

nusaned

A SABIC INITIATIVE FOR VISION 2030

سابك
sabic

Empowered Leadership

NUSANED™ ANNUAL REPORT 2023



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

TABLE OF CONTENTS

OVERVIEW



CEO'S STATEMENT	10
ABOUT NUSANED	12
OUR STRATEGIC GOALS	13
NUSANED PILLARS AND SUPPORTED PLATFORMS	14
AUDITED LOCAL CONTENT SCORE	16

08

NUSANED IN NUMBERS



NUSANED IN NUMBERS	20
NUSANED GRADUATES IMPACT	21

18

SUCCESS STORIES



SUCCESS STORIES	24
NOTABLE PARTICIPATIONS AND VISITS	28

22

OUR AMBITION



NUSANED AMBITION	34
HOME OF INNOVATION™ PARTICIPANTS	36
STRATEGIC PARTNERS	37
VICE PRESIDENT'S STATEMENT	38

32



"The developmental approach in the Kingdom aims to create a comprehensive and sustainable renaissance, centered around and targeted at the human who will manage the development of the present and create the development of the future with knowledge."

**Custodian of the Two Holy Mosques
King Salman bin Abdulaziz Al Saud**



"The future of the Kingdom is promising and bright, and our country deserves more than what has been achieved. We have capabilities that we will enhance and increase their contribution to shaping this future."

**His Royal Highness
Prince Mohammed bin Salman Al Saud
Crown Prince, Prime Minister of Saudi Arabia**

OVERVIEW



CREATE
FINDING AND
EMBRACING NEW
WAYS OF DOING
THINGS



DELIVER
TAKING
RESPONSIBILITY
AND MAKING
THINGS HAPPEN



CEO'S STATEMENT



Abdulrahman Al-Fageeh

SABIC Chief Executive Officer and
Executive Member of the Board

2023 MARKS THE FIFTH YEAR SINCE WE LAUNCHED OUR GROUNDBREAKING INITIATIVE, NUSANED™, SEEKING TO PROMOTE INVESTMENTS IN SMALL AND MEDIUM ENTERPRISES AND SUPPORT THE DEVELOPMENT OF LOCAL CONTENT.

I am happy to note that, over the past five years, we have succeeded in our primary aim of becoming a key enabler in the achievement of Saudi Vision 2030. Consequently, we have helped to raise the level of localization of industrial technologies, create new jobs, and increase the volume of Saudi exports.

Our strategy of developing local content has proven successful largely because of the pivotal role we play as a global producer of innovative solutions used in many industries around the world. We have leveraged our global partnerships to attract investments, bring in international expertise, and stimulate technology transfers.

In 2023, SABIC continued to strengthen our support for Vision 2030. During the year, our estimated GDP impact reached SAR 6.4 billion (since inception, SAR 16.7 billion). Further, we have helped create 11,340 jobs for Saudis (30,756 since inception) and graduated 57 companies (251 since inception), enabling them to become commercially viable businesses.

We are committed to continuing on this successful journey by further strengthening the ecosystem of entrepreneurship we have helped create. We are determined to continue enabling the development of Saudi Arabia's downstream industries, localizing and developing suppliers, providing opportunities to young innovators, and encouraging global involvement in Vision 2030.

OUR STRATEGY OF DEVELOPING LOCAL CONTENT HAS PROVEN SUCCESSFUL LARGELY BECAUSE OF THE PIVOTAL ROLE WE PLAY AS A GLOBAL PRODUCER OF INNOVATIVE SOLUTIONS USED IN MANY INDUSTRIES AROUND THE WORLD.

I must stress that we would not have achieved what we have without the support from the government of the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and HRH Crown Prince Mohammed bin Salman bin Abdulaziz. I fully attribute our success to the integration of our efforts with governmental entities and financial institutions that have helped us drive Nusaned mission forward to better people's lives.

As we move forward in our mission, our goal is to build on NUSANED's accomplishments over the past five years. We will continue exploring new opportunities to support small and medium enterprises and help them become competitive in global markets to boost exports while creating new job opportunities for nationals. We will therefore be in step with the Kingdom as it moves closer to achieving the objectives of Vision 2030.

