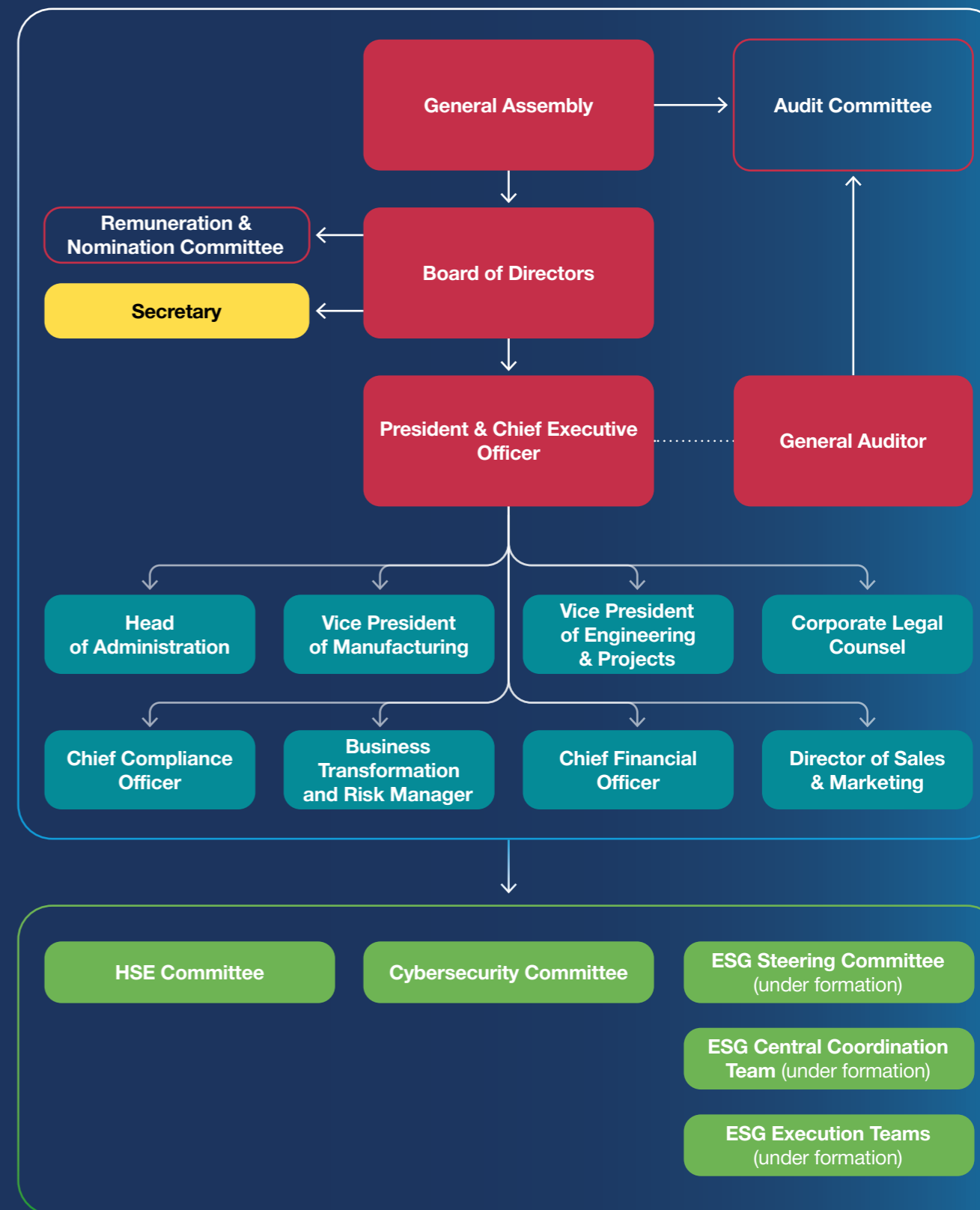
Establishing effective sustainability governance is an essential part in Luberef sustainability journey. Currently, the Company is in the process of implementing a strategic ESG framework to integrate sustainability principles and practices into every level of its business, with the aim of clear accountability across key areas and initiatives.

