



**Sustainability**  
Report

20  
22



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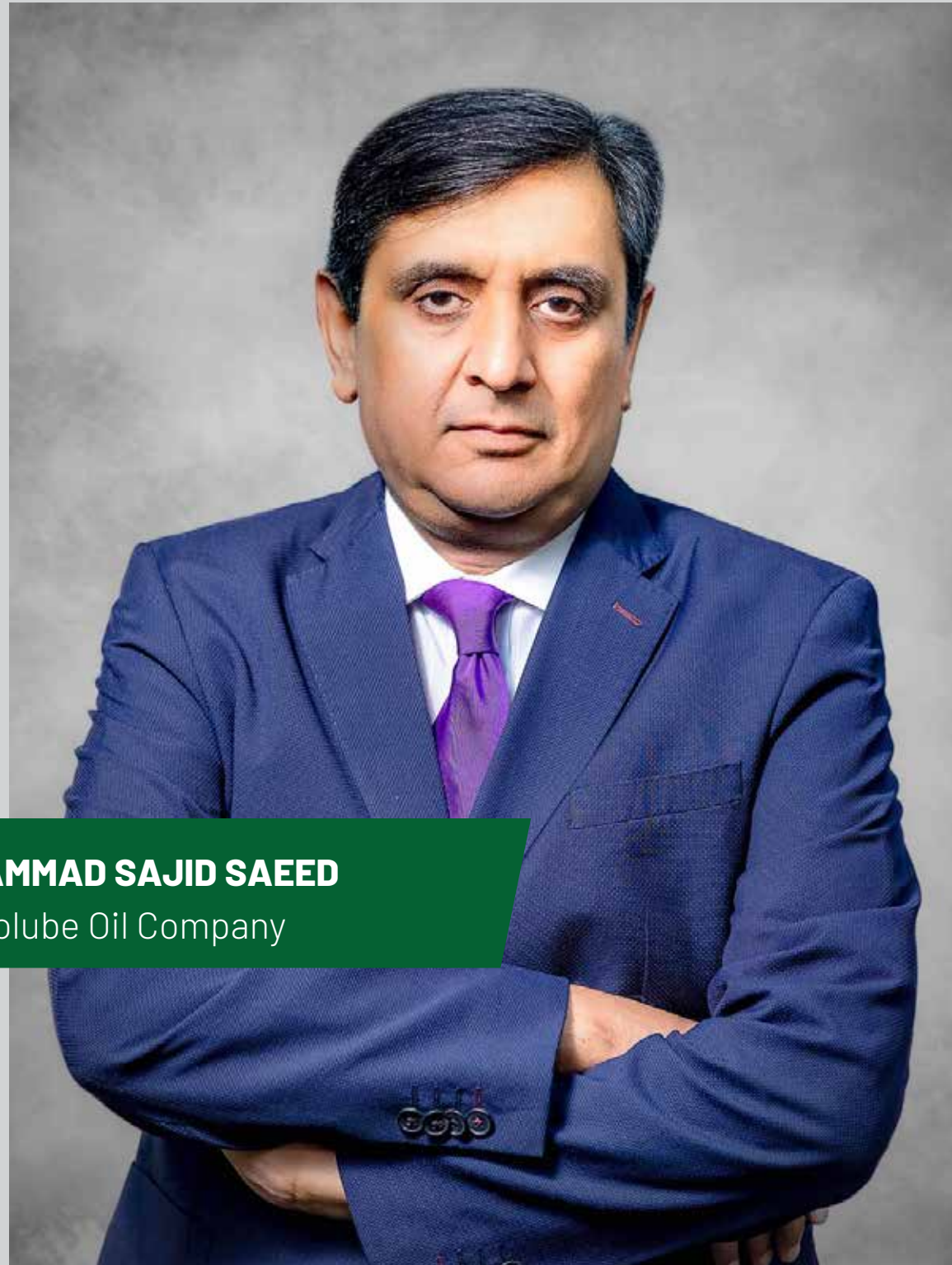
# Introduction

# 01

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# LETTER FROM THE CEO



**MR. MUHAMMAD SAJID SAEED**

CEO, Petrolube Oil Company

At Petrolube, sustainability is not just about meeting targets; it is about changing the culture. As the largest independent lubricants producer and supplier in Saudi Arabia, we have a responsibility to implement sustainable business practices. I am personally committed to guiding Petrolube through its sustainability journey and to integrate the best-in-class sustainability practices throughout our business model.

Our parent company Al-Dabbagh Group takes the UN Sustainable Development Goals, and the Saudi Green Initiative Goals, as their starting point. We are therefore aligned with our stakeholders' expectation. And these goals, such as Saudi Arabia's desire to achieve net zero emissions by 2060, define the pathway towards how we shape our own ESG agenda and initiatives.

Our long-term sustainable goal is to be the number one high-performance, low carbon lubricant and e-fluids manufacturer in our key markets. Home to the iconic Petromin brand, we offer customers superior quality products that meet their evolving needs. We do this through an unrivalled range of high-quality, increasingly sustainable, and diverse portfolio of brands.

In 2021, we started to layout our ESG strategy, focusing on four main themes - green supply chain, waste management, energy efficiency and people. We have been undertaking and incorporating various sustainable initiatives throughout our business operations and corporate culture since then. In 2022, for

example, we made significant strides in reducing our carbon footprint by (Scope 1 & 2) by 5% compared to base line 2018 and recycling 40% of our generated waste.

We intend to continuously review and refine this strategy. In 2022, we conducted our first Materiality Assessment, with the key objective of identifying the main areas of concern, of risk for Petrolube. This will help us to think through and continue the implementation of our ESG strategy and assess how we can further contribute to the SDGs and Saudi Green Initiative in 2023 and beyond.

We have a strong focus on progressing towards a responsible value chain, which is a top priority for our industry. Each step, starting from sustainable sourcing of raw material to supplier selection, logistics efficiency to end of product life, can be materially addressed. We have been continuously working on minimizing our negative impact on the environment and are progressing efficiently towards increasing positive impact on the planet through our operations.

*Sustainability is central to our future growth agenda. It is something we have integrated into our business and our strategy going forward, because we believe it makes us a stronger, more resilient company, and will contribute to our goals of becoming the most sustainable lubricants provider on the market. Thank you for being a part of this journey.*



# ABOUT THE REPORT

**WE ARE DELIGHTED  
TO PRESENT OUR 2022  
SUSTAINABILITY REPORT  
TO OUR STAKEHOLDERS AS  
WE CONTINUE OUR JOURNEY  
TOWARDS BUILDING A MORE  
SUSTAINABLE FUTURE BY  
PROVIDING INNOVATIVE AND  
SUSTAINABLE SOLUTIONS.**

The 2022 Sustainability Report of Petrolube Oil Company (Petrolube) was prepared in accordance with **Global Reporting Initiative (GRI) standards core options** and is our first sustainability report.

This Sustainability Report aims to inform our stakeholders about our current ESG standing and will share our future targets and our intended path forward.

Sustainability is at the heart of our operations. Our three guiding principles are **Giving, Earning, and Sustaining**.

The management of Petrolube Oil Company has worked tirelessly to drive sustainability and to realize the vision of the company.

This report highlights how sustainability practices are embedded in our vision, mission, and day-to-day operations. This includes various environmental, social and governance initiatives, like increasing logistical efficiency, reducing carbon footprint, effective waste management, health and safety improvements, talent development, strengthening business ethics, managing internal & external risk, and others. Through stakeholder engagement, we have also identified and showcased our material topics thoroughly in this report.

This report not only provides details of our progress in various sustainability initiatives in 2022, but also offers a glimpse of our forward-looking sustainability measures. Along with that, we have discussed our company's sustainability policies, processes, and actions. To support our sustainability initiatives, we have followed a process-based approach.

As a lubricant company, we understand the importance of responsible operations, and we are committed to reducing our environmental impact through efficient use of resources and sustainable practices.

**Whenever we use "Petrolube", "we", "our", "us", we are referring to both Petrolube and Technolube companies.**



Our sustainability initiatives align with the United Nations Sustainable Development Goals (UN SDGs), and our report highlights how these goals correspond to our initiatives, reflecting our commitment to aligning with global sustainability standards and practices.



### **Reporting period**

This sustainability report encompasses a comprehensive dataset gathered over 12 months spanning January to December 2022, shedding light on the progress and impact of our company’s sustainability practices.

### **Reporting boundaries**

Petrolube operates as a distinct business vertical under the parent company Petromin Corporation, serving as a lubricant and grease manufacturing company. We have two plant facilities situated in the Kingdom of Saudi Arabia (KSA) and one plant in Dubai, UAE by the name of Technolube LLC, where we maintain operational control over all aspects of our plants and warehouses.

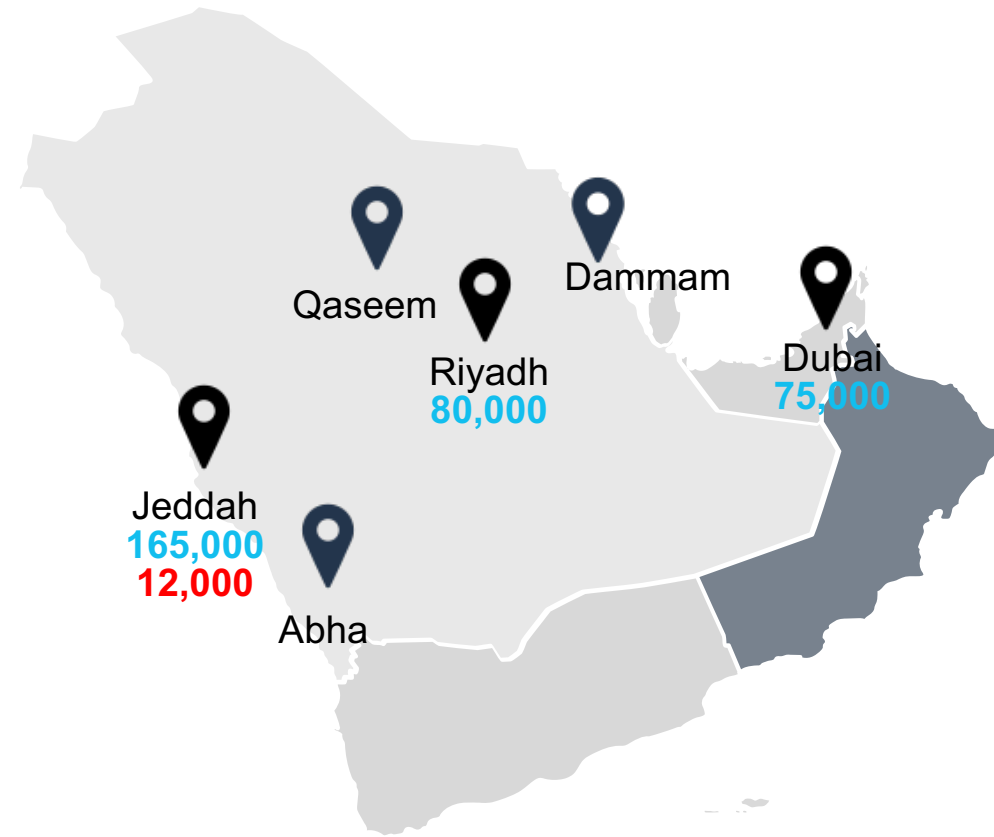
### **Reporting frameworks**

The Global Reporting Initiative (GRI) is a standard for reporting on the economic, sustainability, environmental, and social performance of a company. We have not audited this report externally. However, Petrolube has robust internal verification processes in place that provide assurance about the accuracy of data and content used in this report.

We continuously monitor and measure our sustainability performance, and we set ambitious targets to drive continuous improvement and progress towards a more sustainable future.



# PETROLUBE AT A GLANCE



- Blending Plant & Warehouse
- Distribution Centre
- Lubes capacity/year (MT) per 2 shifts
- Grease capacity/year (MT) per 2 shifts

Under the Petromin Corporation, Petrolube manufactures and sells over 250 different automobile lubricant and greases products, and exports to over 35 countries in the GCC, Middle East, Africa, and Asia. Since 2007, Petrolube has seen significant growth in the provision of quality lubricants.

We have 3 blending plants in Jeddah, Riyadh, and Dubai. The Jeddah plant hosts a lube and grease blending facility. In Riyadh and Dubai the plants are specialized in lube blending. Additionally, we have six distribution centers in Jeddah, Riyadh, Qassem, Dammam, Abha, and Dubai. Over the last half-century, Petrolube has become a market leader in the Middle East and is currently the largest downstream lubricants company in its sector in KSA.

We constantly keep ourselves updated on various technological innovations in our industry and have initiated innovation awards within and outside our company to identify and acknowledge groundbreaking ideas. We understand the need for a sustainable value chain and aim to revolutionize our operations to minimize our negative impacts on the environment.

Our commitment to sustainability is reflected in our operations, and we have implemented various initiatives to reduce energy consumption, greenhouse gas emissions, and waste generation.

**45%**  
MARKET SHARE IN KSA.

**800+**  
EMPLOYEES.

**35**  
EXPORTS TO OVER 35 COUNTRIES.

**03**  
BLENDING PLANTS JEDDAH/ RIYADH / DUBAI.

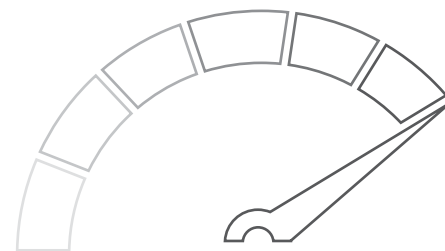


## COMPANY OVERVIEW

With a State-of-the-Art blending plant based in Jeddah, backed up by Riyadh blending facility, Petrolube provides premium products to motorists, industrial and governmental sectors. After acquiring Emirates Lubricants Company in 2016, which includes the Technolube lubricant manufacturing plant in Dubai, the company has strategically expanded its presence in the Middle East.

# 750+

SKUS PRODUCED



FULLY AUTOMATED HIGH-SPEED FILLING LINES

# ABB/ SMB

BLENDING TECHNOLOGY:  
FULLY AUTOMATED

# 250+

GRADES BLENDED

# 05

WAREHOUSES

# 30.000

M<sup>2</sup>  
TOTAL STORAGE CAPACITY



Clear market leadership in KSA with %98 brand awareness, largest customer base across channels and Well established export hub covering ~ 35 countries.



### Market Leaders

Market leader in lubricants & greases and largest lubricants company in its sector in KSA.



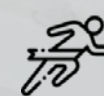
### Technology Driven

Most modern lube blending plant in MENA & state of the art lab facility.



### Supporting Services

Manages a supply chain of lubes and parts requirements for other verticals of Petromin, including Petromin Express, and Growing Automotive Workshop network.



### Competitive Edge

Highest brand equity among all lubricant brands in KSA.



# QUALITY CERTIFICATIONS



ENEOS Approved Blending Plant  
CERTIFICATE



Petrolube has embarked on a journey of Integrated Management in line with the requirements of ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and ISO 17025:2017 international standards to ensure its focus on consistently meeting its customer requirements, continuously protecting people, interested parties and the environment against different Occupational Health and Safety risks, in line with the ever changing needs of the dynamic industry.