ABOUT NUSANED™

Believing in its role in supporting the objectives of Saudi Vision 2030, SABIC launched its national initiative, NUSANED in 2018, as the first integrated localization engine aimed at supporting emerging local industries. The initiative was launched a year after the launch of our Local Content and Business Development Unit in the company. NUSANED is a comprehensive program that spans from idea to execution, enabling investors to launch successful projects with global competitiveness. The initiative also contributes to providing resources for marketing local products and services and establishing partnerships within the framework of supporting the national industry strategy.

NUSANED offers its services to entrepreneurs, small and medium enterprises, and local companies. It also provides them with the Home of Innovation™ platform for developing modern industrial solutions, along with attracting global investments that intend to set up or expand their business in the Kingdom.

NUSANED continues to look forward to future developments of economic value through the localization of technologies, the establishment of promising production sectors, job creation, increasing the participation of the private sector and the increase of non-oil exports share in the GDP.

NUSANED seeks to be a strategic center for supporting entrepreneurship in the Kingdom and for supporting the industrial infrastructure of the industrial sector by encouraging startups to play a significant role in the private sector. To this end, we have set goals designed to support each other and collectively form the desired impact with a local content model that has economic value and global competitiveness.



Vision

Help prepare the Saudi local industry for promising sectors of the future as part of the National Industry Strategy to enable Saudi Vision 2030, serving as SABIC's integrated engine to achieve the localization agenda



Mission

Sponsor competitive industrial ventures, and provide direct-indirect support through strategic partners to build necessary infrastructure for advancing the Saudi industrial sector, while acting as a catalyst for kingdom's priority projects

Our strategic goals



Motivating the private sector growth through localizing materials and services



Supporting and investing in new manufacturing investment opportunities



Developing local human capital



enabling entrepreneurs and startups



Attracting international investments and transferring new technology to the kingdom

NUSANED™ PILLARS AND SUPPORTED PLATFORMS

Nusaned pillars



ENTEMA

An opportunity gate program through which SABIC brings together investors and entrepreneurs. Investors can explore business opportunities and test their viability and attractiveness based on socio-economic impact in Saudi Arabia and the long-term competitiveness and sustainability of the opportunity.



DAEM

For viable opportunities identified in the Entema process, SABIC implements support packages such as raw material letters of intent technical support through its experts and research centers, and workforce capability development opportunities.



Access to Finance

To complement support packages offered in DA'EM, SABIC helps unlock access to direct and indirect funding through Nusaned Investment and strategic partners.



MUAHAL

SABIC provides customized training and programs to ensure that each project's workforce has the necessary technical and leadership capabilities to grow the business in a competitive and sustainable way.



Home of Innovation™

The Home of Innovation™ is both a SABIC growth initiative and a space that brings together strategic and diverse local and global industry leaders through its unique positioning within the innovation eco-system. It combines technology, marketing, and innovation to stimulate localization within the NIS and enable the objectives of Saudi Vision 2030. The Home of Innovation™ has grown to become the perfect environment for its stakeholders to work on grand priorities, capitalizing on shared knowledge and local resources and capabilities to find solutions to challenges, and showcase them in the first LEED Platinum-certified

residential building in the Middle East, making it one of the most sustainable buildings in Saudi Arabia. The Home of Innovation™ brings together SMEs, the NIS sectors, OEMs, SABIC business units, academic institutions, and the government. The Home of Innovation™ is strategically positioned to accelerate the transformation of Saudi Arabia into a leading industrial powerhouse through empowering innovation, fostering collaboration, and driving localization.

Nusaned Investment™

Nusaned Investment™ is a wholly-owned SABIC subsidiary headquartered in Riyadh. It was launched in November 2018 to invest in and support the development of Saudi industrial projects and SMEs, which will play a key role in realizing Saudi Vision 2030. It operates as an autonomous investment company with an independent Board of Directors.

Nusaned Investment aims to support SMEs through equity investments with an influential minority share to drive active value creation and to bridge financing gaps. Nusaned Investment targets SMEs with advanced business models and proven technologies within SABIC's value chain and, more generally, the national downstream industry, with a focus on the Saudi National Industrial Strategy (NIS). Since its inception, over 200 SMEs have been assessed

and enabled across the investment process. The Nusaned Fund 1 was launched in 2019 with a total value of 100 million Saudi Riyals, managed by Albilad Capital. The fund has two equal unit holders: Nusaned Investment Company and the Saudi Venture Capital Company. Three years later, Nusaned Fund 2 was launched with a total value of 750 million Saudi Riyals, managed by AlAhli Capital. The initial closing of the fund took place in the third quarter of 2022. Nusaned Investment Company contributed 450 million Saudi Riyals to the total value of Nusaned Fund 2, representing 60% of the fund. The partnership between AlAhli Capital and Nusaned Investment represents one of the largest strategic partnerships in the field of private equity investments in the Kingdom.