Luberef has already taken several steps to enhance its governance of sustainability issues. As part of its comprehensive ESG strategy, the Company is establishing senior executive and middle-management structures

to embed sustainability in its overall strategy and ensure transparent oversight. This process includes defining the ESG functions within the Company, identifying involved departments, and outlining critical roles for the effective execution of the ESG strategy.

Once the framework is established, sustainability will be incorporated into the agendas of the Board Audit Committee and a new management ESG Steering Committee. Additionally, the ESG Central Coordination Team will be formed. The 'Board of Directors' and 'Executive Management' sections detail their actual and prospective duties and functions.

# Luberef's Corporate Governance Structure GRI 2-9



# Board of Directors GRI 2-11

Find out about Luberef's Board of Directors: guided by the Companies Law and Bylaws provisions, it is the highest governance body responsible for defining Luberef's strategy and achieving the Company's objectives. The Board of Directors makes responsible decisions in the shareholders' best interests and provides leadership and guidance to senior management.

## Board Role and Responsibilities

The Board continuously assesses the Company's risks and opportunities, including those related to sustainability, while also overseeing Luberef's governance and compliance functions. Luberef complies with CMA regulations in prohibiting the CEO from serving as the Board chair, ensuring greater transparency and independence.

As part of Luberef's ESG framework, the Board of Directors will also conduct high-level reviews of the Company's ESG strategy. It will approve overarching ESG goals and objectives, as well as guide the approach for engaging with shareholders and other stakeholders on ESG matters.

The Board plays a crucial role in defining Luberef's sustainability approach, overseeing its implementation, and providing leadership on environmental, social, and governance matters. It directs the preparation and approval of the sustainability report, ensuring that stakeholders are well-informed about the Company's sustainability initiatives and progress.

The Board and its Committees conduct an annual self-assessment to enhance internal efficiency. In 2023, the Board evaluated its performance with the assistance of a third-party consultant for greater transparency and an independent perspective.

## Members of the Board

**Ibrahim Q. Al Buainain**  
Chairperson  
Non-Executive Director

**Abdulatif Saleh A. Al Shami**  
Deputy Chairperson  
Non-Executive Director

**Khalid D. Al-Faddagh**  
Independent  
Non-Executive Director

**Nabelah Al Tunisi**  
Independent  
Non-Executive Director

**Andrew S. Katz**  
Non-Executive Director

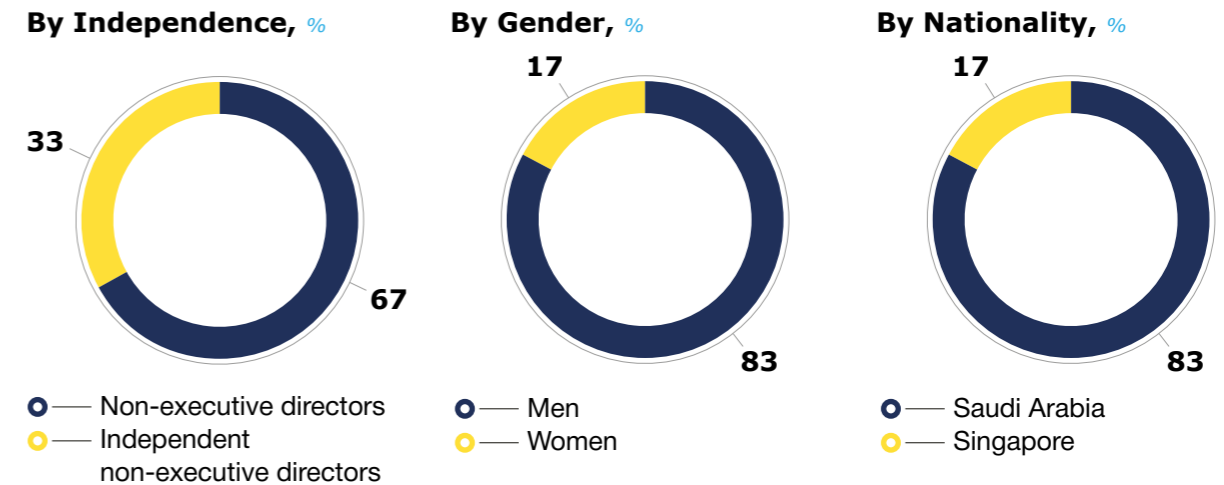
**Mohammed Faiz S. AlAhmari**  
Non-Executive Director