## ISO 9001:2015

Quality Management system

## ISO 45001:2018

Occupational Health and safety management system

## ISO 14001:2015

Environmental Management system (in Jeddah plant and Technolube plant)

## ISO 17025:2017

Laboratory Accreditation for Jeddah lab and Technolube lab

## ENEOS

Approved blending plant

## SASO

Products Approvals

# Sustainability Approach

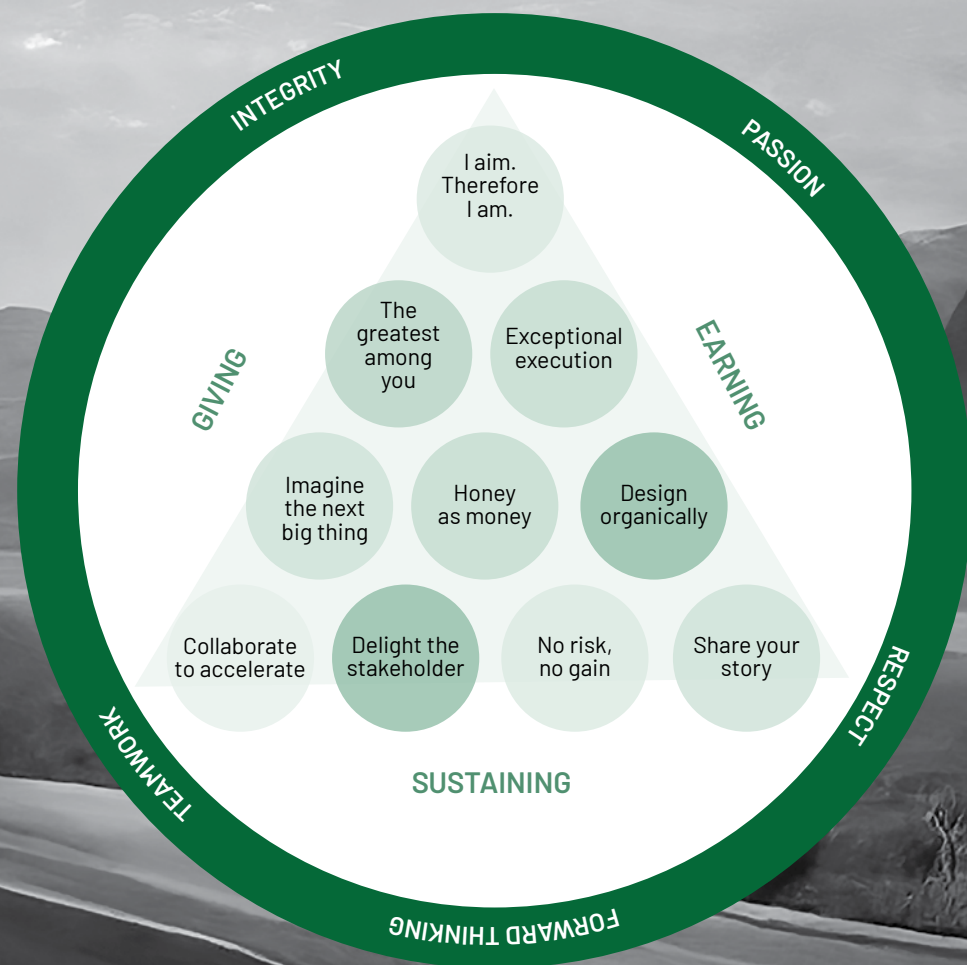
# 2022

- ▶ OUR PHILOSOPHY
- ▶ OUR SUSTAINABILITY GOALS
- ▶ VALUE CHAIN
- ▶ SUSTAINABILITY HIGHLIGHTS 2022
- ▶ MATERIALITY ASSESSMENT
- ▶ CORPORATE GOVERNANCE
- ▶ BOARD OF DIRECTORS



# OUR PHILOSOPHY

- INTEGRITY
- PASSION
- RESPECT
- FORWARD THINKING
- TEAMWORK



Petrolube is a subsidiary company of Al-Dabbagh Group (ADG), a family-owned business conglomerate, established in 1962 by His Excellency Sheikh Abdullah Al-Dabbagh, former Agriculture Minister of Saudi Arabia. Driven by the visionary ambitions of His Excellency Mr. Amr Al-Dabbagh, the current Chairman & CEO of ADG, the company follows an exemplary sustainability approach known as Omnipreneurship.

Omnipreneurship has three basic principles **giving, earning, and sustaining**. We earn so that we can give to the society and sustain in the long run through the philosophy of **4Ps (People, Planet, Profit and Philanthropy)**.

These principles are embedded into ADG's business ecosystem of 'Three Principles, Five Values, and Ten Golden Rules' and have been adopted by us at Petrolube.

We also work towards supporting Saudi Arabia's Vision 2030 which has sustainability at its core. The development plan promotes environmental sustainability through a comprehensive set of policies, investments, and infrastructure. Vision 2030 stresses on the adverse consequences of climate change by implementing sustainable initiatives to promote climate resilience across all sectors.

## SUSTAINABILITY VISION & MISSION

At Petrolube Oil Company, we recognize the need for innovative sustainable solutions for our current and future generations. We strive to continuously evolve our sustainability strategies and encourage our stakeholders to contribute towards making Petrolube a more sustainable and responsible organization.

### Vision



To be the leading lubricants company in MENA region with best-in-class sustainability practices integrated in our business.

### Mission



To embrace the concepts of sustainability in our day-to-day activities until it becomes part of our culture. We are committed to inspiring and motivating our staff to use sustainable development practices in all decision-making processes.

# SUSTAINABILITY GOALS

We aspire to become the **#1 high performance, renewable lubricants and e-fluids provider**. In order to achieve this, we targeted some key performance themes throughout 2022, such as;



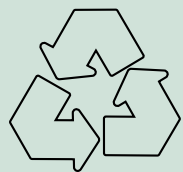
## Green Supply Chain

We are utilizing a data driven approach to achieve logistics optimization and decrease our trips through efficient scheduling.



## Energy Efficiency

We are conducting energy audits to highlight areas with high energy consumption and put targets to reduce it. Also, working on shifting to renewable sources of power in our Technolube plant. We have also installed LED lights in our offices.



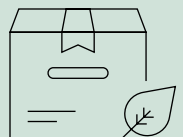
## Waste Management

We aim to reduce our waste generation through eco-friendly packaging instead of current plastic packaging, drum reconditioning and collection of used plastic bottles.



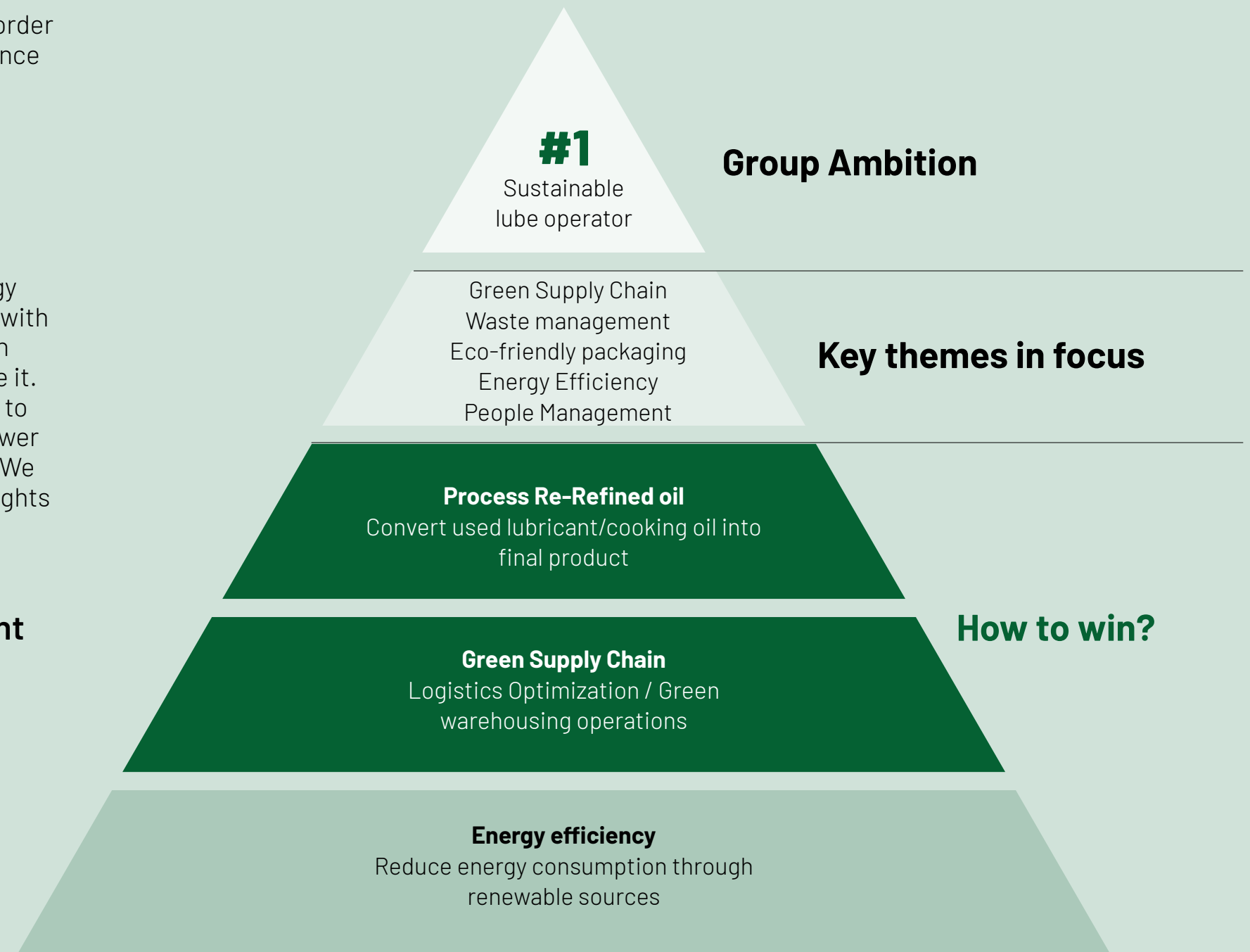
## People Management

We have defined code of conduct policy, diversity policy, health and safety policy to safeguard the interest of employees.



## Eco-friendly Packaging

Develop recyclable and sustainable packaging materials.





# VALUE CHAIN

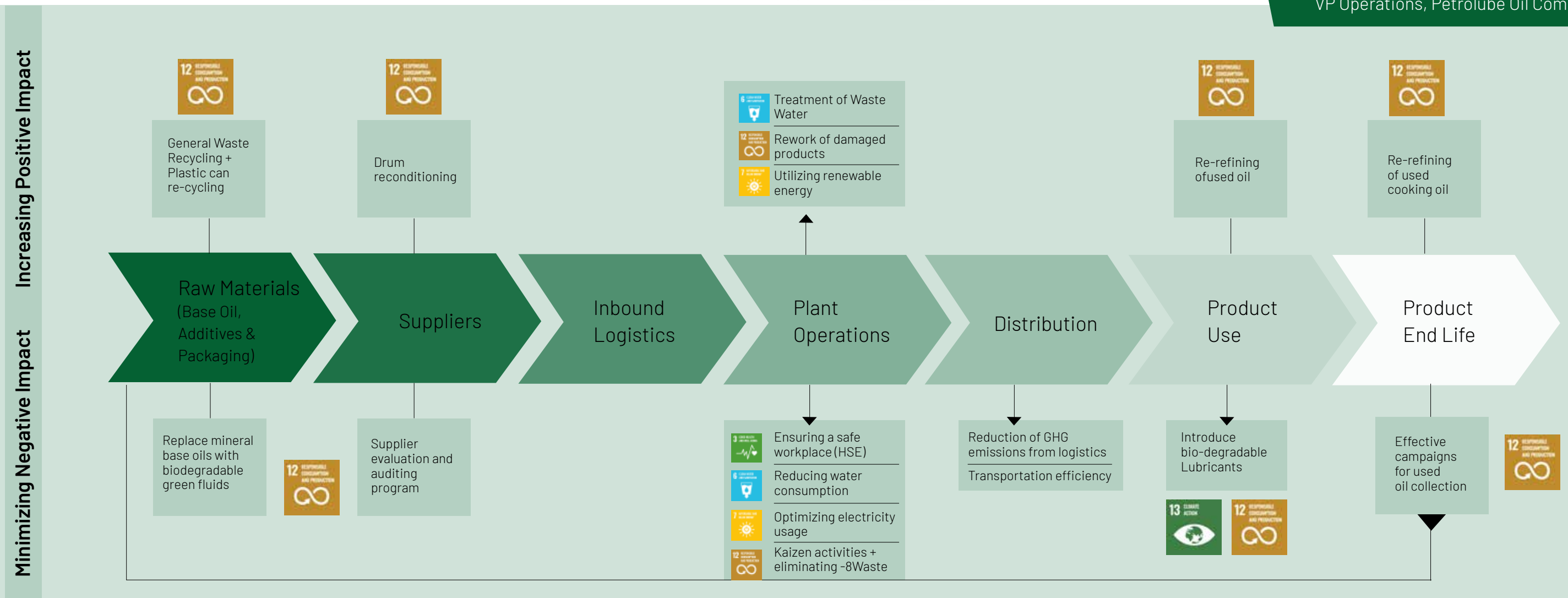
The value chain of an organization identifies each step where value is added to the product's lifecycle either as a primary activity or a support activity, representing the series of steps taken to create the finished product and deliver it to its end consumer.

As a responsible organization, Petrolube aims to address material issues at each step of its value chain starting from sustainably sourcing raw materials, to supplier selection, logistics efficiency, and all the way to the end of product life. Through our value chain, we address more than five SDGs that form a critical part of our core sustainability areas.

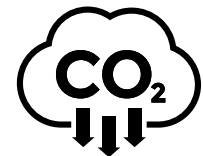
“ We have been continuously working on minimizing our negative impact on the environment and efficiently progressing towards increasing positive impact throughout our value chain. ”



**MR. SALMAN PARWEZ**  
VP Operations, Petrolube Oil Company



# SUSTAINABILITY HIGHLIGHTS 2022



## Green supply chain

### 2022 RESULTS

**3.67 mn KGs** CO2 emissions reduction vs 2018

**25%** reduction in KM per ton delivered

**23%** improvement in tons per trip

**37%** reduction in CO2 emissions vs 2018 through logistics optimization and trip management

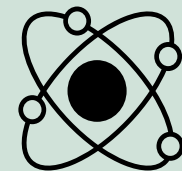
### 2025 TARGETS

**Achieve 4 mn. KGs** reduction in carbon footprint from logistics by 2025

**Reach 30 %** reduction in KM/ Ton by 2025

**Reach 30%** improvement in tons per trip by 2025

**Reach 40%** reduction in carbon footprint from logistics by 2025



## Energy efficiency

### 2022 RESULTS

**455 KW** solar power plant installation agreement was signed with Total Energies for Technolube Dubai plant



## Waste management

### 2022 RESULTS

**Recycled 40%** of waste generated

### 2025 TARGETS

**45%** of the power consumption of Technolube plant will run on solar power by Q3 - 2023

### 2025 TARGETS

**Achieve 70%** recycling by 2025



## People

### 2022 RESULTS

**1270 hours** of safety talks in 2022 (39% increase from 2021)

**1.18** Lost Time Incident Frequency Rate (LTIFR)

**2 million** safe environmental hours achieved since 1st Jan 2018 at Jeddah plant

**5%** Female colleagues

### 2025 TARGETS

**2000 hours** of safety talks in 2025

**Zero Lost** Time Incident Frequency Rate (LTIFR)

**Zero major** spills in all plants

**35%** female in workforce



## Eco-friendly packaging

### 2022 RESULTS

**80%** of the raw materials used in cartons is recycled

### 2025 TARGETS

To use recycled material in other packaging materials



# SUSTAINABLE OPPORTUNITIES

## Identification and review

We have transitioned from project-based to a process-based approach to support our mechanism that identifies sustainability opportunities that are inclusive. This new approach helped us to collaborate with the entire company, encouraging contribution from all employees to participate in this process. Another procedure in place is the idea generation process that is structured towards prioritizing initiatives with most severe impacts on people and the environment and addressing SDG targets through beneficial products, services, or investments. Reports are generated as part of a periodic reporting system to assess the value generated and progress made on various sustainability initiatives.

At the ADG group level, we have a Sustainability Council. It meets every quarter to discuss our progress on sustainability initiatives, and reviews, and sets new sustainability goals at the subsidiary level and at the group level. The council is led by the Chief Sustainability Officer of the Al-Dabbagh Group. Each ADG company is represented by at least one member in the council.



## PROCESS OF GATHERING SUSTAINABILITY DATA

**01**

Our company has identified KPIs based on GRI and SDG.

**02**

Raw data collection from relative systems and documents.

**03**

The process of collecting data has been verified internally. Backup in place.

**04**

Sustainability Dashboard.





# STAKEHOLDER ENGAGEMENT







## Process of Materiality Assessment

In 2022, we conducted our first Materiality Assessment, with the key objective of identifying key material issues that form a part of our impact materiality in collaboration with our internal and external stakeholders. To come up with the material topics for Petrolube, we first identified a set of 36 broad topics divided into Environment, Social and Governance themes. These topics were sourced through a process of GRI/ SASB/ SDG mapping, peer benchmarking and industry specific research.