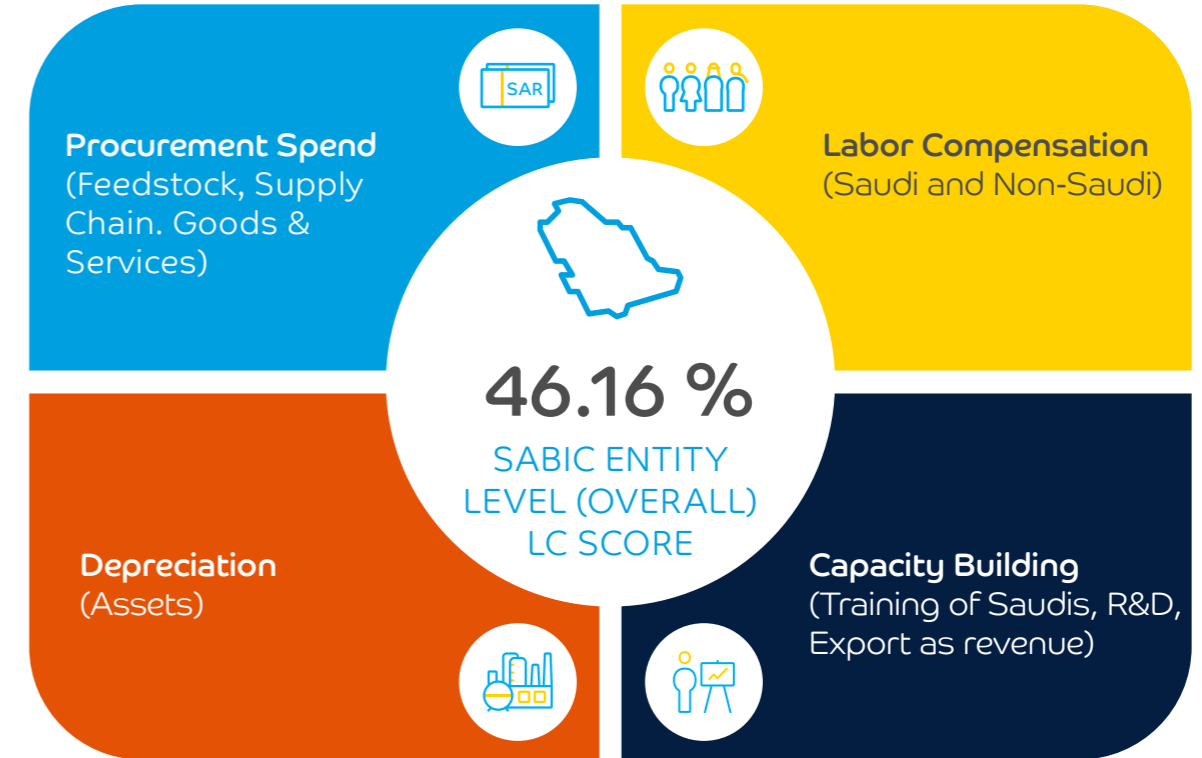
AUDITED LOCAL CONTENT SCORE

SABIC has been issued its first "Entity Level" Local Content Audited Score

This is a key milestone in the company's localization journey and an important Saudi Arabian government compliance requirement. The Local Content Certificate award is based on SABIC's 2022 Audited Financial Statements. SABIC's score, 46.16%, covers our overall procurement spends, labor compensation, capacity building, and asset depreciation, and will serve as a single baseline for SABIC's contribution toward local economic growth and Saudi Vision 2030. In 2023, procurement contracts awarded included 32 large operational expenditure contracts with a combined value of SAR 4.98 Bn. and SAR 1.93 Bn. of potential local content impact.