[Read full bios of the Board members on Luberef's website](#)

# Board Structure GRI 405-1

Luberef is currently managed by a Board consisting of six Directors, appointed by the Conversion Assembly of Shareholders on August 14, 2022. The Board members have extensive experience in the oil and gas industry, refining, chemicals,

energy, engineering, finance, audit, and risk management. With diverse backgrounds and decades of combined experience, the Board is well-balanced and able to perform its duties in line with the highest standards of corporate governance.



## Audit Committee

The Board Audit Committee, formed by the General Assembly, ensures an objective, independent, and transparent evaluation of the Company's activities and its accountability to the shareholders.

It oversees the adequacy and effectiveness of the Company's internal controls, the qualifications, independence, and performance of the Company's internal auditor, and compliance with legal and regulatory requirements. The Audit Committee collaborates with the Board to guide risk management strategies and performs the duties of the Risk Committee.

The primary role of the Audit Committee is to monitor the Company's financial reporting, audit processes, and control

## Remuneration & Nomination Committee GRI 2-10

The primary function of the Remuneration & Nomination Committee, formed by the Board, is to oversee the Company's remuneration policies and their implementation. Additionally, the Committee is responsible for the nomination and selection process for Board members and Senior Executives. This Committee is also responsible for assessing the annual compensation plans for directors and senior executives, as well as evaluating and advising on the Board's structure and the composition of its Committees.

The Remuneration & Nomination Committee is tasked with verifying the independence of independent directors and ensuring the absence of conflicts of interest, particularly when a member serves as a board member of another company.

[Read more on the Luberef Board and its Committees in the 2023 Annual Report](#)

# Executive Management

Luberef's management team boasts a remarkable track record, with a combined experience of over 170 years in the oil and gas sectors. Management is committed to implementing the strategic orientations defined by the Board of Directors, achieving innovation and operational excellence, while creating value for shareholders.

Currently, there are a number of management committees, which include the following:

The **HSE Committee** oversees decarbonization and climate change initiatives, water and waste management, air emissions control, health, safety, and security. This Committee ensures the execution of initiatives, fulfillment of objectives, resource allocation, as well as the resolution of operational and technical risks in health, safety, and environmental stewardship.

The **Cybersecurity Committee** assesses and manages cybersecurity risks, ensuring the Company's information security strategy, as well as robust protection against cyber threats, and implementing policies to safeguard sensitive data. Additionally, the Committee monitors compliance with regulatory requirements and industry standards to mitigate risks associated with data breaches.

The **Environmental & Sustainability Group**, under the Engineering Manager who reports to Vice President of Engineering & Projects, ensures compliance with regulatory bodies and oversees decarbonization efforts, waste recycling, and environmental reporting.

A **new ESG Steering Committee** is being formed. It will prioritize reviewing ESG progress and overcoming roadblocks. Additionally, it will set the ESG roadmap, goals, and objectives; approve funding and resource requests; and define disclosure and communication channels for ESG matters.

Additionally, a new body, the **ESG Central Coordination Team**, is being created. This team will set ESG strategy and ambitions, support ESG expertise, and foster partnerships and communications in sustainability matters. The ESG Central Coordination Team will also track two types of KPIs: Steering ESG KPIs for high-level progress and Progress ESG KPIs aligned with international standards and material topics.

To manage day-to-day sustainability activities, **ESG Execution Teams** will be formed to implement Luberef's sustainability initiatives.