**At Petrolube, we constantly engage with our stakeholders to update them on our sustainability progress, ideas, and targets. It also helps us understand their expectations in terms of the company's current standing and future plans, and enables us to achieve our sustainability aspirations and helps us in devising strategies and building action plans.**

**As part of our materiality assessment, a range of 36 materials topics were added in a survey format, wherein the respondent had to rate the criticality of each topic with respect to Petrolube's business sustainability. To do so, we involved our internal and external stakeholders to share their opinions on the relevance of identified material topics.**

The survey was circulated to company's internal and external stakeholder categories as follows:

-  Shareholder/ Investor
-  Customer
-  Regulatory/Government
-  Colleagues
-  Supplier
-  Industry associations

After receiving the responses from the survey, data analysis was conducted to ascertain the top 15 topics for Petrolube in relation to Environment, Social, and Governance. We conducted an evaluation of the survey responses from stakeholders, taking into consideration their expertise on sustainability issues to determine the most salient areas of concern.

The material topics relevant to stakeholders were systematically mapped and compared to the topics deemed important by key management personnel of Petrolube, to identify areas of alignment and variation between the two

perspectives. The materiality matrix allows key management to prioritize the mitigation of material issues, recognizing their critical impact on the company, and dedicating the highest level of attention and resources towards this effort. The company plans to take fair initiatives in the coming years to mitigate the negative impact of these issues, given how important the 15 material topics are to us.

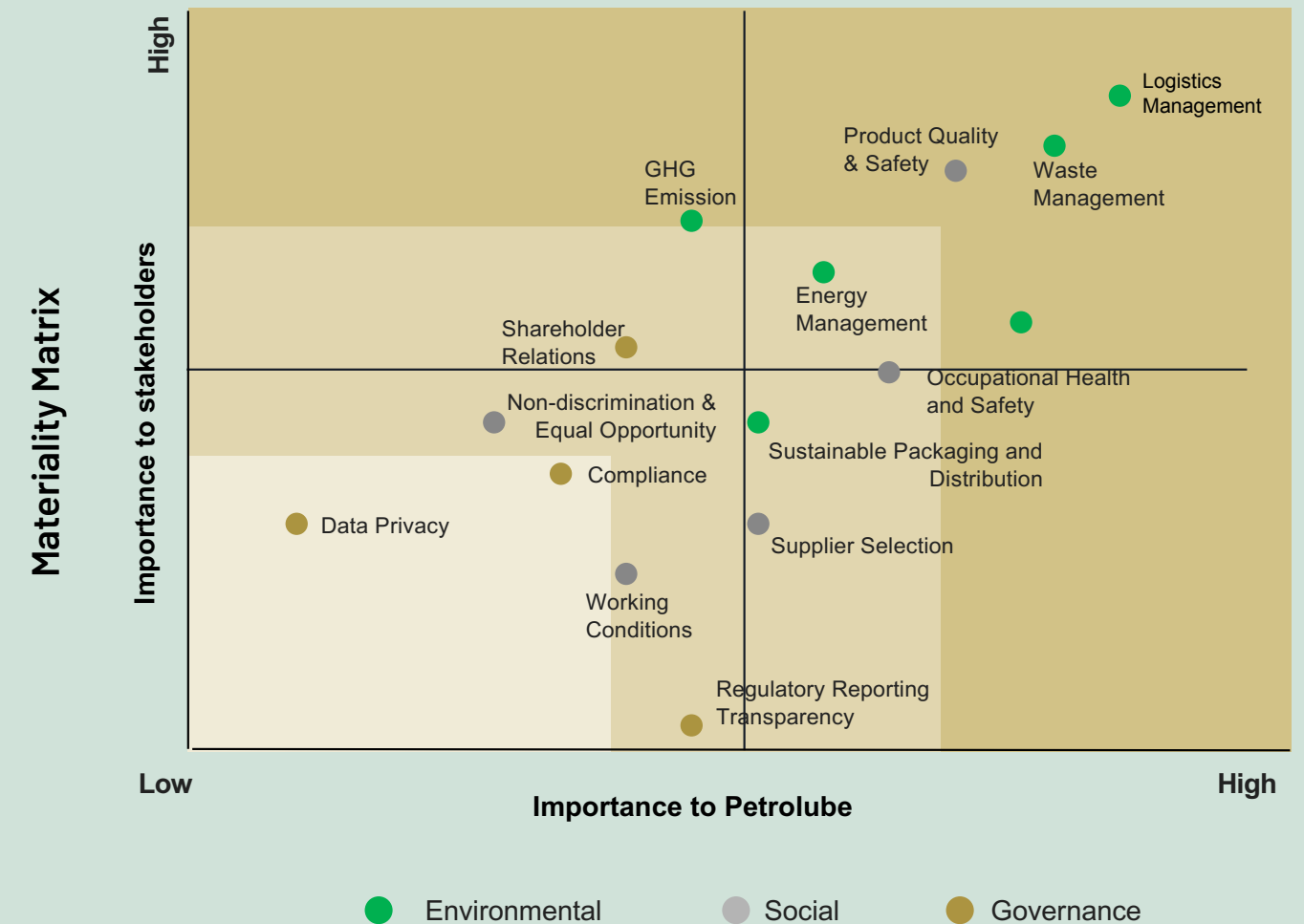
We will continue to monitor and track the progress of each of these topics over the years and conduct a materiality assessment in subsequent years to gain further understanding of any unidentified material topic.

## The 36 broad topics were as follows:

- **GHG Emission,**
- Climate Adaptation, Resilience, and Transition,
- Air Emission,
- **Energy management,**
- **Adoption of green technology,**
- **Logistics management,**
- Biodiversity,
- **Waste Management,**
- Water and Effluents,
- Closure and Rehabilitation,
- Asset Integrity and Critical Incident Management,
- Sustainable sourcing of raw material,
- **Sustainable packaging and distribution,**
- Business Model Resilience,
- **Occupational Health and Safety,**
- **Working conditions,**
- Living wage and working hours,
- **Non-discrimination and Equal Opportunity,**
- Recruitment and Training,
- Talent retention,
- Forced Labor and Modern Slavery,
- Freedom of Association and Collective Bargaining,
- Local Communities,
- Economic Impacts,
- Rights of Indigenous People,
- Conflict and Security,
- **Product Quality & Safety,**
- **Supplier Selection,**
- Marketing and Labelling,
- Access & Affordability,
- Anti-competitive Behavior,
- Anti-corruption and business ethics,
- **Compliance to company's policies and strategies,**
- Payments to Government and lobbying,
- **Shareholder Relations,**
- **Data Privacy and Information security and**
- **Regulatory reporting transparency**

# MATERIALITY ASSESSMENT

Petrolube has been progressively taking appropriate measures to address all identified material topics. The top 15 material topics have been listed below, with relevant SDGs mapped to each topic, along with a brief description of the initiatives being taken or will be taken for respective topics. A detailed explanation is provided in the following pages.



Material topics	SDG	Comments	Pg no
● Logistics Management	7, 11, 12, 13	Taking steps to reduce the number of trips and increase the load carried per trip	24-26
● Waste Management	9, 11, 12, 13	Waste segregation and recycling	29-31
● Energy Management	7, 9, 11, 12, 13	Solar energy panels to be set up at one of the plants, LED lights installed in offices	27-28
● Adoption of Green technology	9, 11, 12, 13	Re-refining of used lubricants oil (planned initiative)	31-32
● Sustainable packaging and distribution	9, 11, 12, 13	Using cartons with recyclable material, plans to use recycled plastic bottles and drum reconditioning	30
● GHG emissions	7, 9, 11, 12, 13	Reducing scope 1 and scope 2 emissions through logistics management and renewable energy sources	24-28
● Product quality and safety	3, 11, 12	3 labs in place to test samples from each batch to ensure quality control, quality internal audits in place. The company is certified ISO 9001:2015.	51-52
● Occupational health and safety	1, 3, 8	HSE management system in place with goal to have zero incident rate. The company is certified ISO 45001:2018.	39-41
● Supplier selection	8, 11, 12, 17	Supplier selection process and vendor code of conduct in place	44-45
● Non-discrimination and equal opportunity	1, 5, 10	Diversity policy in place to increase the percentage of female employees in the company	36-38
● Working conditions	8, 10, 11	Encourage efficiency in the use of work time by making available effective measures and tools in the company	38, 46, 49
● Compliance to company's policies and strategies	9, 16	Grievance mechanism and various SOPs in place to ensure compliance to company's policies and procedures	38,39,46,49
● Regulatory Reporting Transparency	16	Independent audit conducted across company	50
● Data Privacy and Information security	16	Ensuring all data is protected through use of technology tools	
● Stakeholders' relations	17	Regular stakeholder engagement	16



# UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGS)

The UN SDGs are a set of 17 global goals, as a universal call to action to end poverty, protect the planet and ensure that all people can enjoy peace and prosperity by 2030.

Through various sustainability led initiatives, Petrolube has contributed towards most of the SDGs.



## EXAMPLES OF OUR CONTRIBUTIONS TO THE UN SDGS

- 

**1 NO POVERTY**  
Supporting women and local/ Saudi nationals by providing equal employment opportunities.
- 

**3 GOOD HEALTH AND WELL-BEING**  
Providing health and safety benefits to employees through a robust HSE management system including mental well being.
- 

**4 QUALITY EDUCATION**  
Offering various technical and soft skill development sessions to our employees, and providing internship/ apprenticeship opportunities to university students.
- 

**5 GENDER EQUALITY**  
Providing equal employment opportunity to all genders without any discrimination.
- 

**6 CLEAN WATER AND SANITATION**  
Commitment to efficient use of water by treating all the wastewater generated as per local regulations.
- 

**7 AFFORDABLE AND CLEAN ENERGY**  
Contributing to clean energy by installing LED lights in all offices, with plans to install solar panels at our Dubai plant.
- 

**8 DECENT WORK AND ECONOMIC GROWTH**  
We respect all labor rights laws and have a code of conduct in place for own operations and suppliers to conduct business ethically.
- 

**9 INDUSTRY, INNOVATION AND INFRASTRUCTURE**  
Our Omnipeneurship awards provide a platform to internal and external stakeholders to participate in challenge to suggest innovative technologies to achieve circular economy and reduce waste.
- 

**10 REDUCED INEQUALITIES**  
Committed to providing equal employment opportunities and remuneration to all, irrespective of age, gender, religion, and nationality.
- 

**11 SUSTAINABLE CITIES AND COMMUNITIES**  
Extending a platform to university students through internship and employment opportunities.
- 

**12 RESPONSIBLE CONSUMPTION AND PRODUCTION**  
Increasing the recycle content in our packaging, reducing emissions from logistics, installing LED lights in our offices, and working on technology for the re-refining of used lubricant oil.
- 

**13 CLIMATE ACTION**  
Initiatives to reduce emissions from logistics, plans to install solar panels in plants, successfully installing LED lights in our offices, currently working on technology for re-refining of used lubricant oil.
- 

**16 PEACE, JUSTICE AND STRONG INSTITUTIONS**  
We respect human rights and are committed against bribery and corruption practices. We have a business code of ethics to be complied by all employees.
- 

**17 PARTNERSHIPS FOR THE GOALS**  
Establishing partnerships with various governmental and private organizations to drive the transition to a more sustainable and low carbon intensive ecosystem Such as Saudi National Committee for Lubricants and Base Oil, SASO, NCEC (National Center of Environmental Compliance), ASTM, API (American Petroleum Institute), NLGI (National Lubricating Grease Institute), ABB. MOU was signed with Luberef and SIRC for collaboration regarding re-refining of used lubricants.

# CORPORATE GOVERNANCE

Through our Corporate Governance structure, we aim to create long term value for our stakeholders, strengthen board leadership accountability, and work towards building a responsible brand in the markets we operate. We have implemented a well-defined and effective governance structure, data reporting structure, and internal controls throughout Petrolube. This helps us to take appropriate decisions not only for the company but also for our stakeholders while upholding our values of Integrity, Forward Thinking, Passion, Teamwork & Respect.

Petrolube believes that strong corporate governance helps us adhere to our mission of manufacturing and marketing quality petroleum products and automotive services by empowering our people to exceed the expectation of our customers, partners, shareholders, and the wider community.



Petrolube believes in strong corporate governance which helps us adhere to our mission of manufacturing and marketing quality petroleum products and automotive services by empowering our people to exceed the expectations of our customers, partners, shareholders, and the wider community.

Our Board of Directors is comprised of one executive, three independent, and four non-executive directors, of which five are men and three are women (%38), all that come from different nationalities, educational backgrounds, cultures, skills, and experience.

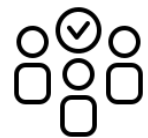
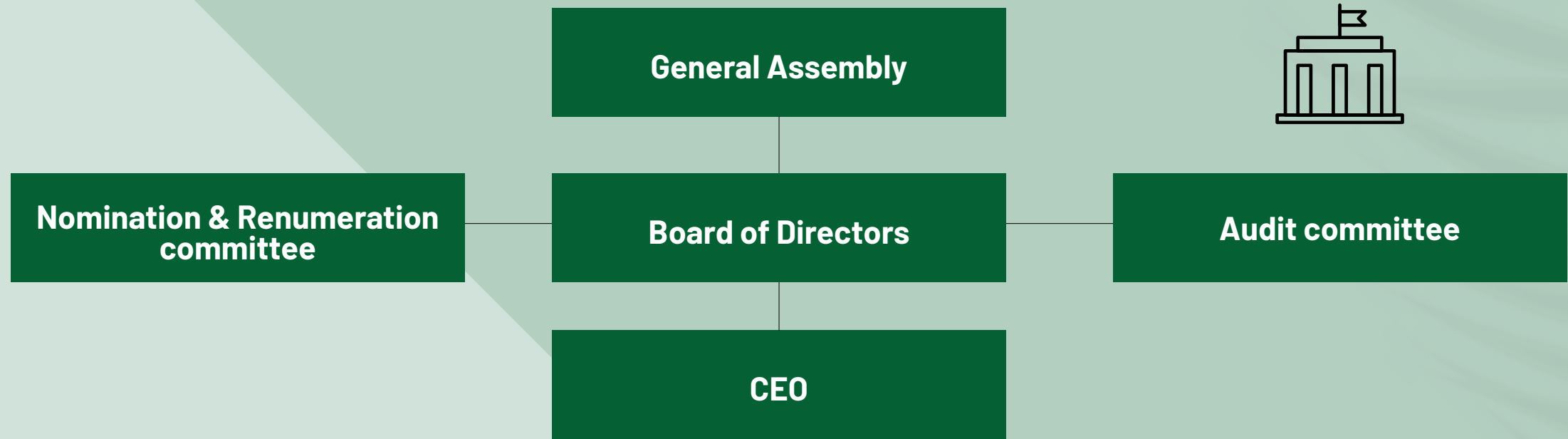
Petrolube is a subsidiary company of Al-Dabbagh Group (ADG), where the governing body of Al-Dabbagh Group serves as the highest governing body for Petrolube. The Board of Directors are responsible for convening board meetings, forming committees, and taking strategic decision, whilst the chairman and the CEO are selected by the General Assembly. The current chairman is His Excellency Mr. Amr Al Dabbagh.

The Board of Petrolube is comprised of the Nomination & Remuneration committee and Audit committee, (both or each) of which are composed of eight board members, and two board committees at the leadership level from diverse, experiences, and well-qualified backgrounds. Our focus on sustainability is demonstrated through our Sustainability Council of Al-Dabbagh Group at group level, comprised of at least one member from each ADG company, who convene quarterly meetings specifically focused on sustainability initiatives. The Chief Sustainability Officer of ADG, a member of the council, and our Chairman offer consultations following these initiatives, with the primary objective of reviewing, assessing, and taking appropriate action to ensure that Petrolube's operations align with its sustainability goals.

**Our Board of Directors is comprised of one executive, three independent, and four non-executive directors, from different nationalities, educational backgrounds, cultures, skills, and experience.**



# GOVERNANCE STRUCTURE



## Nomination & Remuneration Committee

The Nomination & Remuneration Committee has two female non-executive and independent directors, and 2 male executive directors who are responsible for the identification, nomination, and selection of the Board of Directors, and for selecting remuneration consultants, setting up a remuneration process, and deciding on the bonus & remuneration of executives. This Committee is necessary to retain, motivate and promote ration talent, to ensure long term sustainability of talented management, and to assist the board in fulfilling all related responsibilities.