The local content ratio for SABIC's purchases



NUSANED
IN NUMBERS



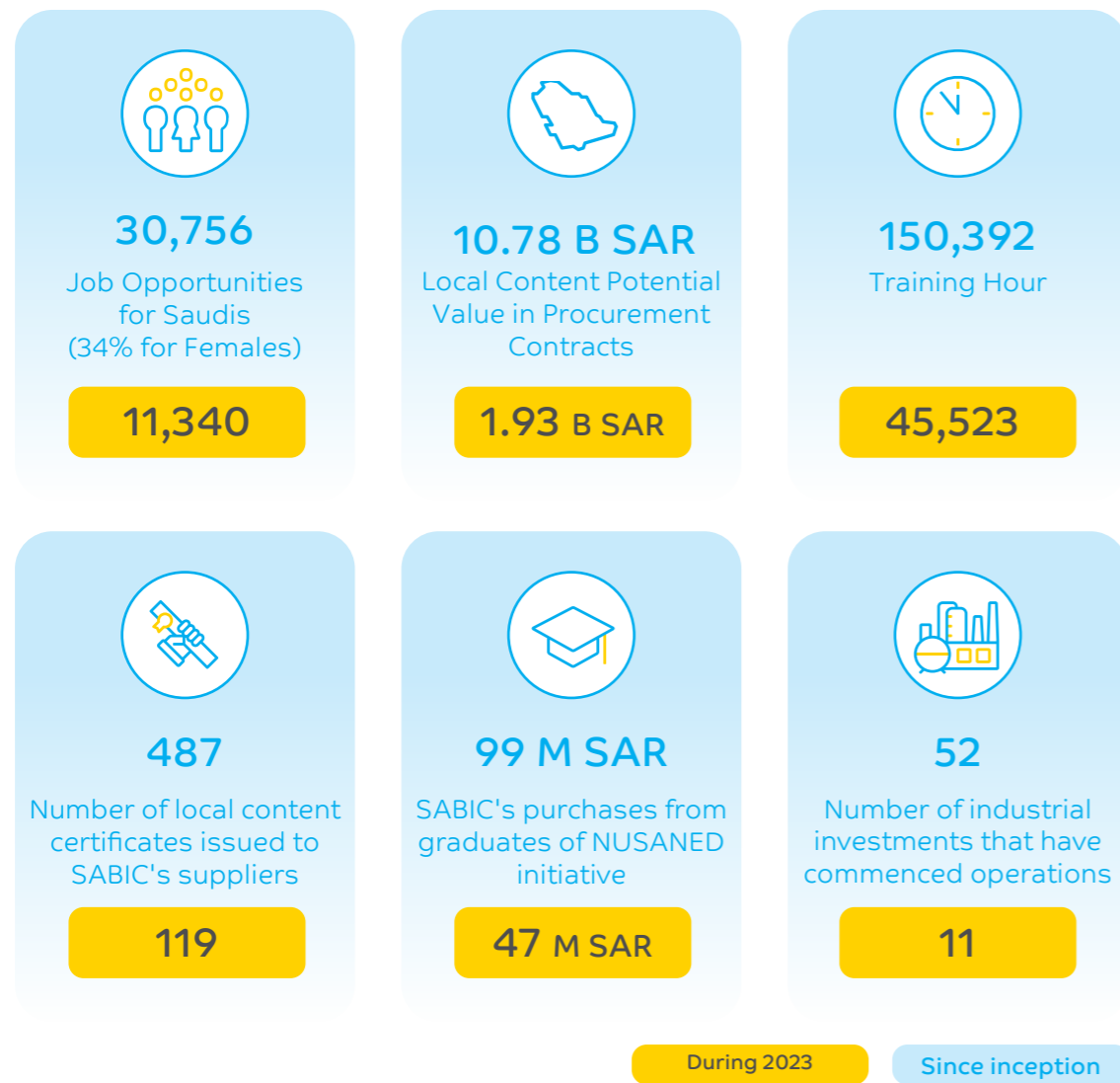
نساند

مبادرة سابك لتمكين رؤية ٢٠٣٠

NUSANED™ IN NUMBERS

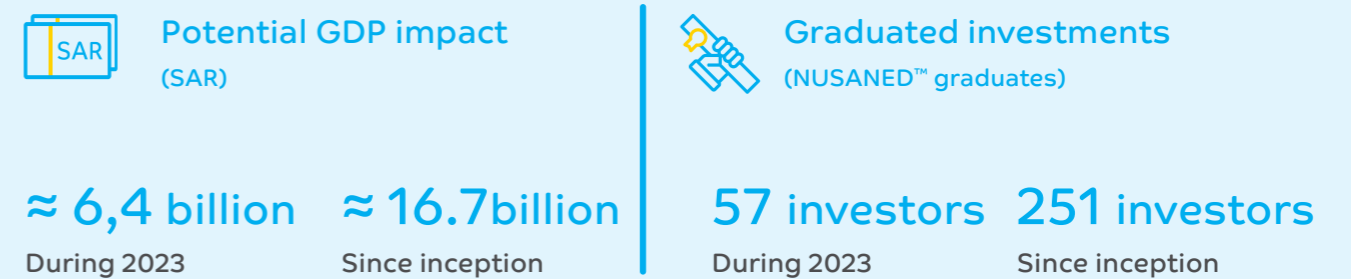
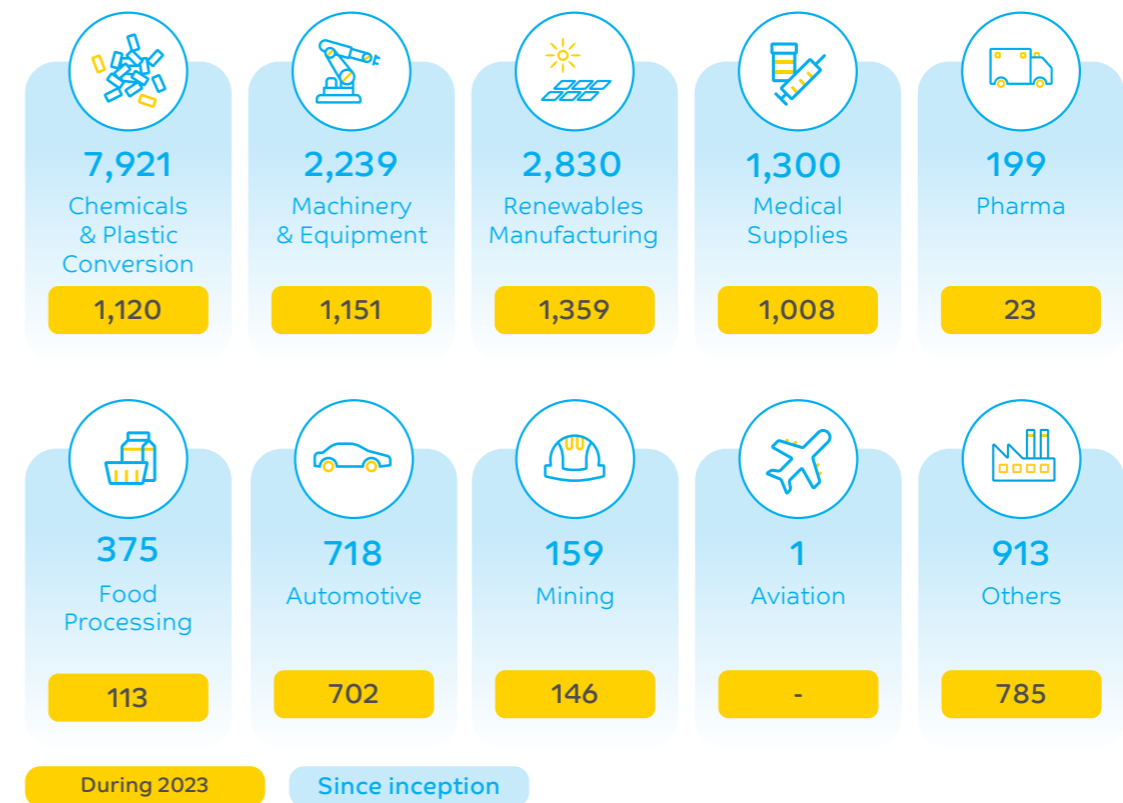
Through NUSANED, we have developed a set of reality-driven processes that allow ideas to be transformed into tangible results that can be used to set the initiative's goals. Over the past period, there has been a growth in entrepreneurship

training, creating and developing opportunities, and having more startup projects attracting investments. The initiative has also succeeded in creating many job opportunities and steering the direction of investments towards the targeted sectors.



NUSANED™ GRADUATES IMPACT ACROSS VARIOUS NATIONAL STRATEGIC INDUSTRIAL SECTORS

GDP impact for graduated opportunities by sector (Mn SAR):



SUCCESS STORIES



SUCCESS STORIES

NUSANED initiative was developed on the basis of a careful extrapolation of the data given by entrepreneurs and how we can harness such data with the available and future resources, taking into account the demand of the business sector and the strategic goals. We have developed the necessary experience and knowledge to improve the local content and the work models using high institutional standards to allow small and medium enterprises (SMEs) to handle their operations and finances efficiently and maintain self-improvement.