## Members of Management



**Samer A. Al-Hokail**  
President & CEO

**Mohammed AlNafea**  
CFO

**Waleed M. Murad**  
Director of Sales & Marketing



**Ibrahim Al Faqeeh**  
Vice President of Manufacturing

**Fahad A. Altherwi**  
Vice President of Engineering & Projects

**Jalal Abdul Razak Saad**  
Acting Head of Administration



**Aasem S. Jamjoom**  
Board Secretary and Business Transformation & Risk Manager

**Abdulrahman H. Alaseeri**  
General Auditor

**Hassan Z. Khan**  
Corporate Legal Counsel & Acting Chief Compliance Officer

[Read full bios of the Executive Management on Luberef's website](#)

# Code of Conduct

As part of its sustainability journey, Luberef is currently in the process of developing a comprehensive Company Code of Conduct, one that shall apply to all directors, employees, contractors, and subsidiaries.

This Code will provide guidelines on several critical areas, including health, safety, environmental protection, competition and antitrust, anti-bribery and anti-corruption, insider trading, and compliance with applicable laws. It will outline fundamental legal and ethical behavior standards, emphasizing Luberef's commitment to its vital corporate values: Safety, Integrity, Accountability, Excellence, and Citizenship.

Luberef relies on its employees to avoid situations where their personal interests may conflict with the Company's interests. The Code of Conduct

will help this effort by providing guidance on how employees should handle actual or potential conflicts of interest to prevent harm to their reputation or the reputation of the Company.

While Luberef currently does not have a standalone diversity and anti-discrimination policies, the Code of Conduct will cover these topics. The Company is committed to providing a respectful workplace for all employees and contractors. Luberef encourages employees to speak up and report any behavior that violates the Company's standards, is disrespectful, or unfair.

## Anti-corruption GRI 205-2

The Company maintains a zero-tolerance policy for unethical behavior, expecting employees and business partners to adhere strictly to the universal principles of good governance practices, which cover anti-bribery, anti-corruption, and anti-fraud.

Improper payments are strictly prohibited. Employees and partners must not accept expensive gifts, entertainment, contributions to a charity connected with the recipient, employment of relatives, forgiveness of loans, or anything else of value that could be considered a bribe.

Luberef works only with reputable business partners, entering into agreements with third parties after thorough due diligence and adherence to the Company's contracting procedures.

To ensure awareness and proper implementation of anti-corruption principles, Luberef provides training and conducts internal assessments for its employees.

## Whistleblowing GRI 2-26

The Company does not tolerate violations of the law, including acts of discrimination, bribery, fraud, or other unethical or unlawful behavior. To encourage an open and candid culture, Luberef offers several channels for reporting violations, asking questions, or expressing concerns.

Employees can approach their direct supervisor or manager, another member of management, the Corporate Legal & Compliance Department, Internal Audit, Human Resources, or Industrial Security. Luberef ensures that anyone reporting misconduct in good faith will not be subjected to retaliation or discrimination. For anonymous reports, the Company has established a hotline:

[Corporateauditor.hotline@luberef.com](mailto:Corporateauditor.hotline@luberef.com)

Tel. 012-2296515

## Commitment to Human Rights

Luberef is committed to being a good corporate citizen and supporting and protecting human rights, wherever it operates. The Company does not tolerate human rights abuse in its business practice and requires suppliers and partners to demonstrate a similar commitment.

The Company's priority human rights include the health, safety, and fair compensation of employees, contractors, and parties associated with its suppliers. Luberef is committed to full compliance with all applicable labor laws and regulations in its operating countries.

The Company does not tolerate child or forced labor within its operations or supply chain. Luberef requires that suppliers and vendors demonstrate a similar commitment, sourcing all goods or services from third parties that meet applicable standards for health, safety, working hours, payment, and employment conditions.