## Audit Committee

The Audit Committee is comprised of one independent member, one external and non-executive member, and two executive members. The Committee determines the adequacy of internal controls, promotes best practices, and identifies operational inefficiencies and responsible use of resources. It is also responsible for appointing an external financial auditor, supervising financial audits, and ensuring the internal financial audit.



## Sustainability Council

We have a sustainability council at the group level, representing all companies of Al-Dabbagh Group and is comprised of a member from each ADG company in addition to The ADG Chief Sustainability Officer. The aim of the Council is to develop an overall approach to facilitate the sustainable growth of the company. It is responsible for supervising all and establishing new sustainability initiatives, finalizing sustainability targets and reviewing and monitoring the progress achieved against the targets.

# BOARD OF DIRECTORS



**H.E. Amr Al Dabbagh** | Exp 23+Yrs  
*Chairman of the Board (Non-executive)*

His Excellency Mr. Al-Dabbagh is the Chairman and CEO of Al-Dabbagh Group. He is also the Chairman of Petromin Corporation since 2013 and serves as Chairman of two publicly listed companies, Tanmiah Food Company since 2019, and Red Sea International (RSI) since 2012.

He also serves on several international boards, including: Cleveland Clinic's International Leadership Board; Board of Trustees, The Eisenhower Fellowships; Distinguished Fellow, The Global Federation for Competitiveness Councils (GFCC). Previously, he held the position of Governor and Chairman of the Saudi Arabian General Investment Authority (SAGIA), with a rank of a minister, from 2004 until 2012.

Mr. Al Dabbagh was granted an honorary Doctor of Business Administration from the University of New Haven, Connecticut, USA



**Lina Al Sheikh** | Exp 19+Yrs  
*Board Member – Independent*

Head of Private Banking in Alinma Bank. Lina worked in Samba for 17 years. She holds an MBA from King Abdulaziz University.



**Hind Alzahid** | Exp 14+Yrs  
*Board Member – Independent*

She is Highly driven **business and people leader**, strategic thinker and excellent relationship builder with extensive experience in developing and supporting entrepreneurs

She is known for **developing successful projects** and relationships that deliver breakthrough results

Her reputation in **people management** is as a collaborative, approachable leader, passionate about identifying and developing the potential in others..



**Joanne Goddard** | Exp 15+Yrs  
*Board Member – Independent*

Joanne has been a **sustainability professional** since 2007 and founded Green & Good in 2016. Applying the in-depth knowledge and experience she gained from her background in leading sustainability functions at Aviva and Old Mutual, Joanne has worked with businesses of all sizes to implement **sustainability strategies and catalyze climate action.**



# BOARD OF DIRECTORS



**Dirk Vanderbroeck** | Exp 23+Yrs  
*Board Member (Non-executive)*

Mr. Dirk Vanderbroeck is the Chief Financial Officer of Al- Dabbagh Group. He is a strategic finance professional with over two decades of experience in senior finance leadership roles across corporate finance, treasury and mergers & acquisitions in banking and corporate environments. Before joining Al-Dabbagh Group, he was at Puma Energy as Group Treasurer and most recently as Group Head of Portfolio and member of the Executive Committee. Prior to Puma Energy, he he was a Managing Director at Goldman Sachs in its Investment Banking Division. Before that he was at Royal Mail Group, where he co-lead its privatization program through a successful IPO on the London Stock Exchange, and a co-founder at Marylebone Energy Partners. Mr. Vanderbroeck holds a master's degree in business economics from the University of Groningen in the Netherlands, and Executive Leadership Development Program from HEC in Paris.



**Samir Nawar** | Exp 30+Yrs  
*Board Member, MD (Executive)*

**Mr. Nawar is a Managing Director** of Petromin Corporation  
He joined Petrolube in 1979 and has been working for 30 years in the lubricant industry. During his career his responsibilities have included technical, marketing, production and management positions.

**He attended and participated** in several lubricant technical bodies in Saudi Arabia and abroad like Saudi Arabia Standard Organization (SASO) NLGI , SAE, ASTM , ICIS-LOR ..Etc.



**Kalyana Sivagnanam** | Exp 30+Yrs  
*Vice Chairman of the Board (Non-executive)*

Mr. Kalyana, is the Group-CEO of Petromin Corporation.  
**He has rich Global experience** with start-ups and growing established and non-performing businesses.

# Environment

# 03

- ▶ GREEN SUPPLY CHAIN
- ▶ ENERGY MANAGEMENT
- ▶ WASTE MANAGEMENT
- ▶ CIRCULAR ECONOMY
- ▶ WATER MANAGEMENT
- ▶ ENVIRONMENTAL AWARENESS



# GREEN SUPPLY CHAIN

Owing to our commitment to Saudi Arabia's Vision 2030 and aligning with our Group's sustainability strategy, carbon footprint reduction is our utmost priority. We are taking various initiatives to reduce our carbon emissions which forms a part of our scope 1 and scope 2 emissions.

Green supply chain management inculcates sustainable environmental practices into the upstream value chain. This includes taking initiatives in activities such as the manufacturing, packaging and transportation of raw material to the company.





## CASE STUDY: Logistics Efficiency



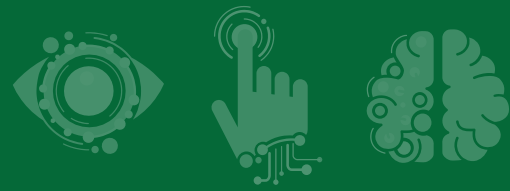
In an effort to reduce our carbon footprint, we are focusing on logistics efficiency as an important measure. We consider 2018 as a baseline year in which we started taking initiatives to reduce our carbon footprint.

As part of this project, we started working on logistics management through efficient utilization of logistics capacity and effective route scheduling/ trip planning.

With this plan in place, we started tracking the utilization of trucks and monitoring fleets moving from our plants to distribution centers and to our customers. This initiative resulted in significant reduction of CO2 emissions associated with adjusted logistics operations.

INITIATIVES TAKEN	IMPACT MADE	WHAT NEXT
<ul style="list-style-type: none"> <li>We identified the common routes for all the orders received and clubbed the orders on those routes to decrease the number of trips Utilized 15 meters long trailers to increase product volume per one trip.</li> <li>Replace the old model trucks with newer models with our transporters support.</li> </ul>	<ul style="list-style-type: none"> <li>Improved trip efficiency by 23% since 2018 Average fleet running reduced by 11.5 KM (25% reduction) for every ton of product delivered</li> <li>Reduced 3,7 Tons of CO2 emissions compared to the baseline emissions in 2018</li> <li>This reduction of CO2 emissions is equal to the emission released by 790 cars running on a full year basis.</li> </ul>	<ul style="list-style-type: none"> <li>Use of more energy efficient vehicles Finding new ways to optimize load carrying capacity of trucks</li> <li>Replace existing diesel-powered trucks with clean energy options like hybrid/ EV/ hydrogen/ biodiesel, etc.</li> </ul>





## CASE STUDY: Logistics Efficiency



**REDUCTION OF CO2  
EMISSION EQUIVALENT  
TO 790 CARS RUNNING  
PER YEAR**

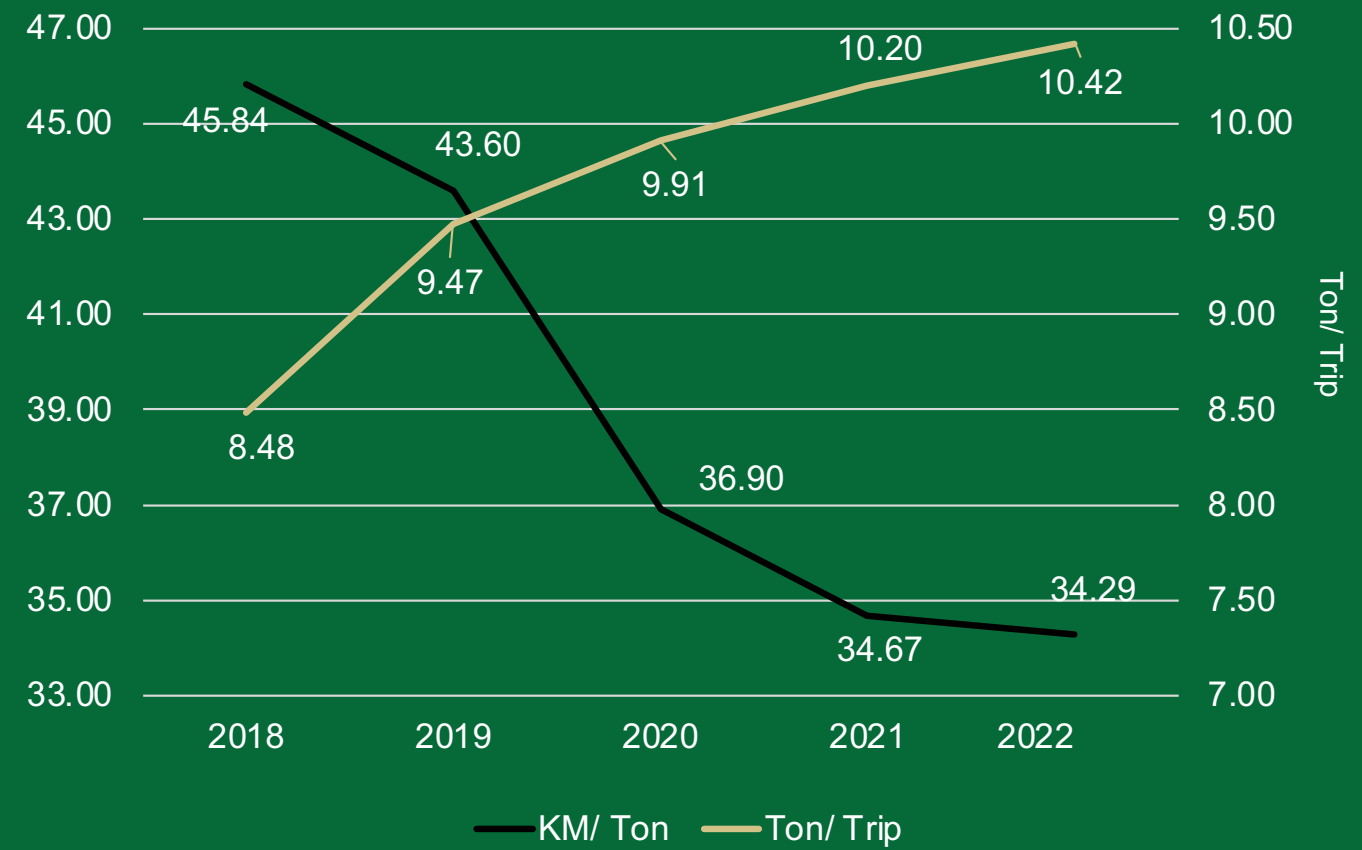


**3.7**  
Mn Kgs  
CO2 saved



**04**  
Million KM  
saved

KM/Ton and Ton/Trip from 2018 to 2022



### RESULTS

**25% reduction**  
in KM/Ton  
delivered

**23% improvement**  
in Tons  
per trip

**37% CO2  
reduction**  
~ 3.7 Million  
KGs

**18% reduction**  
in unit  
cost/ton  
compared  
to baseline

### TARGETS

**Reach 30%**  
reduction in  
KM/Ton by  
2025

**Reach 30%**  
improvement  
in tons / trip

**Reach 40%**  
reduction  
in carbon  
footprint by  
2025

**Reach 20%**  
reduction in  
unit cost by  
2025

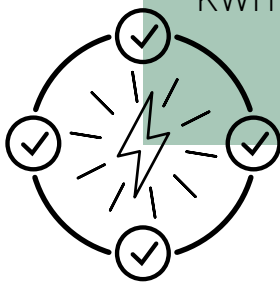
# ENERGY MANAGEMENT

As an operator of large lubricants manufacturing plants, we at Petrolube understand the kind of impacts we can have on the environment. We are committed to reducing our carbon footprint and to do so, we aim to reduce our energy consumption through various initiatives such as using solar power, LED lights, avoiding excessive energy usage, using advanced eco-friendly energy efficient utility products, etc.







At our Jeddah plant, we have a fully functional Energy Management system (EMS), to collect energy management data from the field so that it can be made available to relevant users in the form of a dashboard. This enables managers to monitor, control and optimize energy usage.

Reducing energy consumption is at the heart of our energy management strategy. We are adopting multiple ways and means to reduce our consumption such as exploring new technologies, modifying old processes, providing training, and spreading awareness.

In line with our project, we have installed LED lights in our operations sites and offices. We have also completed the insulation of chiller water tank in April 2022 with a projected annual savings of 21,922 KWH this initiative was one of the outputs from the Energy Audit.



## EMISSIONS RELATED DATA FOR 2021 AND 2022

KPI	2021	2022
 Total electricity consumed in the company (KWh)	9,382,960	9,320,065
 Diesel consumption (liters)	729,007	740,465
 Scope 1 emissions (MtCO2e)	11,162	12,287
 Scope 2 emissions (MtCO2e)	6,733	6,688
 Renewable energy	0	0
 Energy intensity (KWh/Mt product)	37.6	36.19



## SOLAR ENERGY

Petrolube has signed an agreement with one of the leading solar solutions companies to install solar power systems at our Dubai plant (Technolube). With these in place, 45% of the energy used in the plant would be from solar power comparing to 2021 consumption base year. The amount of carbon emissions reduction by this project will be **0.5 Mn KGs/year** which is equivalent to the carbon footprint of **120 vehicles or 64 homes**.

We aim to introduce solar energy in KSA operations sites as well once the policy of providing energy to the grid is announced.

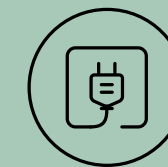
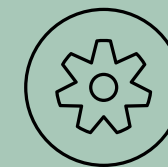
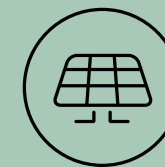
Our goal is to achieve

# 15%

**carbon footprint reduction by 2025.**

# 45%

of energy used in the Technolube plant will be solar by **Q3 - 2023.**



### Road map to energy reduction

At Petrolube, we have embarked on the journey of energy reduction by avoiding energy loss, upgrading older technologies, and launching small initiatives that helps reduce the energy consumption.

Some of the initiatives we have taken up to lower power consumption include installation of air ducts in utility rooms to cool down the temperature and decrease power consumption, insulation systems in chiller tanks, steam networks, and thermal oil systems, in addition to regular repair of air ducts to prevent any leaks. We will also be installing sensor-based LED lighting in all our offices by the end of 2022.

# WASTE MANAGEMENT

Petrolube has taken a holistic approach to minimize the waste in our operations and supply chain. Our main sources of waste are packaging materials, lab chemicals, and general waste. We are committed to minimizing any waste generated through these processes, by following the popularly known as the 3Rs: **Reducing, Reusing, and Recycling.**

Waste segregation is a critical step for recycling our waste properly. To ensure this, we train our employees on a regular basis. Through the segregation process, we can send identified waste to the right contractors.

Broadly we categorize our waste in two categories: hazardous and non-hazardous. Our hazardous waste is generated from materials like adhesive, chemical and base oils, whereas non-hazardous waste is typically generated from packaging material like plastic, paper, and steel.

Petrolube recycles non-hazardous wastes through contracted public & private organizations and municipal companies, whilst our hazardous waste treatment requires special capabilities for which we have contracted certified third-party agencies in KSA and Dubai.