These measures have eventually enabled NUSANED to succeed in training professional entrepreneurs and investors to launch pioneering projects with high-quality competitiveness in sectors like manufacturing and resource provision. The initiative also played a role in the establishment of startup companies with creative production lines that seek to form partnerships and sign services and procurement contracts in materials development and technology and knowledge transfer.

Inauguration of saudi crane new factory

Saudi Crane Company was opened in the Second Industrial City in Dammam, it is an extension of the international Crane Company chain. The new facility project is a Graduate of NUSANED Initiative for Manufacturing of Valves & Pipes covering an area of 10,000 sq. m and has created 60 engineering jobs for Saudis.



CRANE

كرين السعودية

Sinmer for manufacturing industry

Sinmer set up its first factory in Saudi Arabia to manufacture Teflon tape. It will source polypropylene from SABIC for the plastic tape dispenser.



Pearl polyurethane systems

Continuing to enhance local content with manufacturing expertise and opening partnership horizons with SABIC and NUSANED, Pearl manufactures polyurethane systems that create a controllable temperature environment. These systems can be utilized in various applications in fields such as construction, automotive industry, cooling and heating, oil and gas, footwear, and many other applications.



Groundbreaking ceremony of Emerson's innovation & manufacturing hub

Emerson will build a state-of-the-art innovation and manufacturing hub (to provide control systems engineering, staging and testing, manufacturing of differential pressure (DP) transmitters and control valves, pressure relief valve assembly and solenoid valve assembly) at the King Salman Energy Park (SPARK) in Dammam, which began construction in January 2023.



NUSANED tamayouz program

In the presence of H.E Bandar AlKhorayef Minister of Industry and Mineral Resources, a celebration was held to mark the achievement of operational excellence by Avalon Pharma as part of the "NUSANED Tamayouz" program. This initiative aims to enhance the role of the industrial sector in enriching economic diversity through a collaborative system to improve the operational performance of local manufacturers and boost their ability to create jobs and sustainable growth.



SUCCESS STORIES

Nusaned Graduated Investors Ceremony

NUSANED celebrated the graduation of 57 investors after they successfully met the initiative's requirements, in the presence of His Highness Prince Sultan bin Khalid Al Saud, CEO of the Industrial Development Fund, along with leaders from various supporting and enabling government entities.



National Excellence in Localization Initiatives

NUSANED received the National Excellence Award in Localization Initiatives from His Royal Highness Prince Faisal bin Mishaal bin Saud bin Abdulaziz Al Saud, Qassim Governor, in recognition of the initiative's success in empowering entrepreneurs and supporting small and medium enterprises, which enhances the private sector's contribution to the national economy.



Participation in TAS'HEEL Event

NUSANED participated in TAS'HEEL event in collaboration with the Eastern Province Chamber of Commerce, which aims to raise awareness, support entrepreneurs, and create new industrial opportunities.

NUSANED was also honored by the Eastern Province Chamber of Commerce, and a dialogue session was held where leaders from the Local Content and Business Development Unit answered questions related to NUSANED and its role in contributing to the development of industrial opportunities and local content growth.



Riyadh chamber commerce community event

We were honored at the Riyadh Chamber of Commerce event for our role in facilitating job opportunities in collaboration with the Chamber, which reinforces our commitment to empowering national talents across various fields to be part of building a sustainable and diversified economy, contributing to the achievement of Saudi Vision 2030 goals.



Immensa inauguration ceremony

Immensa Company has opened its factory for producing 3D-printed polymer parts in Dammam, which supports local on-demand production of high-value spare parts across various sectors. It contributes to creating more reliable and sustainable supply chains and supports the development of local talent.



Alfa laval for heat exchangers

Alfa Laval has opened a new assembly center for Plate Heat Exchangers (PHE) in Jubail, contributing to the diversification and development of the Kingdom's economy, providing new manufacturing jobs, and supporting market growth and infrastructure development.