# Appendix A: Glossary

**Luberef** – Luberef JSC

**JSC** – Joint Stock Company

**GCC** – Cooperation Council for the Arab States of the Gulf

**KSA** – Kingdom of Saudi Arabia

**SDGs** – Sustainable Development Goals

**CSR** – Corporate Social Responsibility

**ESG** – Environmental, Social, and Governance

**SRI** – Socially Responsible Investing

**GRI** – Global Reporting Initiative

**UNGC** – United Nations Global Compact

**ISO** – International Organization for Standardization (specifically related to sustainability standards, e.g., ISO 14001)

**GHG** – Greenhouse Gas

**CO<sub>2</sub>e** – Carbon Dioxide Equivalent

**RECs** – Renewable Energy Certificates

**EIA** – Environmental Impact Assessment

**NDC** – Nationally Determined Contribution

**DEI** – Diversity, Equality, and Inclusion

**SME** – Small and Medium-Sized Enterprises

**KPI** – Key Performance Indicator

**IR** – Integrated Reporting

**EHS** – Environmental, Health, and Safety

**OHS** – Operational Health and Safety

06

Glossary >

89

GCC ESG Metrics >

92

# Annex

90

GRI Content Index >

# Appendix B: GRI Content Index

**Statement of use** Luberef JSC has reported the information cited in this GRI content index for the period from 1 January 2023, to 31 December 2023, with reference to the GRI Standards.

**GRI 1 used** GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	NOTES / LOCATION - PAGE (S)
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	Chapter 1 – Report Boundary, pg. 4 Chapter 1 – Luberef Operations, pg. 14-15
	2-2 Entities included in the organization’s sustainability reporting	Chapter 1 – Report Boundary, pg. 4
	2-3 Reporting period, frequency and contact point	Chapter 1 – Report Structure and Boundary, pg. 4
	2-4 Restatements of information	Chapter 1 – Reporting Period, pg. 4
	2-5 External assurance	Chapter 1 – Assurance, pg. 5
	2-6 Activities, value chain and other business relationships	Chapter 1 – Reporting Period, pg. 4 Chapter 1 – Luberef Profile, pg. 6-7
	2-7 Employees	Chapter 5 – Employees, pg. 70-72
	2-8 Workers who are not employees	Chapter 5 – Employees, pg. 70
	2-9 Governance structure and composition	Chapter 6 – Luberef’s Corporate Governance Structure, pg. 83
	2-10 Nomination and selection of the highest governance body	Chapter 6 – Remuneration & Nomination Committee, pg. 85
	2-11 Chair of the highest governance body	Chapter 6 – Board of Directors, pg. 84-85
	2-12 Role of the highest governance body in overseeing the management of impacts	Chapter 2 – Sustainability Oversight, pg. 37
	2-13 Delegation of responsibility for managing impacts	Chapter 2 – Sustainability Oversight, pg. 37
	2-14 Role of the highest governance body in sustainability reporting	Chapter 1 – Approval, pg. 5 Chapter 2 – Sustainability Oversight, pg. 35
	2-15 Conflicts of interest	There were no instances of conflicts of interest during the reporting period
2-19 Remuneration policies	Chapter 5 – Luberef Remuneration, pg. 75	
2-21 Annual total compensation ratio	Chapter 5 – Luberef Remuneration, pg. 75	
2-22 Statement on sustainable development strategy	Chapter 1 – CEO’s Statement, pg. 10-11 Chapter 1 – Chairman’s Statement, pg. 12-13	
2-23 Policy commitments	Chapter 1 – Compliance, pg. 5	
2-26 Mechanisms for seeking advice and raising concerns	Chapter 6 – Whistleblowing, pg. 89	
2-27 Compliance with laws and regulations	Chapter 1 – Compliance, pg. 5	
2-28 Membership associations	Luberef is not a member of any associations	
2-29 Approach to stakeholder engagement	Chapter 2 – Stakeholder Engagement, Luberef Stakeholders, pg. 24-25	
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	Chapter 2 – Materiality Assessment, Materiality Process, pg. 26-30
	3-2 List of material topics	Chapter 2 – Luberef Material Topics and Priority Areas, pg. 27, pg. 30
	3-3 Management of material topics	Chapter 2 – Luberef ESG Risk Factors, pg. 40-41
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	Direct economic value generated in 2023: SAR 9,488,679,000  Economic value retained in 2023: SAR 388,026,305
	201-3 Defined benefit plan obligations and other retirement plans	Chapter 5 – Luberef Remuneration, pg. 75