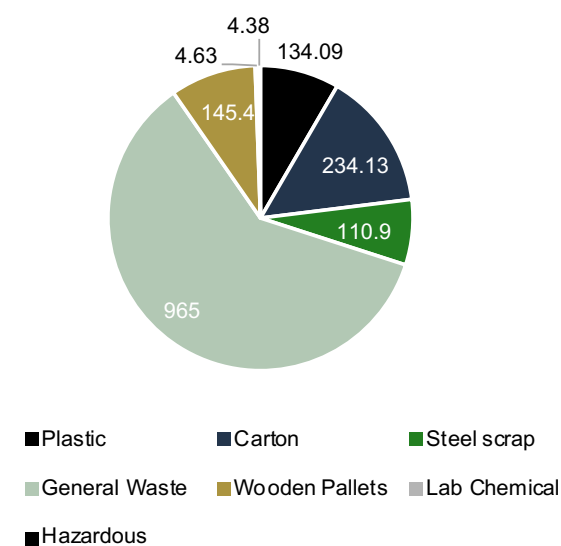
Waste segregation training once in a quarter

We aim to recycle **70%** waste generated by 2025

## WASTE RELATED DATA FOR 2021 AND 2022

	2021	2022
Total waste generated (Mt)	1,054	1,610
Total hazardous waste (Mt) treated	3.56	4.38
Total waste sent to landfill (Mt)	520	965
Total waste recycled (Mt)	391	495
Total waste reused (Mt)	143	150
% of total waste reused & recycled	51 %	40%

Types of waste generated (tonnes) (2022)



Eliminating hazardous waste and focusing on recyclable waste







## **FUTURE ROADMAP FOR ECO-FRIENDLY PACKAGING**

Middle East is responsible for 8% (1.2 Million Tons) of global plastic production. Owing to urbanization and population growth, this number is only going to increase.

*We use plastic bottles, cartons, stretch wrap and steel drums to package our products. Currently, our packaging cartons contain 80% recycled materials, and we have an initiative in place to recycle the plastic bottles and recondition the steel drums.*

Petrolube is seeking innovative technologies and solutions to assist in dealing with the ever-growing plastic waste crisis, specifically with regards to the high-density polyethylene (HDPE) contaminated with oil residues.

**Plastic Recycling** HDPE contributes to a large part of plastic waste and once it gets contaminated, its recycling and reuse becomes very challenging and economically non-viable.

We initiated a Gallery challenge in 2021 to get ideas on cost-effective recycling and/or repurpose oil contaminated HDPE waste. We are identifying the best solution provider, after which we will finalize the vendor and initiate work on the project.

**Drum recycling or reconditioning** is another critical step towards the sustainable disposal of wastes. Under this project, to limit pollution and reduce our cost of packaging materials, we aim to collect used steel drums and recondition them to a standard that matches that of a newly produced drum, enabling us to reuse and refill again. We are currently evaluating suppliers to recondition the drums, to ensure that the quality of reconditioned drums is at par with the new ones.

# CIRCULAR ECONOMY

As an industry leader in the lubricants segment, Petrolube has always believed in innovation and forward thinking. Progressing in the same direction, we started acting on sustainable innovative solutions and defined re-refining of used lubricants as one of the great opportunities.

## Forward thinking

Re-refining of used lubricant is an important step towards circular economy. We are making coordinated efforts to use best technology for re-refining lubricant and for this we are getting support from the Ministry of Energy (MOE), Luberef, Aramco, SASO, Lube oil companies and Saudi Investment Recycling Company (SIRC). We have also signed an MOU with SIRC, and Luberef to work on exploring the usage of re-refined lubricants. The ambitious re-refining process comes with some challenges due to issues pertaining to the collection and quality of used oil. We are currently evaluating the pros and cons of the used oil collection process and exploring methods for efficient collection and re-refining of used oil.

## Future Roadmap of using Re-refined used Lubricant

With successful implementation, using Re-refined lubricants can avoid

**85%**

GHG emission

&

**95%**

Heavy metal emission

into the atmosphere, vs. the conventional methods of procurement.



**34 times less**

usage of fossil fuel resources- leading to 2-3 times reduced carbon emissions.

**Flushing oil:** All our manufacturing plants have KPIs in place to recycle flushing oil generated during the production process. In 2022, 100% of generated flushing oil was reworked and there are initiatives in place to reduce the generated flushing oil during change overs.



# GREEN LUBRICANTS

Green or biodegradable lubricant is a revolutionary step in reducing emissions in lubricant manufacturing. It uses virgin vegetable oil in place of mineral base oil. Green lubricant releases lesser emissions compared to conventional lubricants.

## Omnipreneurship Grand challenge:

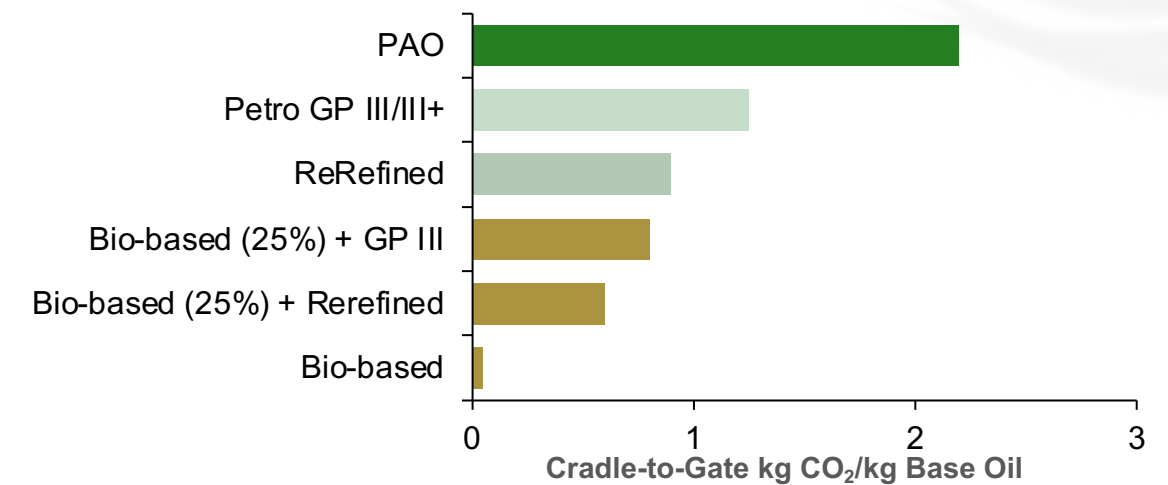
The idea of using used cooking oil into biodegradable lubricants came from our annual ADG group level Omnipreneurship program, which is aimed at providing innovative, forward thinking and viable solutions to a business challenge. Under this program we invited stakeholders from universities, companies, and research centers around the globe to participate to submit applications for this program.

We encourage and engage various research centers and Technology providers, to discuss the viability, feasibility and impact of the suggested technologies to allow us to provide the most optimal and environmentally friendly lubricant solutions.

## 2 finalists from KAUST & UPM

(King Abdullah University for Science and Technology) and (University Putra Malaysia) were selected for the demo phase.

## CO2 Emissions for Fully Formulated 0W-20 Engine Oils using Same Additive Package & Treat:



During that Grand challenge, Petrolube received a total of 26 technology proposals from different universities and research centers. These proposals were evaluated based on specific criteria and the top two finalists were shortlisted for the demo phase.



# WATER MANAGEMENT

As a lubricant manufacturer, we use raw materials for the final product. These raw materials are base oils and additives which do not bond well with water and hence, we consume most of our water from municipal water sources.

**In 2022, our total water consumption was 8.34 mega liters.**

We regularly monitor our water usage so that we can take appropriate steps to conserve water. We are always on the lookout for new technologies and solutions which can further reduce our water usage and make it more efficient.

we started changing the normal faucets to motion-sensor faucets to reduce the water consumption.

## Treatment of wastewater:

Any oily water generated from our plants is being treated through certified third-party service providers.

**In the year 2022, we were successfully able to treat 4.85 mega liters of water.**

We have also received treatment certificates as an assurance of our water treatment initiatives.

Our manufacturing process is not water intensive.



### WATER MANAGEMENT FOR 2021 AND 2022

	2021	2022
Groundwater Withdrawal (megaliters)	0.32	0.48
Seawater Withdrawal (megaliters)	9.69	7.86
Water consumed (megaliters)	10.01	8.34
Wastewater treated (megaliters)	5.19	4.85
% of water treated	51.83%	58.00%
Water discharged to third party (megaliters)	5.60	5.50

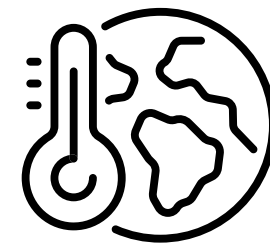


# ENVIRONMENTAL AWARENESS



## Earth Day

On 22nd April 2022, Petrolube celebrated World Earth Day to spread awareness about the importance of conserving the earth and its limited resources. We sent creative posters and flyers to employees, incorporating a QR code that provided details of our sustainability vision and plans. We also requested for suggestions and ideas on new sustainability related initiatives.



## Climate Week

From 19th to 21st September 2022, we celebrated Climate Week NYC 2022 with various activities, such as workshops, dialogue sessions with industry experts, banner campaigns, and training sessions on the impact of climate change and mitigation measures to be taken. The videos and presentations were available for viewing in our Operations Excellence portal. Employees were also given the opportunity to suggest ideas to improve our environment-related initiatives, while some of these ideas won awards.





# Social

# 04

- ▶ OUR PEOPLE
- ▶ DIVERSITY & INCLUSION
- ▶ OCCUPATIONAL HEALTH AND SAFETY
- ▶ HSE ACHIEVEMENTS IN 2022
- ▶ TALENT DEVELOPMENT
- ▶ SUPPLIER MANAGEMENT
- ▶ OMNIPRENEURSHIP
- ▶ KAIZEN



# OUR PEOPLE

## Key Figures 2022

We have **32 female** colleagues (5%)

We have **439 full-time employees** in KSA and , **217 full-time colleague** in Dubai and **168 part-time colleagues** overall.

We have on our payroll **824 colleagues** at the end of 2022.

**176 Saudi nationals** are employed as of Dec 2022.

We have **3 female colleagues** in senior positions.

We hired **58 new colleagues** while 47 colleagues resigned in 2022

**2 recordable** work-related injuries and **Zero fatalities** in 2022 for contractors.

**2 recordable** work-related injuries and **Zero fatalities** in 2022 for employees

**The quality of people is essential to the success of our company and we take pride in keeping our employees safe and healthy. We strive to develop our people, keep them safe, and engage them without discrimination. Most of our sustainability initiatives employee driven.**

In 2022, we employed 824 employees between KSA and UAE. Our aim to build a trust-based relationship with our employees. Integrity, Passion, Forward Thinking, Teamwork, and Respect are at the core values of our relationship with our colleagues.

We provide equal opportunity to each of our colleagues in promoting, giving training to, rewarding, and recognizing them. We respect each of our colleagues of age, race, gender, sexual orientation, and nationality.

Total Employee Count	Male	Female	Total
Number of Full-time employees	624	32	656
Number of Part-time employees	168	0	168
Total	792	32	824

Age	Under 30 years	30-50 years old	Over 50 years	Total
New Joinees	12	40	6	58
Leavers	5	26	16	47

Category	Male	Female	Total
Employees Eligible for Parental Leaves	422	21	443
Employees that took Parental Leaves	17	2	19
Employees that returned after parental leave ended	16	2	18
Employees that returned to work after parental leave ended that were still employed 12 months after their return to work	16	2	18

Region	Permanent employees	New Joinees	Leavers
Central region	83	3	5
Eastern region	50	1	2
Northern region	10	-	2
Sales - Qassim	19	2	1
Southern Region	21	1	2
Western Region	256	19	17
Technolube (Dubai)	217	32	18

# DIVERSITY AND INCLUSION

# 20

DIFFERENT NATIONALITIES IN PETROLUBE KSA

# 19

DIFFERENT NATIONALITIES IN TECHNOLUBE

We are currently prioritizing our efforts on the diversity under the pillar we are targeting to increase the representation of female employees in the overall workforce.



WOMEN IN LEADERSHIP

### Nationality based diversity:

To ensure better diversity in our company, we created 40% cap on each nationality per department.

Also, we mandated that the Head of Finance, Head of Internal Audit, Head of Legal, and Head of Human Resources (or equivalent titles) should not be of the same nationality unless it is the nationality of the location of the company's headquarters.

### Gender based diversity:

Another key pillar of diversity is gender equality. Under this pillar we are targeting to increase the representation of female employees in the overall workforce.

CURRENTLY

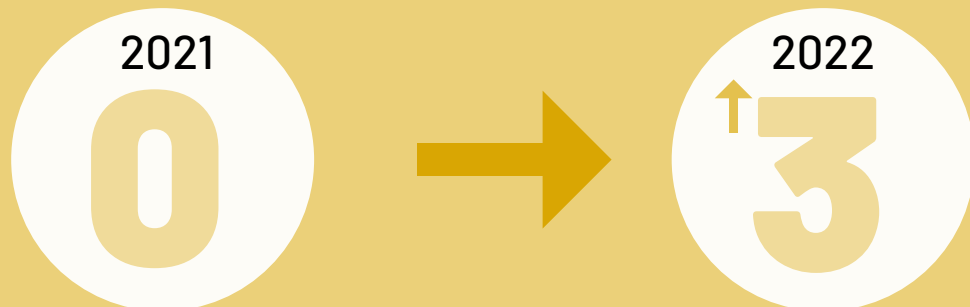
# 38%

of the Board of Directors are female; We have launched initiatives to extend these efforts to the workforce at large.

OUR TARGET IS TO INCREASE FEMALE REPRESENTATION TO

# 35%

by 2025





To meet our '2025 Gender Diversity Target', we have tweaked our recruitment pipeline and standardized these targets for hiring at all levels. We encourage the blind shortlisting of candidates, in which the HR manager does not disclose gender, nationality, age, and other demographic information to hiring managers during the initial shortlisting of candidates.

**Diversity in the context of our company primarily refers to ensuring Equal Employment Opportunity (EEO) for under-represented groups in our workforce.**

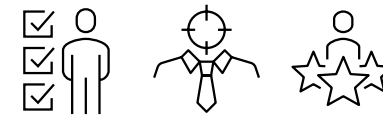
These groups include people with disability, members of racial, ethnic and ethno-religious minority groups, young people under 25 and women in senior leadership roles.

**Other dimensions of diversity** include age diversity, career/family responsibilities and socioeconomic background.

The policy mandates the development and implementation of strategic directions of **the Diversity and Inclusion Strategy 2021-2025**. The diversity of our leaders and colleague will enhance their capacity to engage with and respond to the **Saudi Vision 2030**.

To ensure a successful policy, the Group Chief Human Resources officer checks the scope and scale of this policy and monitors the implementation of this policy and reviews its effectiveness at least every three years.

All work areas of the company are responsible for implementing, monitoring and reporting on the achievements of the strategic directions of the Diversity and Inclusion Strategy 2021-2025. This information is presented in the quarterly Board meetings.



## POLICIES & PROCEDURES

As an ADG group company, Petrolube follows the diversity, equity and inclusion policy of the group that covers all aspects of the employment relationship, including the following fields:

### RECRUITMENT & HIRING

To ensure that the recruitment process for candidates does not discriminate against any groups of people.

### TRAINING, PROMOTIONS & CAREER ADVANCEMENT

To ensure fair opportunities for career promotion and advancement, as well as employee training and development.

### ANTI-HARASSMENT

Provide working conditions that are free of, and that prevent, any kind of harassment.

### REMUNERATION

To promote fair pay and ensure no discrimination in terms of salary, benefits, incentives or other forms of compensation or remuneration .

### WORK CONDITIONS

To ensure that every employee is treated with respect and courtesy, thus promoting policies and work arrangements that benefit the company and employees .

### POLICY TRAINING & AWARENESS

To provide training and measures to ensure that colleagues and management are aware of the Company's commitment to ensure EEO, non-discrimination, diversity and inclusion and affirmative action.

# OCCUPATIONAL HEALTH, SAFETY & WELLNESS

Petrolube is committed to improve the health and safety measures throughout the company. The company has a Health, Safety and Environment (HSE) policy and teams in place for this end. We are monitoring and recording each of our safety key performance indicators (KPIs) in accordance with our HSE standard and as per the international standards (ISO 45001 and ISO 14001). As part of our HSE policy, we strive to provide benefits not only to our colleagues but also to our contractors.

Our goal is to achieve ‘Zero Lost Time Injuries’ and increase the safe working hours year on year across our operations. To achieve this ambitious goal, we have an HSE management system governed by a detailed set of procedures, a brief of which is given below:

## HSE PROCEDURES

### 1. HSE risks and impacts assessment:

The risk and impact assessment procedure explains the steps involved in the identification of workplace hazards: calculating risk values, identifying risk control, and implementing, monitoring, and reviewing the hazards identification process.