Localization success through utilizing kingdom's local foundry capabilities

The Saudi Cyprus Foundry (SCF) has started casting and supplying cast parts to SABIC's local suppliers as part of the results of the Numou™ program. Last year, SCF cast the first-of-its-kind control valve in Saudi Arabia for Emerson. Now, 100% of five parts for the Hadeed plant, which were previously regularly imported from foreign equipment manufacturers, have been localized.



NUMOU: Gerflor

Gerflor Group celebrated the commissioning of a state-of-the-art rigid luxury-vinyl-tiles (LVT) manufacturing plant. SABIC jointly with the Oil Sustainability Program (OSP) had enabled such strategic opportunity localization. The Gerflor Group manufactures and markets innovative decorative and sustainable flooring solutions using SABIC PVC. Their LVT product is endorsed via the Oil Sustainability Program, a program that seeks to create efficient and sustainable opportunities and applications for hydrocarbons.



NOTABLE PARTICIPATIONS AND VISITS

G20

Under the ministry of energy umbrella and coinciding with the G20, HOI took part in Media Oasis exhibition in New Delhi, India, where several innovative technologies and collaborations were showcased, to increase awareness regarding sustainability efforts.



The world petroleum congress

The HOI participated in the 24th World Petroleum congress, which was held in Calgary, Canada. Several innovative technologies and solutions were showcased to spread awareness of NUSANED and HOI role in supporting local manufacturing.



COP28

Under the umbrella of MOE, the HOI participated in COP28 in Dubai, UAE. through presenting the Kingdom's and SABIC's sustainability initiatives to increase awareness about the efforts made in the kingdom.



MADE IN SAUDI introduction and workshop

In cooperation with MADE IN SAUDI program, an introductory workshop was held at SPADC, targeting graduates of NUSANED program and companies participating in Home of Innovation™, to qualify these companies for the SAUDI MADE tag on their products.



Recycling in the industrial sector workshop

NUSANED initiative held a workshop targeting 18 companies at SPADC. The Recycling in the Industrial Sector workshop brought together over 60 decision-makers, governmental entities, investors, manufacturers, NUSANED graduates, and Home of Innovation™ partners to discuss the ambitious goals of Saudi vision in the field of recycling.



Technology for Combatting Water Scarcity panel discussion

As part of the NUSANED efforts in steering technology localization that is relevant to the kingdom's challenges, we conducted a technical panel discussion titled "Technology for Combatting Water Scarcity", that brings effective dialogue between decision makers and demand creators. The event hosted a multi-disciplinary expert panel discussion to explore technological opportunities and challenges of combatting water scarcity in alignment with Saudi Vision 2030.



NOTABLE PARTICIPATIONS AND VISITS

Saudi made event

NUSANED participated as a strategic sponsor in the second edition of the "Made in Saudi" exhibition, highlighting local content, success stories of NUSANED graduates, and the opportunities localized in the Kingdom.

Five products were showcased at the NUSANED booth, which went through all development stages and received the necessary support. This initiative aims to support local content, small and medium-sized enterprises, and entrepreneurs in the industrial sector, in line with the objectives of Saudi Vision 2030.



Biban forum

Participated as a pioneer partner in the Biban23 forum held under the theme "Fostering Tangible Opportunities" and organized by the Saudi Small and Medium Enterprises General Authority (Monshaat). Our booth highlighted the role of NUSANED initiative in enabling small and medium enterprises to launch their investments by honing their skills, helping them build business models and communicating with companies and financing agencies. Held several workshops and educational courses for visitors, project owners, and those interested in the field of entrepreneurship.



Industry & local content madinah forum

Under the patronage of HRH Madinah Governor, and the auspices of Deputy Madinah Governor HRH Prince Saud bin Khaled Al-Faisal, Nusaned national initiative participated in Industry & Local Content Madinah Forum hosted by the Madinah Chamber. During the inauguration ceremony the names of the winners of SABIC Entrepreneurship Award 2022-2023 were announced, total value of the award is SAR 1 million donated by SABIC as part of its continued support for entrepreneurs in Saudi Arabia through its local content initiative. Designed and implemented by national cadres, the award covered several programs, including a training camp, following which 72 contestants were nominated and registered for projects in the industrial sector. After several evaluation sessions and a comprehensive review of all participating projects, ten winners were chosen.



Energy efficiency technologies and conservation solutions

SABIC, represented by NUSANED initiative, organized workshops that brought together the National Energy Services Company (Tarshid) with several partners from the Home of Innovation™ who are manufacturers of construction technologies and energy-saving solutions. These workshops focused on finding ways to implement these solutions and technologies in future projects.