GRI STANDARD	DISCLOSURE	NOTES / LOCATION - PAGE (S)
<b>GRI 202: Market Presence 2016</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Chapter 5 – Luberef Remuneration, pg. 75
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	Chapter 1 – Luberef Operations, pg. 16-17
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	Luberef spent SAR 499,317,405 on local suppliers in 2023, this accounted for 74% of the total procurement budget
<b>GRI 205: Anti-corruption 2016</b>	205-2 Communication and training about anti-corruption policies and procedures	Chapter 6 – Anti-corruption, pg. 88
	205-3 Confirmed incidents of corruption and actions taken	There were no confirmed incidents of corruption during the reporting period
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	Chapter 3 – Luberef’s Energy Consumption, pg. 50-51
	302-4 Reduction of energy consumption	Chapter 3 – Energy Use Reduction Initiatives, pg. 26-30
	302-5 Reductions in energy requirements of products and services	Chapter 3 – Energy Use Reduction Initiatives, pg. 26-30
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	Chapter 3 – Water Use Reduction Initiatives, pg. 52-53
	303-3 Water withdrawal	Chapter 3 – Luberef Water Use, pg. 52-53
	303-4 Water discharge	Chapter 3 – Luberef Water Use, pg. 52-53
	303-5 Water consumption	Chapter 3 – Luberef Water Use, pg. 52-53
	<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions
	305-2 Energy indirect (Scope 2) GHG emissions	Chapter 3 – Luberef GHG Emissions, pg. 47
	305-5 Reduction of GHG emissions	Chapter 3 – Emission Reduction Projects, Emission Reduction Initiatives, pg. 45-47
<b>GRI 306: Waste 2020</b>	306-3 Waste generated	Chapter 3 – Waste Management at Yanbu Refinery, Waste Management at Jeddah Refinery, pg. 54-55
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	Chapter 5 – Hiring at Luberef, Luberef Turnover, pg. 73-74
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	The Company does not employ temporary or part-time employees
	401-3 Parental leave	Chapter 5 – Parental Leave, pg. 74
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	Chapter 4 – Luberef’s HSE Approach, Luberef HSE Structure, pg. 58-59
	403-2 Hazard identification, risk assessment, and incident investigation	Chapter 4 - Luberef HSE Structure, pg. 59 Chapter 4 - Hazard Control Methodology, pg. 61
	403-4 Worker participation, consultation, and communication on occupational health and safety	Chapter 4 – Hazard Control Methodology, pg. 61
	403-5 Worker training on occupational health and safety	Chapter 4 – Occupational Health and Safety Training, pg. 62
	403-8 Workers covered by an occupational health and safety management system	Chapter 4 – Luberef H&S Metrics, Safety as a Core Value, pg. 61
	403-9 Work-related injuries	Chapter 4 – Luberef H&S Metrics, pg. 61
	403-10 Work-related ill health	Chapter 4 – Luberef H&S Metrics, pg. 61
<b>GRI 404: Training and Education 2016</b>	404-2 Programs for upgrading employee skills and transition assistance programs	Chapter 5 – Training at Luberef, pg. 76
	404-3 Percentage of employees receiving regular performance and career development reviews	Chapter 5 – Training at Luberef, pg. 76
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	Chapter 5 – Diversity and Inclusion, Employees, pg. 72 Chapter 6 – Board Structure, pg. 85
	405-2 Ratio of basic salary and remuneration of women to men	Chapter 5 – Luberef Remuneration, pg. 75
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	There were no recorded instances of discrimination during the reporting period
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	Chapter 5 – Luberef CSR Initiatives, pg. 78-79