#### • Identification of workplace hazards and environmental aspects

Petrolube’s HSE committee members are responsible for identifying all potential & existing hazards and environmental aspects that may cause potential harm to employees.

#### • Evaluation and Assessment of Risks

At Petrolube, we categorize risks in five major categories: Insignificant, minor, moderate, major, and catastrophic.

#### • Risk Addressal, Control and Mitigation

Once a risk is identified and a significant aspect rating is determined by the HSE committee, each hazard and aspect is mapped to its existing control measures to reduce the risk value to an acceptable level.

#### • Monitoring and Review of measures

Each team is expected to track, and review set procedures to minimize the risks and hazards.

### 2. HSE communication, consultation, and participation:

Necessary Occupational Health and Safety (OHS) and environmental matters are consulted and updated along with regular communication to all staff members.

### 3. HSE Responsibilities

The HSE responsibilities of different colleagues in the company are documented and shared.

\* NCEC: National Center of Environmental Compliance

\*\* HCIS: High Commission of Industrial Security

### 4. HSE operational control

Safety measures that can be taken to prevent future occurrence of health and safety issues. HSE operational controls includes but are not limited to HSE work instructions, HSE rules and regulations, administrative controls, work-permit systems, signage and color-coding, PPE (personal protective equipment) signs, toolbox talk, medical check, emergencies instructions, and environmental measurements by third parties.

### 5. HSE incidents investigation

This procedural document describes the process of investigating the root cause of the safety or environmental incidents and implementing corrective actions. measures.

### 6. HSE evaluation of compliance

Describes how the HSE team evaluates the HSE level of compliance with legal and other requirements and measures the degree of compliance with HSE regulation and any other relevant international and industry requirements.

### 7. HSE emergencies preparedness and response

Our emergency response plan is a part of the HSE management system. Emergency incidents include fire, gas leak, and oil spill and any natural disasters such as floods, sandstorms, heat wave, and earthquakes.

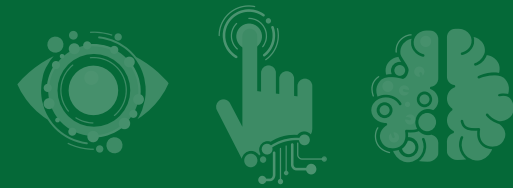
### 8. HSE legal and other requirements

Explains the steps needed to identify, study the applicability and its implementation level and determine the actions needed to comply with HSE Saudi and UAE legislations (such as : NCEC\*, HCIS\*\*, Labor law, SASO) and any other applicable regulations.

### 9. HSE Performance Measurements & Monitoring

It explains how to monitor and measure the performance of Petrolube HSE Management System.





## CASE STUDY: Health and safety at Petrolube



OUR HEALTH AND SAFETY  
AWARENESS HOURS,  
**INCREASED FROM 1411  
HOURS IN 2021 TO 1960  
HOURS IN 2022.  
39% INCREASE.**

At Petrolube, we believe that “Everyone who is working with us or for us have an important role to play in HSE”.

All our operations colleagues are encouraged to report any **potential incidents** to take preventive actions and avoid HSE accidents. In 2021 all locations reported 262 PI and in 2022, reported PIs were 277 through an online form.

Our Technolube plant conduct monthly Safety Management Walks. These internal walk-through audits are meant to ensure adherence to the safety guidelines.

We also have an HSE forum comprising teams from all three plants to share the best safety practices. They meet regularly to exchange best practices, incidents, and preventive measures. These meetings helped the safety team to learn from the trends and analysis of different plants and operational areas, providing a better understanding of the development of SOPs and Practices.

### Wellness



We treat our employees with the utmost care and provide them with additional benefits like regular health checkups. Such check-ups provide our employees an overall view on their current health status and ensure that they take better and timely measures to secure their health.

### Safe employees



Every quarter, Petrolube chooses a Safety Champion to spread awareness of and encourage safety best practices among employees. We have a two-step process to select the Safety Champion. At first, each department chooses their Safety Employees based on various criteria, such as adherence to PPE, procedures/SOP understanding, job knowledge, teamwork, potential incident reporting, and housekeeping. Once departments finalize their Safe Employees, the HSE team organizes a company level quiz competition to select the Safety Champion.

# HSE ACHIEVEMENTS IN 2022

- Recertification of **ISO 14001** for Jeddah and Technolube plants
- A **safety index** was introduced at all plants. HSE updates the index monthly
- **Reduced** the number of incidents compared to the previous year
- Laid the foundation to transform to electronic work permits
- **2,043,280** Safe Environmental hours achieved against the target of 1,000,000 Safe hours at Jeddah plant.
- **520+** candidates attended safety trainings
- **Recruited** more officers to the HSE team
- **Zero fatalities** for employees and contractors

## A GLANCE AT HEALTH AND SAFETY



Jeddah and Riyadh plants conducted "Health Lounge", covering vital signs (blood pressure, height and weight), blood sugar, Body Mass Index (BMI), vision check, dental check and general check-up in 2022.



Riyadh, Jeddah and Dubai plants witnessed 16, 22, and 21 incidents respectively.



Developed a safety indicator for all operations plants.

HSE performance at Petrolube	Jeddah	Riyadh	Dubai
No. of new incidents	22	16	21
Number of Lost time incidents (LTI)	3	0	1
Lost Time Injury Frequency Rate (LTIFR)	5.89	0	2.15
Number of fatalities	0	0	0

\*LTIFR calculated on per 1000,000 hours worked

# 39%

Increase in hours of safety training conducted in 2022.

# 1.18

Lost time injury frequency (LTIFR)\*.

# 02

Recordable work-related injuries 2022 for employees.

# 100%

Updated risk assessment, safety instruction and SOPs.

# +2

Million safety environmental hours achieved in Jeddah plant.

# 277

Potential incidents reported.

# 1,825

Safe environmental days in 2022.

# 02

Recordable work-related injuries 2022 for contractors.

# 59

Total safety incidents took place in 2022.

# 28

Mock drills were conducted in 2022.



# TALENT DEVELOPMENT

**Petrolube is committed to develop its talent at all levels without discrimination. We impart technical, soft and behavioral skills training to our employees. The methods of imparting such training are on-the-job, classroom, and virtual trainings. Training also forms part of their orientation program. These trainings not only help our colleagues perform their duties well but also aid in their career progression.**

During 2022, we provided the following list of training sessions for the employees – Carbon accounting 101, Advanced Excel, Presentation skills, Fire Fighting, Good Lab Practices, Waste segregations, IMS Internal Auditor, ISO 45001:2018 lead auditing, First aid training, Environmental Risk Assessment Course, Basics of Lubricants, Communication Skills, Lead Team Workshop, Giving & Receiving Feedback amongst others and Internal Omnipreneurship Awards awareness.

Site	Hours of training	Employee benefitted	Total employees	Average hours
KSA	1013	220	439	2.3
TECHNOLUBE UAE	947	157	217	4,4
TOTAL	1960	377	656	3.0

## Saudization Job creation:

Saudization or nationalization is a Saudi government’s national employment program aimed at employing more Saudi nationals at workplace.

In line with the Saudization policy, we have introduced amendments to our hiring policy to cater to Saudi nationals. Highlights of our commitment to Saudi nationals’ development include:

- In past three years we have given opportunities to 41 Saudi nationals under COOP training program
- Introduction of on-the-job training employment program known as Tamheer
- In past two years we have hired 131 new employees.

In 2022 we have conducted **21 training sessions** with **377 participants**

Currently **27%** of the employees are Saudi nationals



## CASE STUDY: Internship (COOP) / apprenticeship programs (Tamheer)

Tamheer and COOP are flagship training, skills development and employment programs focused on providing livelihood opportunities to fresh graduates from Saudi universities.

Under the COOP program we hire fresh graduates from universities as interns and train them in various operational tasks in our facilities. Based on their performances, we provide them with job opportunities within the company.

In the Tamheer apprenticeship program, the students are provided with on-the-job training. Through this program, we allow Saudi students to develop technical skills and understand the know-how of an actual work environment and have higher chances for employment within the company.

***In the past 2 years, COOP and Tamheer have been the go-to programs for Petrolube not only to encourage Saudization but also to hire talented entry-level candidates.***

Effat University students visit (Manufacturing Day):  
31st January 2022, Petrolube Jeddah plant hosted 20 students from Effat University (different majors, but mostly supply chain) to spend a full day at the plant and learn about end-to-end process of lubricants operations and supply chain. This event was also covered by various press agencies :

<https://www.middleeastnewsjournal.com/article/-568265496-petromin-s-jeddah-plant-hosts-students-from-effat-university>





# SUPPLIER MANAGEMENT

Suppliers play a vital role in the lubricants industry. The lubricant supply chain has many challenges in areas ranging from labour, environment to human rights. To address such issues, Petrolube has a supplier code of conduct for its partners and vendors. Our procurement department consider all these issues before selecting a supplier to work with Petrolube.

## Vendor code of conduct

Petromin Corporation's Procurement Code of Conduct lays down the policies relating to supply matters and business ethics that all business verticals and stakeholders, including procurement staff as well as vendors, have to follow.

We take responsibility of creating a transparent, fair and competitive sourcing environment even as we nurture strategic vendor relationships. We regularly align our vendors, products and services to meet the needs of our internal business partners and provide appropriate feedback to our vendors. We see our vendors as strategic partners and seek to build strong partnerships with those who share our values, respect the business relationship and provide us with quality products and services at a fair and competitive price.



### Conflict of Interest Declaration

Petrolube requires vendors to disclose any conflict of interest, whether real or apparent, that may arise from their own involvement-direct or indirect, financial or otherwise-or that of their family members, close relatives, or close friends with Petrolube or with any other company or entities, registered or unregistered, that conducts business with Petrolube. This is to ensure transparency and impartiality.

## We expect our vendors to commit themselves to these 6 core values



**1.**  
Fairness and Impartiality



**2.**  
Collaboration for managing expectations



**3.**  
Integrity



**4.**  
Efficiency and Effectiveness



**5.**  
Professionalism



**6.**  
Protection and Security of information

# SUPPLIER COMPLAINTS

We expect our suppliers to investigate the root cause of all complaints raised and provide corrective actions to avoid repetition in the future.



## Anti-corruption

Petrolube is committed to high levels of legal, ethical, and moral standards. Therefore, vendors must not, directly or indirectly, offer, promise, give or accept any form of payment or incentive to gain an improper business advantage. Vendors must not engage in fraud, bribery, kickbacks, embezzlement or any other form of corruption.



## Gift policy

At Petrolube, while we appreciate gestures of goodwill, such as permitting our staff to accept small souvenirs or mementos labeled with the vendor's logos, these should be an exception and not a normal practice. Examples of these might include a plaque or paperweight celebrating a project milestone, or other small items like T-shirts, inexpensive pens, calendars etc.

When it comes to maintaining vendor relationships, offering/accepting items of entertainment (home theatres, sporting events, fishing trips, etc) is not appropriate. When a business event is conducted in Petrolube's home city/country, Petrolube is expected to host or share the cost. This would also mean the vendor would pay when meetings are held in their home city/ country.

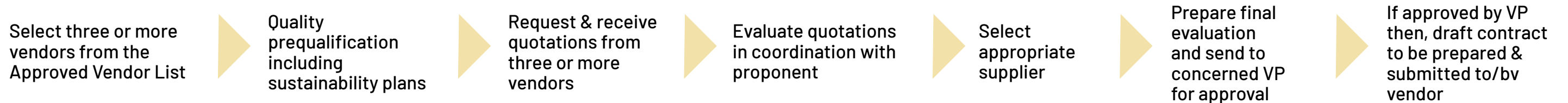
Payment by vendors for Petrolube's business travel and accommodation within KSA or abroad will not be accepted regardless of the purposes. Both parties are expected to pay their expenses separately. For shorter journeys by taxi or public transportation, the fare may be shared or paid for by the host.



## Labor rights

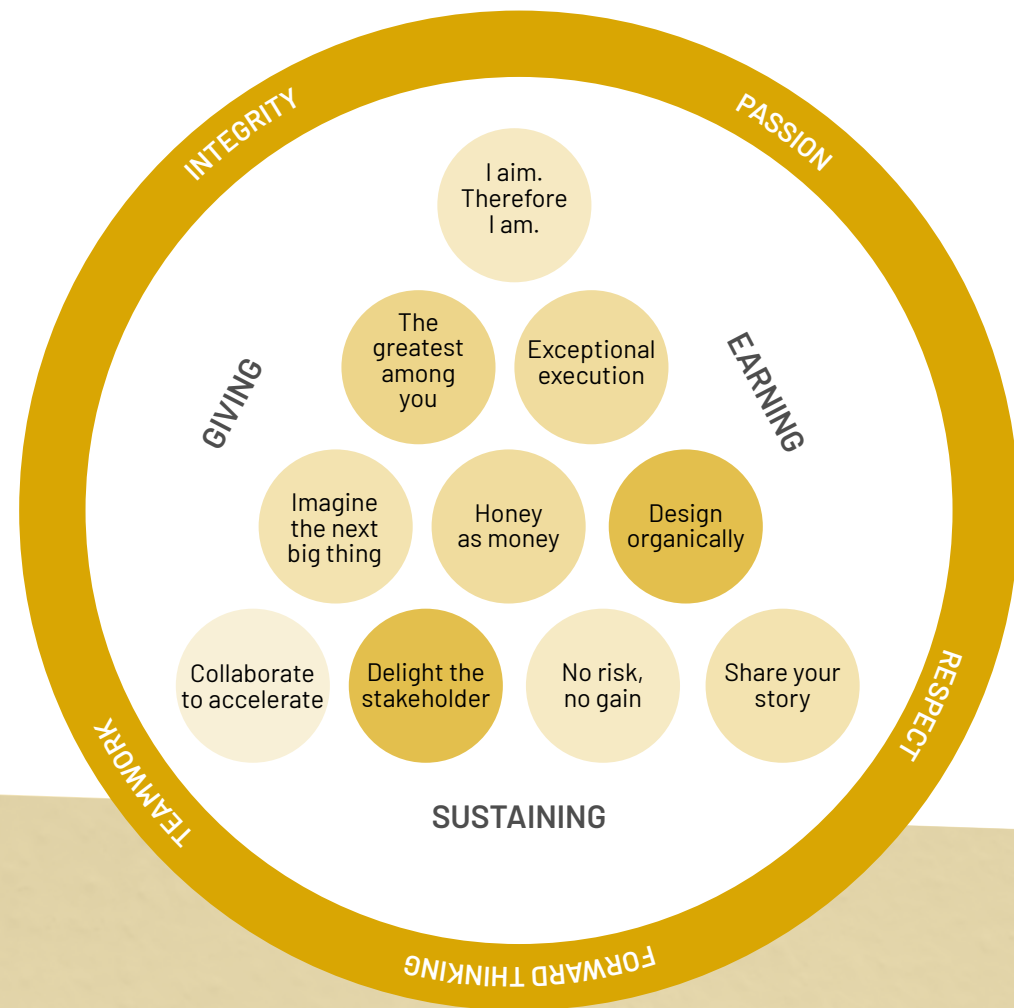
We have a responsibility to respect and protect labour rights throughout our workplace and business practices. We have clear labour rights principles embedded into our processes and business systems. We closely monitor feedback from our workplace as we strive to shape even better labour conditions for all employees.

## Supplier Selection Process





# OMNIPRENEURSHIP



## External Omnipreneurship Awards

Also called as Grand Challenge, these awards are launched through the Omnipreneurship awards portal once a year (sponsored by one of AI Dabbagh group companies), the challenge is launched to universities, companies and research centers around the globe.

Year 2021 was the second year of Omnipreneurship award program. In 2021, Petrolube launched a challenge for eco-friendly lubricants. Initially, 26 participants came up with their ideas, 2 of them were shortlisted for further process.

# 03

## PRINCIPLES

The 3 interlocking Principles are Giving, Earning and Sustaining .

# 05

## VALUES

The 5 Values are Integrity, Passion, Respect, Forward-Thinking and Teamwork.

