

GROWING SALES VOLUMES



Saudi Kayan produces more than 20 petrochemical products, byproducts, and intermediates including ethylene, propylene, ethylene glycol, polypropylene, high & low density polyethylenes, polycarbonate, phenolics, bisphenol-A, ethanolamine, ethoxylate, and industrial fatty alcohol. These products are used for a wide range of applications such as industrial feedstocks, pharmaceuticals, polyester fiber for textiles, coolants, and paint.

Despite challenging market conditions over the past few years, the company, which is led by its President Eng. Omar Al-Ruhaily, achieved a new sales volume record in 2019, a six percent increase representing more than three million metric tons. This success stems from effective inventory management and a long-term transformation program that has been improving overall company performance since 2015.

As petrochemical producers face challenges that include lower market prices stemming from trade issues between China and the US, increased competition, high operating costs, and cyber security risks in addition to the repercussions of the Corona virus (COVID - 19), Saudi Kayan is succeeding by focusing on efficient performance and strategic investments. For example, in 2018, a series of value-focused initiatives helped the company achieve its highest ever net income of SAR 1.7 billion.

The company is investing heavily in technology and innovation, with a focus on adopting digitalization and artificial intelligence technologies to enhance its operations and customer service. Research and development is another core area of investment for Saudi Kayan, which aims to diversify its portfolio and expand into new markets.

Human resource investment is important to Saudi Kayan, which seeks to enhance the competencies, efficiency, and productivity of its 1,521 employees, 92 percent of whom are Saudi nationals. Additionally, through collaboration with SABIC, including its NUSANED™ program, and the Ministry of Energy through the Industrial Clusters program, the company is promoting growth, supporting new businesses, and creating new jobs – all of which support the aspirations of Vision 2030.

Saudi Kayan Petrochemical Company (Saudi Kayan)

www.saudikayan.com.sa

Year company founded: 2007

Number of employees: 1,521

Market capitalization: SAR 21.45 billion

Its listing on the Saudi Exchange has promoted the company's brand while helping it access new capital and enhance its corporate governance and transparency practices.

Vision

Saudi Kayan aspires to be a leader in safe and reliable operations, a preferred supplier, an employer of choice, and to deliver sustainable profitability.

Mission

- To ensure that the complex is operated safely and securely in a manner that protects the surrounding environment and community.
- To supply products with outstanding quality.
- To ensure that its human resources are qualified and challenged in a positive work environment.
- To ensure that the complex's operation is efficient and profitable while pursuing growth opportunities to generate value for shareholders.

Saudi Kayan focuses on achieving its business objectives by pursuing a strategy built on the following values:

- Environment, Health, Safety & Security (EHSS)
- People & Organization
- Reliability & Integrity

92 percent of Saudi Kayan employees are Saudi nationals



SABIC Site in Geleen

- Production
- Energy & Sustainability
- Cost Leadership
- Value Creation & Profitability.

Saudi Kayan considers EHSS a core value and strives to ensure that its employees, contractors, and the community remain safe and healthy. Furthermore, it is committed to conserving the environment and protecting natural resources by adopting effective and safe waste disposal methods, controlling the emissions of all possible pollutants, and implementing sustainability programs for the recycling or disposal of waste in a safe and environmentally friendly manner.

Saudi Kayan is proud of its employees and has adopted a three-pronged strategy to enhance its human capital:

- Attract the best talent in the market by offering meaningful roles in a competitive and diverse work environment.
- Develop the workforce through effective competency assessment and using development platforms like on-job engagements, mentoring and coaching, various types of training, as well as industry-institute collaborations.
- Retain a talented workforce by implementing a transparent performance management system, clear roles and responsibilities, reward and recognition programs, social events, and attractive employee benefit programs.

In 2017, the company updated its ISO certification to the latest version of ISO9001: 2015. Saudi Kayan is also certified with the ISO 17025 for Laboratory

SAR 1.7 billion

Highest ever net income

Management System, the ISO 27001 for Security Information Management System, as well as the ISO 22301 for Business Continuity Management System. Furthermore, the company has also achieved other certifications like Good Manufacturing Practices (GMP), Halal Certificate, and Kosher Certificate. These management systems demonstrate its commitment to excelling in business processes and maintaining international standards of operations.

The company developed a strategy for loan restructuring, which aimed to reduce its total outstanding loans and financing costs. The strategy was implemented in two stages during the year, the first phase culminated in June 2019 with the signing of the largest refinancing operation in the Kingdom – SAR 7.5 billion – with the National Commercial Bank. The second phase of the strategy was implemented in December 2019 by signing a SAR 1.5 billion agreement with the Saudi Fransi Bank.

These agreements are all compatible with the provisions of Islamic Sharia. The strategy is in line with the company's goal of reducing costs – both operational and financing – to improve its profitability, in addition to its focus on optimizing the use of feedstock and raw materials, and managing the efficiency of assets and properties to reach its ambitious goals.