# Appendix C: GCC ESG Metrics

## Environment

Metric	Calculation	Corresponding GRI Standard	Notes
E1. GHG Emissions	E1.1) Total amount in CO <sub>2</sub> equivalents, for Scope 1	GRI 305: Emissions 2016	Chapter 3 – Luberef GHG Emissions E1.1) 1,102,695 MT CO <sub>2</sub> -e E1.2) 189,330 MT CO <sub>2</sub> -e
	E1.2) Total amount, in CO <sub>2</sub> equivalents, for Scope 2 (if applicable)		
	E1.3) Total amount, in CO <sub>2</sub> equivalents, for Scope 3 (if applicable)		
E2. Emissions Intensity	E2.1) Total GHG emissions per output scaling factor	GRI 305: Emissions 2016	N/A
	E2.2) Total non-GHG emissions per output scaling factor		
E3. Energy Usage	E3.1) Total amount of energy directly consumed	GRI 302: Energy 2016	Chapter 3 – Luberef’s Energy Consumption E3.1) Yanbu – 9,578,375 GJ Jeddah – 3,772,684 GJ
	E3.2) Total amount of energy indirectly consumed		
E4. Energy Intensity	Total direct energy usage per output scaling factor	GRI 302: Energy 2016	N/A
E5. Energy Mix	Percentage: Energy usage by generation type	GRI 302: Energy 2016	N/A
E6. Water Usage	E6.1) Total amount of water consumed	GRI 303: Water and Effluents 2018	Chapter 3 – Luberef Water Use E6.1) Yanbu Withdrawal: 2,417,743 m <sup>3</sup> Water Consumption Intensity: 0.41 m <sup>3</sup> /kbpa (thousand barrels per annum) Jeddah Withdrawal: 535,154 m <sup>3</sup>
	E6.2) Total amount of water reclaimed		
E7. Environmental Operations	E7.1) Does your company follow a formal Environmental Policy? Yes/No	GRI 103: Management Approach 2016 <sup>1</sup>	Chapter 2 – Sustainable Management Systems, Chapter 3 – Energy Management Systems E7.1) Yes E7.2) Yes E7.3) Yes
	E7.2) Does your company follow specific waste, water, energy, and/or recycling polices? Yes/No		
	E7.3) Does your company use a recognized energy management system?		
E8. Environmental Oversight	Does your Management Team oversee and/or manage sustainability issues? Yes/No	GRI 102: General Disclosures 2016	Chapter 2 – Incorporating ESG, Chapter 6 – Sustainability Governance, Executive Management E8) Yes

<sup>1</sup> GRI 103: Management Approach 2016 is to be used in combination with the topic specific Standards.

Metric	Calculation	Corresponding GRI Standard	Notes
E9. Environmental Oversight	Does your Board oversee and/or manage sustainability issues? Yes/No	GRI 102: General Disclosures 2016	Chapter 2 – Incorporating ESG, Chapter 6 – Sustainability Governance E9) Yes
E10. Climate Risk Mitigation	Total amount invested, annually, in climate- related infrastructure, resilience, and product development		N/A

## Social

Metric	Calculation	Corresponding GRI Standard	Notes
S1. CEO Pay Ratio	S1.1) Ratio: CEO total compensation to median Full Time Equivalent (FTE) total compensation	GRI 102: General Disclosures 2016	Chapter 5 – Luberef Remuneration S1.1) Total compensation ratio of the organization’s highest-paid individual to the median total compensation for all employees 6.7:1 S1.2) No
	S1.2) Does your company report this metric in regulatory filings? Yes/No		
S2. Gender Pay Ratio	Ratio: Median male compensation to median female compensation	GRI 405: Diversity and Equal Opportunity 2016	Chapter 5 – Luberef Remuneration Ratio of the basic salary and remuneration of women to men 1:1
S3. Employee Turnover	S3.1) Percentage: Year-over-year change for full-time employees	GRI 401: Employment 2016	Chapter 5 - Luberef Turnover S3.1) Turnover rate – 4% S3.2) Luberef does not employ part-time employees S3.3) Contractor hiring +14.5% Y-o-Y
	S3.2) Percentage: Year-over-year change for part-time employees		
	S3.3) Percentage: Year-over-year change for contractors/consultants		
S4. Gender Diversity	S4.1) Percentage: Total enterprise headcount held by men and women	GRI 102: General Disclosures 2016	Chapter 5 – Employees, Diversity and Inclusion S4.1) 96% men, 4% women
	S4.2) Percentage: Entry- and mid-level positions held by men and women	GRI 405: Diversity and Equal Opportunity 2016	
	S4.3) Percentage: Senior- and executive-level positions held by men and women		
S5. Temporary Worker Ratio	S5.1) Percentage: Total enterprise headcount held by part-time employees	GRI 102: General Disclosures 2016	Chapter 5 – Employees S5.1) Luberef does not employ part-time staff S5.2) Contractors formed 18.2% of the total enterprise headcount during 2023
	S5.2) Percentage: Total enterprise headcount held by contractors and/or consultants		
S6. Non-Discrimination	Does your company follow non-discrimination policy? Yes/No	GRI 103: Management Approach 2016 <sup>2</sup>	Not currently available, part of Code of Conduct published in 2024
S7. Injury Rate	Percentage: Frequency of injury events relative to total workforce time	GRI 403: Occupational Health and Safety 2018	Chapter 4 – Luberef H&S Metrics S7) LTIFR = 0.00 TRIR = 0.00
S8. Global Health & Safety	Does your company follow an occupational health and/or global health & safety policy? Yes/No	GRI 103: Management Approach 2016 <sup>2</sup>	S8) No