# 10

## GOLDEN RULES

The 10 Golden rules are  
 I aim, therefore I am  
 Design Organically  
 The Greatest Among You  
 Collaborate to Accelerate  
 Honey as Money  
 Delight the Stakeholder  
 No risk, No Gain  
 Exceptional Execution  
 Share your Story  
 Imagine The Next Big Thing

## Internal Omnipreneurship Awards

Each year (from 2020 onwards), a series of "awards" in the form of idea campaigns are created and launched through the internal Omnipreneurship Awards Portal. This portal, and its campaigns, are open to all AI-Dabbagh Group companies' employees i.e., +11,000 profiles. The challenge is to propose innovative technologies to minimize the use of natural resources in lubricants manufacturing. The criteria used to evaluate and select the top submissions in each award includes but not limited to: feasibility, scalability, viability, cost of Implementation, impact, alignment to group strategy and the skillset of the submitting team.

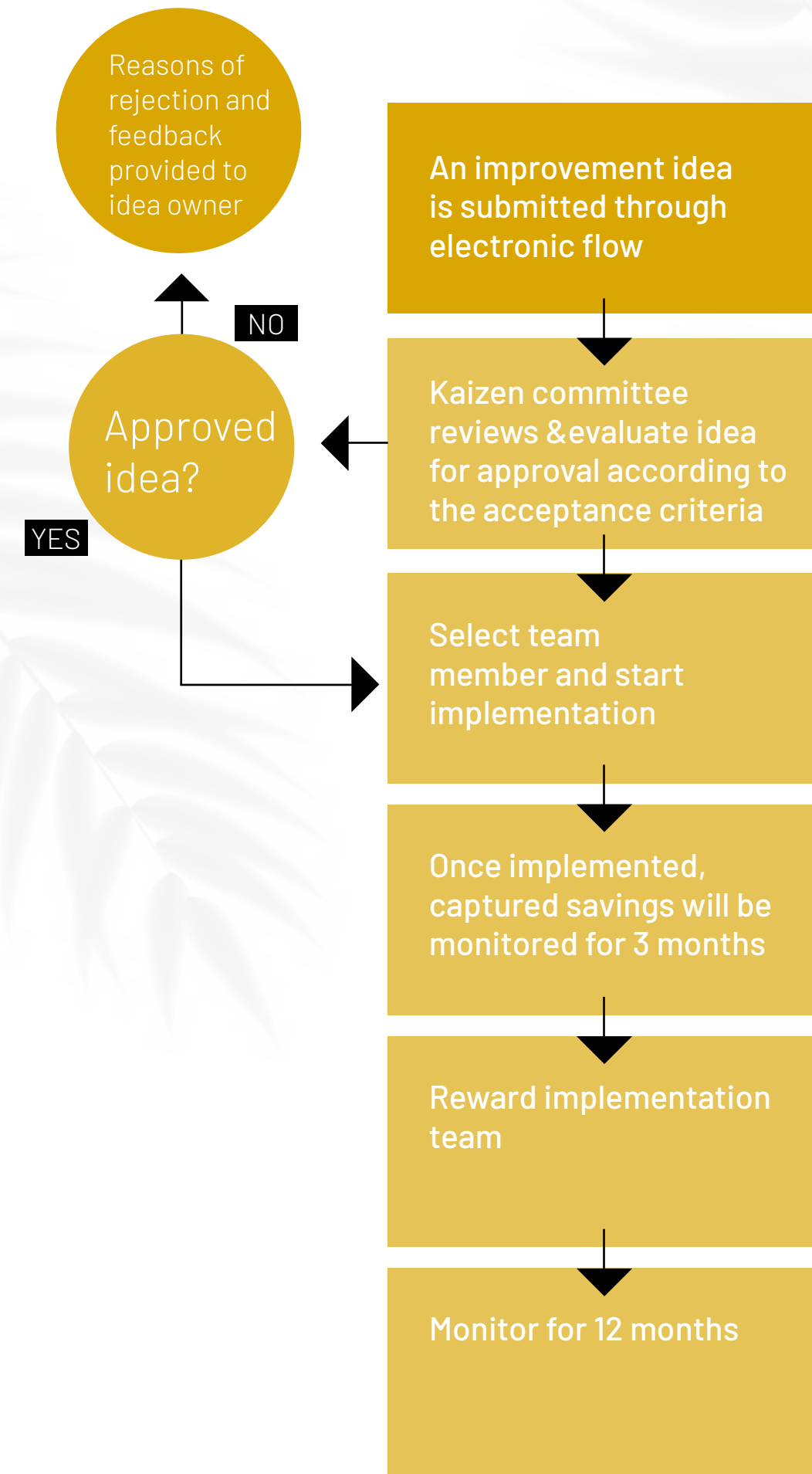
# KAIZEN

## CHANGE FOR BETTER

Petrolube Oil Company is encouraging all colleagues to come up with ideas or suggestions for improvement and implement them as part of our continuous search for improvement.

**At Petrolube, we believe in the concept of collaboration, and have a tool where we collect new ideas / feedback / suggestions from our employees to continuously improve our processes.**

Ideas received through the online portal or through brainstorming sessions will be evaluated by the Kaizen Committee to determine the requirements for implementation and for awarding ideas owners. To recognize the Kaizen winners, we have instituted a **Kaizen Wall of Fame.**





# Governance

# 05

- ▶ BUSINESS CODE OF CONDUCT & ETHICS
- ▶ AUDIT AND INTERNAL CONTROL
- ▶ QUALITY MANAGEMENT
- ▶ CUSTOMER COMPLAINT
- ▶ GRIEVANCE MECHANISM

# BUSINESS CODE OF CONDUCT AND ETHICS

We strive to make Petrolube a great place to work and to do business with. We consider every colleague as our brand ambassador and encourage them to uphold our values both within and outside the company.

Petrolube's Business Code of Conduct & Ethics: Our general guidelines for conducting business is consistent with the highest standards of business ethics and anti-corruption in line with our five core values - which are Integrity, Passion, Respect, Forward Thinking and Teamwork -. This code applies to all directors, officers, and employees of the company. Maintaining honest and forthright interactions with government and regulatory authorities is also critical for managing risk, adapting to future regulatory changes, and developing positive relationships with government bodies. Our policy clearly states that our employees should be mindful of the anti-bribery and gift policy. The policy ensures that workplace moral principles are embedded in our work culture, training, and daily endeavors. Our Code of Conduct defines the principles of meaningful engagements with different stakeholders across our value chain.

Integrity is essential to Petrolube along with Passion, Teamwork, Respect and Forward Thinking.



**Integrity**  
«If it is not right do not do it; if it is not true do not say it.»  
*Marcus Aurelius*



**Forward Thinking**  
«Advance and never halt, for advancing is perfection»  
*Khalil Gibran*



**Passion**  
«One person with passion is better than forty people merely interested»  
*E. M. Forster*



**Teamwork**  
«Alone we can do so little, together we can do so much»  
*Helen Keller*



**Respect**  
«Respect for ourselves guides our morals; respect for others guides our manners»  
*Laurence Sterne*

These core values outline how we should do business and provide guidelines on ethical business conduct pertaining to bribery and corruption, sponsorships and contribution, conflicts of interest, confidentiality, data protection and third-party due diligence. This code covers all directors, management personnel and suppliers of the company. Execution of the Code of Conduct and Ethics is supported by the following policies and internal standards:





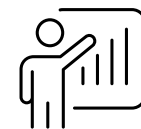
# AUDIT AND INTERNAL CONTROL

**Petrolube has an internal audit procedure to ensure better governance across all operations. We have a dedicated internal audit department for planning, scheduling and conducting internal audits.**

Our quality control team inspects the product quality, working conditions and occupational health & safety measures at our operational sites. We conduct location audits at least once a year and more than once depending on the situation, importance, past compliance history and associated risks.

We are also audited by some of our clients, external auditors (such as ISO certification bodies) and government's officials. Clients periodically audit the product quality promised by us, while external auditors verify and assure our financial and non-financial information. We are also audited by the government for compliance with legal regulations and environmental audits by the National Centre of Environmental Compliance, etc.

Through our internal audit department, we are focused on ensuring product quality with following procedure.



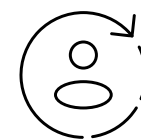
## AUDIT TEAM

- 1• Internal audit Department:** Responsible for financial and non-financial process audits.
- 2• Quality Internal Audit:** Quality assurance manager is responsible for the formation of internal audit teams. The teams include members who have no direct responsibility for audited activity. Also, auditors are suitably trained either internally or externally to carry out the audit in the best interests of the company.



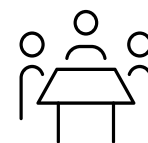
## CHECKLISTS AND AUDIT DETAIL

The audit starts with the team's familiarization with audit requirements and other details. Then they prepare a checklist to ensure that all key points are being covered and tracked properly. They also maintain a log of the samples taken and activities carried out. To carry out the audit, the auditors collect sufficient samples to nullify the possibility of any gaps. These processes are recorded in the checklist form.



## CORRECTIVE ACTION AND FOLLOW UP

Upon receiving the corrective action report (CAR), the responsible manager investigates the root causes, proposes corrective actions and indicates the correction & implementation date. The auditor then reviews and approves the proposed action. After implementation, the auditor follows up to check if the proposed corrective actions have been implemented properly.



## DOCUMENTATION AND RECORD

After the end the audit cycle, all documents are compiled, analyzed and presented at the management review meetings in the form of case studies.

# QUALITY MANAGEMENT

Petrolube's commitment to provide top quality products and services to every customer has led to the creation of a stringent quality control mechanism. We strive for quality in products, sales & services, after sales service, and others. We believe in providing excellent working conditions for our colleagues to help them maintain their focus on delivering superior quality products and services to our customers.

## Quality control

To ensure the quality of products, we have testing laboratories and a quality control mechanism in place.



**Our 3 laboratories are equipped with advanced testing equipment and our Jeddah and Dubai labs are accredited with ISO 17025:2017 certification.**

## Integrated Management System Manual:

We have an Integrated Management System (IMS) manual in place. It enhances the company's ability to consistently provide products and services that meet the required quality, occupational health & safety measures and environmental standards set by the company. Our IMS policy is designed in a way that it meets the needs of Petrolube and its interested parties. Our plants also fulfill the requirements of well-regarded international quality standards such as ISO 9001:2015 (QMS), ISO 14001:2015 (EMS) & ISO 45001:2018 (OHS). These standards are focused on consistently meeting customer requirements, and continually protecting people, interested parties and the environment from different Occupational Health and Safety risks.

## IMS processes

Petrolube has split its IMS processes into two categories i.e. core business processes and supporting processes.

### CORE BUSINESS PROCESSES

The processes which are related to company's own production, planning, customer sales, warehouse storage.

### SUPPORTING PROCESSES

These are the processes that support the core business. It includes purchasing, technical services, Quality control, Handling customer complaints, Quality assurance. They also include the HSE processes that help in the protection of both core and supportive processes, sites, environment, and people.

### CONTINUOUS IMPROVEMENT

Petrolube is committed to improving the suitability and effectiveness of different support processes. We also follow a continuous improvement mechanism through our Kaizen and other initiatives.



# CUSTOMER COMPLAINT

Petrolube is committed to serve its customers with superior quality products and services. Our aim is to provide an impeccable customer service experience. With a vision to provide world-class customer service, we take all customer complaints very seriously. We have a Customer Satisfaction Procedure in place to effectively manage customer complaints. Our Customer Satisfaction Procedure plays a key role in assuring the continuous improvement of our operational approach and practices.

Our Customer Satisfaction Procedure includes a Customer Complaint mechanism which is well-equipped to receive and address customer complaints. We have a complaint platform where every complaint is logged for further analysis. These complaints and feedback are collected through various channels including direct customers, and through our sales representatives.

We have **received** and **resolved** **17** customer complaints in **2022**.

## CUSTOMER SATISFACTION AND QUALITY ASSURANCE

The Quality Assurance department is responsible for assembling, integrating, and analyzing all complaints for discussion in the review meetings. We measure the customer satisfaction on parameters such as on-time delivery, number of customer complaints reported, recurrence of customer complaints. They then present the steps taken to address the complaint in review meetings with the customers. The Operations team presents the customer complaint status to the sales management team in the monthly/ bi-monthly meetings. The entire customer complaint mechanism data is recorded and maintained for future references.



# GRIEVANCE MECHANISM



## GRIEVANCE REPORTING

Our company values transparency and accountability, and we encourage employees and stakeholders to report any concerns they may have. To facilitate this, we have set up a dedicated email address for grievance reporting: [fraudhotline@petromin.com](mailto:fraudhotline@petromin.com)

All concerns and irregularities raised through this channel are treated with confidentiality and every effort is made to maintain confidentiality throughout the process.

Complaints are reviewed in a reasonable timeframe and if they involve senior executives and/or the CEO, they are escalated to the board's Audit Committee. In other cases, the CEO decides on the cases that are to be escalated to the Chairman of the Board. The whistleblower email and hotline are intended for reporting irregularities such as forgery, misappropriation of funds and classified documents, abuse and misinterpretation of power and authority, failure to comply with laws and regulations, corruption, bribery, theft, and other related issues.



## SAFEGUARDS

The Company prohibits discrimination, retaliation, or harassment of any kind against any whistleblower who submits a complaint. If a whistleblower feels threatened, they should immediately report it to the CEO.

In some cases, whistleblowers may be required to come forward as a witness. Even if the allegation is found to be baseless, no action will be taken against them. However, appropriate actions will be taken against any party or person making a complaint for personal gain, including submitting police complaint reports when outside parties are involved.



## HANDLING OF COMPLAINTS

Complaints are handled in consultation with the CEO and/or senior management and are directed to the department best placed to address them. The department will lead the investigation and provide prompt and appropriate resolution to the concern. All the information disclosed during the process remains confidential except for the details required to execute necessary action against the concern in accordance with any law or regulation.

The company reserves the right to refer any concern/complaint to appropriate external regulatory authorities depending on the nature of the complaint. The concerned party may be informed about the allegation against them depending on the complaint and is expected to cooperate with the investigation. Failure to do so will result in strict disciplinary action as per Company policy. If, at the conclusion of the investigation the company finds that a violation has occurred, effective remedial action will be taken that is commensurate with the severity of the offense.



# GRI Index

# 06

# ORGANIZATIONAL PROFILE

Disclosure No.	Information	Comments/ Page Number/ Reference
<b>1. The organization and its reporting practices</b>		
Disclosure 2-1	Organizational Details	Petrolube oil company , Closed joint stock company, HQ Location- Jeddah Business operations in KSA, UAE, Egypt and Pakistan
Disclosure 2-2	Entities included in the organization's sustainability reporting	Petrolube and Technolube (Saudi Arabia Jeddah, Riyadh and Dubai)
Disclosure 2-3	Reporting period, frequency and contact point	1st Jan - 31st Dec 2022, Annually
Disclosure 2-4	Restatements of information, if any	No
Disclosure 2-5	External Assurance, if any	No
<b>2. Activities and workers</b>		
Disclosure 2-6	Activities, value chain and other business relationships	Page no. 7-9
Disclosure 2-7	Employees	Page no. 36-37
Disclosure 2-8	Workers who are not employees	Page no. 36
<b>3. Governance</b>		
Disclosure 2-9	Governance structure and composition	Page no. 19-20
Disclosure 2-10	Nomination and selection of the highest governance body	Page no. 19-20
Disclosure 2-11	Chair of the highest governance body	H.E. Amr Al Dabbagh
Disclosure 2-12	Role of the highest governance body in overseeing the management of impacts	The Sustainability Council is led by the Chief Sustainability Officer of Al Dabbagh Group. There are 21 council members representing the different sister companies of Al Dabbagh group. The frequency of the council meeting is Quarterly. The Sustainability council is overseeing the ESG initiatives.
Disclosure 2-13	Delegation of responsibility for managing impacts	Delegation of authority document is developed in accordance with Company Laws, Capital Market Regulations and Best Corporate Governance Practices.
Disclosure 2-14	Role of the highest governance body in sustainability reporting	The Chief Sustainability Officer of Petrolube is meeting in quarterly basis with the Sustainability council of Al Dabbagh group and present the Sustainability initiatives updates and get the consultations from the Chief Sustainability Officer of ADG and the Chairman
Disclosure 2-15	Conflicts of interest	Conflict of interest policy deals with Related Parties Transactions, talks about avoiding stakeholder conflict of interest(Direct/Indirect), Competing Business with company, examples of situations where conflicts of interest occurs i.e. gift policy, provisions and disclosure by the local laws.
Disclosure 2-16	Communication of critical concerns	0
Disclosure 2-17	Collective knowledge of the highest governance body	Page no. 21-22
Disclosure 2-18	Evaluation of the performance of the highest governance body	The Performance of Directors, Senior Executives, and members of the committees shall be evaluated annually in accordance with the rules and procedures to be set out in further detail in the nomination policy. If the Audit Committee or the Board finds that the remuneration paid to any Board member is based on incorrect or misleading information presented to the General Assembly or included in the Annual Report of the Board of Directors. In that case, it shall return it to the Company, and the Company may request its refund. The General Assembly can terminate the membership of absent members of the Board of Directors due to their absence from three consecutive Board meetings without a valid excuse.