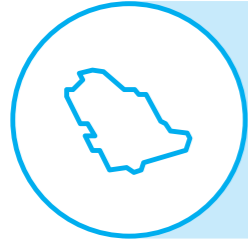




OUR
AMBITION

NUSANED™ AMBITION

Our ambition is to go beyond having a unique experience that positively impacts the industrial future in the Kingdom. Having confidence in the capabilities of the new generation, we seize new opportunities to shape the sector.



Champion of local SME excellence in the chemicals and industrial sector to drive local content growth and competitiveness



Pioneer for local content programs of the future, with a focus on sustainability, transformative sector growth and development of workforce of the future



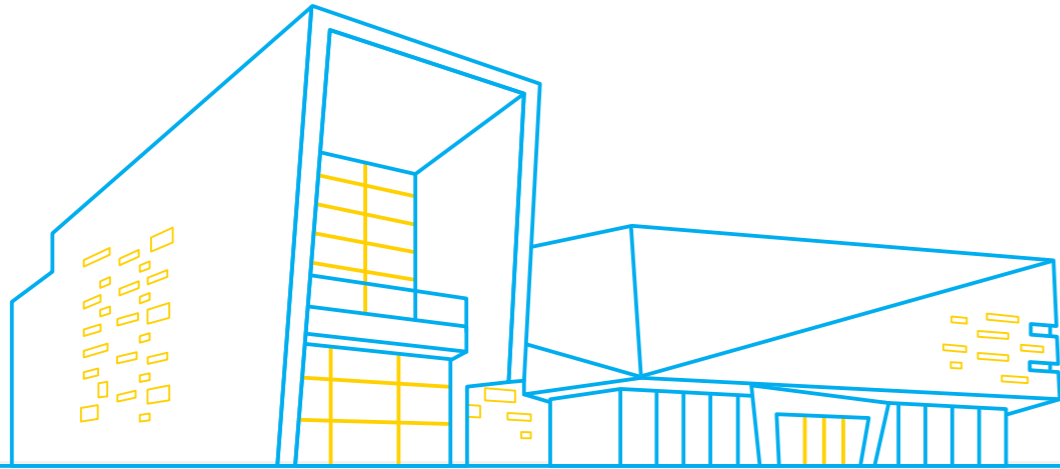
Leader for technology transfer and innovations, to transform and upgrade manufacturing facilities



Leading financing arm for industrial SME support, leveraging different funding sources and driving value creation



HOME OF INNOVATION PARTNERS



LOCAL PARTICIPANTS

GLOBAL PARTICIPANTS

STRATEGIC PARTNERS

VICE PRESIDENT'S STATEMENT



Naif Mohammed Al-Ayed

VP, Local Content & Business
Development Unit

Empowerment and Innovation: Investing in Tomorrow

With each passing year, we find ourselves closer to our goals. We see Nusaned™ taking confident steps in enhancing local content in the Kingdom, through its ongoing creation of innovative opportunities that directly support economic diversity, in alignment with the goals of Saudi Vision 2030.

Looking back at the significant leaps made by the initiative since its launch in 2018, we can see how it successfully established a model for collaborative work across various sectors, by building up capabilities and uniting efforts towards localization.

What Nusaned has succeeded in over the past years is not limited to its direct role in enhancing local content by encouraging projects and small and medium enterprises. Its success also extends to empowering national talents and building promising industrial and professional expertise within a system of integrated goals that include qualifying entrepreneurs, creating jobs, and enhancing the competitiveness of national products.

Today, we clearly see that the initiative has become a significant player in increasing private sector participation in boosting non-oil exports and contributing to the gross domestic product. It is also now an attractive platform for high-value investments in the industrial field, in addition to the initiative's ongoing role in localizing technology and knowledge through practical applications in collaboration with a select group of investors and global companies via the Home of Innovation™.


Nusaned has created an encouraging environment for starting and developing businesses, whether at the individual or institutional level, which makes us look forward with great confidence to future successes. I would like to conclude by renewing our thanks and appreciation to our partners in this continuously successful journey.



Please scan the barcode to
register through ENTEMA portal

 www.sabic.com/nusaned

 Localcontent@sabic.com

 @Nusaned

NUSANED Support Center:

inside Saudi Arabia: 800 124 2030

outside Saudi Arabia: +966 112 259 819