<sup>2</sup> GRI 103: Management Approach 2016 is to be used in combination with the topic specific Standards.

Metric	Calculation	Corresponding GRI Standard	Notes
S9. Child & Forced Labor	S9.1) Does your company follow a child and/or forced labor policy? Yes/No	GRI 103: Management Approach 2016 <sup>1</sup>	Chapter 6 – Commitment to Human Rights S9.1) Yes
	S9.2) If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No		S9.2) Yes
S10. Human Rights	S10.1) Does your company follow a human rights policy? Yes/No	GRI 103: Management Approach 2016 <sup>1</sup>	Chapter 6 – Commitment to Human Rights S10.1) Yes
	S10.2) If yes, does your human rights policy also cover suppliers and vendors? Yes/No		S10.2) Yes

## Governance

Metric	Calculation	Corresponding GRI Standard	Notes
G1. Board Diversity	G1.1) Percentage: Total board seats occupied by men and women	GRI 405: Diversity and Equal Opportunity 2016	Chapter 6 – Board Structure G1.1) 17% of Board seats are occupied by women
	G1.2) Percentage: Committee chairs occupied by men and women		
G2. Board Independence	G2.1) Does company prohibit CEO from serving as board chair? Yes/No		Chapter 6 – Board Structure G2.1) Yes
	G2.2) Percentage: Total board seats occupied by independent board members		G2.2) 33% of Board seats are occupied by independent non-executive directors
G3. Incentivized Pay	Are executives formally incentivized to perform on sustainability?		Not currently applicable
G4. Supplier Code of Conduct	G4.1) Are your vendors or suppliers required to follow a Code of Conduct? Yes/ No		Code of Conduct was not yet published during the reporting period
	G4.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?		
G5. Ethics & Prevention of Corruption	G5.1) Does your company follow an Ethics and/or Prevention of Corruption policy? Yes/No		Chapter 6 – Anti-corruption G5.1) Yes
	G5.2) If yes, what percentage of your workforce has formally certified its compliance with the policy?		G5.2) N/A

<sup>1</sup> GRI 103: Management Approach 2016 is to be used in combination with the topic specific Standards.

Metric	Calculation	Corresponding GRI Standard	Notes
G6. Data Privacy	G6.1) Does your company follow a Data Privacy policy? Yes/No		N/A
	G6.2) Has your company taken steps to comply with GDPR rules? Yes/No		
G7. Sustainability Reporting	Does your company publish a sustainability report? Yes/No		G7) Yes
G8. Disclosure Practices	G8.1) Does your company provide sustainability data to sustainability reporting frameworks? Yes/No		G8.1) No, although report is prepared with reference to GRI
	G8.2) Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/No		G8.2) Yes
	G8.3) Does your company set targets and report progress on the UN SDGs? Yes/No		G8.3) No
G9. External Assurance	Are your sustainability disclosures assured or verified by a third-party audit firm? Yes/No	GRI 103: Management Approach 2016 <sup>2</sup>	G9) Not currently

<sup>2</sup> GRI 103: Management Approach 2016 is to be used in combination with the topic specific Standards.



لہبریف  
luberef