# ECONOMIC

Disclosure No.	Information	Comments/ Page Number/ Reference
<b>1. Economic Performance</b>		
Disclosure 201-1	Direct economic value generated and distributed	Do not wish to disclose
Disclosure 201-2	Financial implications and other risks and opportunities due to climate changes	Don't track
Disclosure 201-3	Defined benefit plan obligations and other retirement plans	The total estimated value of plan's liabilities based on general resources is SAR 66,983,441. Out of these liabilities SAR 56,320,351 for Petrolube KSA and SAR 10,663,090 for Technolube. In addition to the above-mentioned liability related to employees' end of service benefits, the Company makes contributions in respect of the General Organization for Social Insurance (GOSI). For Saudi nationals, 12% of salary (Basic + Housing allowance) is contributed by the employer (including occupational hazards and unemployment insurance (SANED)) and 10% of salary (Basic + Housing allowance) is contributed by the employee. For non-Saudi nationals 2% occupational hazards is contributed by the employer.
Disclosure 201-4	Financial assistance received from government	Not Applicable
<b>2. Market Presence</b>		
Disclosure 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	No minimum wage requirement defined by UAE Labor Law
Disclosure 202-2	Proportion of senior management hired from the local community	33.33% of hired senior management belongs to local community in Petrolube KSA. No legal requirements to hire UAE nationals for Technolube. "Senior management" includes the CEO and his first line. And "locals" can be defined as, a senior manager having legal rights to reside indefinitely in KSA or UAE.
<b>3. Indirect Economic Impacts</b>		
Disclosure 203-1	Infrastructure investments and services supported	Different community support services are provided such as Internship for university students (COOP and summer Training). Also, Manufacturing Day was organized at Petrolube's Jeddah plant in November 2019, where 20 students and 4 professors from King Abdulaziz University (different Engineering Majors) were invited for a one-day event. The main purpose of the event was to give them practical learning of the available technologies. We also invited 5 of our major machine manufacturers to teach them on the technologies of the systems and machines that they use. A second event was arranged in March 2022 with 20 female students from Effat University. These services are pro bono engagements
Disclosure 203-2	Significant indirect economic impacts	Page no. 42, 43
<b>4. Procurement Practices</b>		
Disclosure 204-1	Proportion of spending on local suppliers	Petrolube spent approximately 73% of the 2022 procurement budget on local suppliers which can be defined as being based in the same country where the operations of the purchased products or services were delivered. The definition of significant locations of operation as any country where Petrolube and Technolube owns operation locations (Mainly in KSA and UAE).
<b>5. Anti-corruption</b>		
Disclosure 205-1	Operations assessed for risks related to corruption	In 2022, we have assessed corruption from all our businesses and identified 78 significant corruption risk
Disclosure 205-2	Communication and training about anti-corruption policies and procedures	The whistle-blowing guideline was circulated to all colleagues at group level in Petromin which includes Petrolube. A total of 45 participants have received an awareness session on Whistle-Blowing Channels.
Disclosure 205-3	Confirmed incidents of corruption and actions taken	We detected 1 case of external invoicing fraud. One of our vendors was terminated due to violation related to corruption and no public legal cases regarding corruption brought against Petrolube or its employees during 2022.
<b>6. Anti-competitive Behavior</b>		
Disclosure 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No incidents have been recorded related to corruption or anti-trust against Petrolube in 2022



# ECONOMIC

Disclosure No.	Information	Comments/ Page Number/ Reference
<b>7. Tax</b>		
Disclosure 207-1	Approach to tax	Petrolube has a tax strategy and related policy in place. Our tax strategy is governed by ZATCA regulation. Our executives review our tax related requirements periodically. All tax functions are according to the group business sustainable strategy & government policies.
Disclosure 207-2	Tax governance, control, and risk management	Our executive level body is accountable for compliance with the tax strategy. We have adopted a hybrid approach for tax management within the company and have hired an external tax consultant to ensure compliance with local laws and regulations. We identify, manage, and monitor tax related risks through internal control and regular internal checks. Compliance with the tax governance and control framework is evaluated based on regular checks on updates as per ZATCA regulations, in consultation with the tax advisors for latest developments and attending regular yearly tax seminars. Business process review is done through external tax advisor Ernst & Young.
Disclosure 207-3	Stakeholder engagement and management of concerns related to tax	We regularly communicate through emails and phones with a dedicated account manager at ZATCA. We collect and consider the views and concerns of stakeholders as per ZATCA regulation.
Disclosure 201-4	Country-by-country reporting	Petrolube has businesses in Saudi Arabia and UAE. Our ultimate holding company M/s. Al-Dabbagh group files country wise financial statements and other financial information. The reason behind the difference in profit/loss and taxes paid are time difference and tax jurisdiction. Our primary business activities are manufacturing and distributing lubricant oil products. Financial information reported for the period 01 January 2022 - 31 December 2022.

# ENVIRONMENT

Disclosure No.	Information	Comments/ Page Number/ Reference
<b>1. Materials</b>		
Disclosure 301-1	Materials used by weight or volume	Base Oils= 213,535 M ton, Additives = 30,208 M ton, Packaging Materials= 19,716 M ton No renewable materials used.
Disclosure 301-2	Recycled input materials used	1% (The cartons used for packaging contains recycled materials.).
Disclosure 301-3	Reclaimed products and their packaging materials	Percentage of reclaimed products and their packaging materials for each product category is 0
<b>2. Energy</b>		
Disclosure 302-1	Energy consumption within the organization	Page no. 27
Disclosure 302-2	Energy consumption outside of the organization	<b>2,860,068 Liters of Diesel</b> in product transportations Method of Calculations: Count total kilometers of the transportation x the Diesel consumption factor (0.33 Liters / KM).
Disclosure 302-3	Energy intensity	Page no. 27 Energy intensity ratio = 36.19 Kwh / Mton. The organization-specific metric (the denominator) chosen to calculate the ratio is the production volume in M Tons. Types of energy included in the intensity ratio; is electricity consumption. We used energy consumption within the organization only.
Disclosure 302-4	Reduction of energy consumption	Reduction of <b>62,895 KWH</b> of electricity consumption achieved as a direct result of conservation and efficiency initiatives. Base Year 2021
Disclosure 302-5	Reductions in energy requirements of products and services	Energy reduction of 1.45 KWh/Mt product (reduced from 37.65 in 2021 to 36.19 in 2022). Base Year 2021.

# ENVIRONMENT

Disclosure No.	Information	Comments/ Page Number/ Reference
<b>3. Water and Effluents</b>		
Disclosure 303-1	Interactions with water as a shared resource	Page no. 33
Disclosure 303-2	Management of water discharge related impact	Page no. 33
Disclosure 303-3	Water withdrawal	Page no. 33
Disclosure 303-4	Water discharge	Page no. 33
Disclosure 303-5	Water consumption	Page no. 33
<b>4. Biodiversity</b>		
Disclosure 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not available
Disclosure 304-2	Significant impacts of activities, products and services on biodiversity	Not Applicable
Disclosure 304-3	Habitats protected or restored	Not Applicable
Disclosure 304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not Applicable
<b>5. Emissions</b>		
Disclosure 305-1	Direct (Scope 1) GHG emissions	Page no. 27
Disclosure 305-2	Energy indirect (Scope 2) GHG emissions	Page no. 27
Disclosure 305-3	Other indirect (Scope 3) GHG emissions	Do not track
Disclosure 305-4	GHG emissions intensity	GHG emissions intensity ratio in 2022 was 47.7 kg CO <sub>2</sub> / Metric ton produced. The organization-specific metric (the denominator) chosen to calculate the ratio is the production volume in Metric Tons. Types of GHG emissions included in the intensity ratio is the direct (Scope 1) emissions. Gases included in the calculation is CO <sub>2</sub> .
Disclosure 305-5	Reduction of GHG emissions	5% reduction of scope 1 and scope 2 emissions comparing to the base line 2018.
Disclosure 305-6	Emissions of ozone-depleting substances (ODS)	Do not track
Disclosure 305-7	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	Do not track
<b>6. Waste</b>		
Disclosure 306-1	Waste generation and significant waste-related impacts	Page no. 29
Disclosure 306-2	Management of significant waste related impacts	Page no. 30,31
Disclosure 306-3	Waste generated	Page no. 29
Disclosure 306-4	Waste diverted from disposal	Page no. 29
Disclosure 306-5	Waste directed to disposal	Page no. 29
<b>7. Supplier Environmental Assessmen</b>		
Disclosure 308-1	New suppliers that were screened using environmental criteria	20% of the suppliers
Disclosure 308-2	Negative environmental impacts in the supply chain and actions taken	None, Page no. 16



# SOCIAL

Disclosure No.	Information	Comments/ Page Number/ Reference
<b>1. Employment</b>		
Disclosure 401-1	New employee hires and employee turnover	Page no. 36
Disclosure 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	The remuneration of employees include following elements - Basic salary, Housing allowance, Transportation allowance, Fuel allowance, Shift allowance, Trip allowance within cities, Special Allowances, Mobile allowance, Distance allowance, Relocation allowance and Annual Bonus We also provide medical benefits to our employees in the form of medical care, internal clinic services, health insurance and life insurance. Apart from this, we provide Educational assistance program to pursue higher education while on job. There is Daycare Support Allowance, Autism Support Allowance, Personal loans also provided
Disclosure 401-3	Parental leave	Page no. 36
<b>2. Labor</b>		
Disclosure 402-1	Minimum notice periods regarding operational changes	Our company will provide minimum 30 days of notice period to our employees, if we will make any significance operational changes.
<b>3. Occupational Health &amp; Safety</b>		
Disclosure 403-1	Occupational health and safety management system	Page no.39-41
Disclosure 403-2	Hazard identification, risk assessment, and incident investigation	Page no. 39-41
Disclosure 403-3	Occupational health services	Page no. 39-41
Disclosure 403-4	Worker participation, consultation, and communication on occupational health and safety	Page no. 39-41
Disclosure 403-5	Worker training on occupational health and safety	Page no. 39-41
Disclosure 403-6	Promotion of worker health	Page no. 40-42 A health Lounge was performed by a health service provider to measure the Blood pressure, Sugar, dental, vision and BMI. Breast Cancer awareness day for all female employees was conducted. Blood donation activities also were performed. Medical Checkup in regular basis for specific employees who are working in high-risk related areas this checkup includes X-Ray on the chest, vision test, Hearing test and blood analysis.
Disclosure 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page no. 39-41
Disclosure 403-8	Workers covered by an occupational health and safety management system	77% of total employees are covered by the management system and all of them are audited internally and externally and certified by ISO 45001. The number of people included in the management system are mainly from the Operations, TSD and Procurement teams, this number has been taken from the ERP system and calculated as a proportion of the total number of employees.
Disclosure 403-9	Work-related injuries	Page no. 41 The rate is calculated based on 1,000,000 hours worked LTI = 1.18
Disclosure 403-10	Work-related ill health	Page no. 39-41 No work-related ill health recordable cases in 2022.

# SOCIAL

Disclosure No.	Information	Comments/ Page Number/ Reference																												
<b>4. Training and Education</b>																														
Disclosure 404-1	Average hours of training per year per employee	Page no. 42																												
Disclosure 404-2	Programs for upgrading employee skills and transition assistance programs	Page no. 42-43																												
Disclosure 404-3	Percentage of employees receiving regular performance and career development reviews	All permanent employees receive regular performance reviews annually with focus on Grades 1 to 13 which represent 75% of the population																												
<b>5. Diversity and Equal Opportunity</b>																														
Disclosure 405-1	Diversity of governance bodies and employees	<p>a. Gender basis for Board of Directors -</p> <table border="0"> <tr> <td>Male</td> <td>Female</td> </tr> <tr> <td>5 (62%)</td> <td>3 (38%)</td> </tr> </table> <p>b. Diversity of Board of Directors by Age Group</p> <table border="0"> <tr> <td>Total</td> <td>less than 30 years old</td> <td>30 to 50</td> <td>Above 50 years old</td> </tr> <tr> <td>8</td> <td>0%</td> <td>25%</td> <td>75%</td> </tr> </table> <p>Percentage of Employees by Employee age</p> <table border="0"> <tr> <td></td> <td>less than 30 years old</td> <td>30-50 years old</td> <td>Over 50 years old</td> </tr> <tr> <td>KSA</td> <td>30</td> <td>269</td> <td>66</td> </tr> <tr> <td>UAE</td> <td>43</td> <td>160</td> <td>43</td> </tr> <tr> <td>Grand Total &amp; Percentage</td> <td>73 (12%)</td> <td>429 (70%)</td> <td>109 (18%)</td> </tr> </table>	Male	Female	5 (62%)	3 (38%)	Total	less than 30 years old	30 to 50	Above 50 years old	8	0%	25%	75%		less than 30 years old	30-50 years old	Over 50 years old	KSA	30	269	66	UAE	43	160	43	Grand Total & Percentage	73 (12%)	429 (70%)	109 (18%)
Male	Female																													
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KSA	30	269	66																											
UAE	43	160	43																											
Grand Total & Percentage	73 (12%)	429 (70%)	109 (18%)																											
Disclosure 405-2	Ratio of basic salary and remuneration of women to men	The salary scale is almost the same for both male and female depending on the nature of job, education, and years of experience. Ratio of basic salary women to men in Petrolube is 1:1 and the ratio in Technolube UAE is 10:09 We have 20 different nationalities in Petrolube and 19 different nationalities in Technolube.																												
<b>6. Non-discrimination</b>																														
Disclosure 406-1	Incidents of discrimination and corrective actions taken	Not Applicable																												
<b>7. Freedom of Association and Collective Bargaining</b>																														
Disclosure 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Not Applicable																												
<b>8. Child Labor</b>																														
Disclosure 408-1	Operations and suppliers at significant risk for incidents of child labor	Not Applicable																												
<b>9. Forced or Compulsory Labor</b>																														
Disclosure 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Not Applicable																												
<b>10. Security Practices</b>																														
Disclosure 410-1	Incidents of violations involving right of indigenous peoples	Not Applicable																												
<b>11. Rights of Indigenous Peoples</b>																														
Disclosure 411-1	Security personnel trained in human rights policies or procedures	Not Applicable																												



# SOCIAL

Disclosure No.	Information	Comments/ Page Number/ Reference
<b>13. Local Communities</b>		
Disclosure 413-1	Operations with significant actual and potential negative impacts on local communities	The company is actively arranging social and local community events such as Manufacturing Day by inviting the university students from different majors to our operations to learn more about our industry, this includes males and female students and their professors. Additionally, we are performing Internship program to host students in different locations. Petrolube also participated in a Carrer day in King Abdulaziz University in 2022. Page no. 42 - 43
Disclosure 413-2	Operations with local community engagement, impact assessments, and development programs	There are no significant actual and potential negative impacts of our operations on local communities
<b>14. Supplier Social Assessment</b>		
Disclosure 414-1	New suppliers that were screened using social criteria	0%
Disclosure 414-2	Negative social impacts in the supply chain and actions taken	0
<b>15. Public Policy</b>		
Disclosure 415-1	Political contributions	0
<b>16. Customer Health &amp; Safety</b>		
Disclosure 416-1	Assessment of the health and safety impacts of product and service categories	100%
Disclosure 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	0
<b>17. Marketing &amp; Labeling</b>		
Disclosure 417-1	Requirements for product and service information and labeling	Our product's labels contain 'safe disposal' and 'Recycle' mark. It mentioned "Non-dangerous Petroleum products" and "Avoid contact with skin, avoid Spillage"
Disclosure 417-2	Incidents of non-compliance concerning product and service information and labeling	0
<b>18. Customer Privacy</b>		
Disclosure 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	0



# 2022



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