

nusaned

A SABIC INITIATIVE FOR VISION 2030

سابك
sabic

SUCCESSFUL JOURNEY

NUSANED™ ANNUAL REPORT 2022



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

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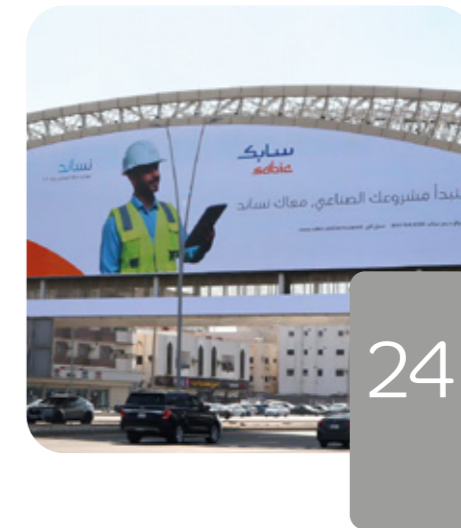
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"We have great confidence in the Saudi citizens' capabilities and their ability to build their country."

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



"We have all the capabilities to reach a competitive and sustainable industrial economy, from ambitious young talents, and leading national industrial companies."

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



OVERVIEW



CEO STATEMENT



Abdulrahman Al-Fageeh

CEO, SABIC

Heading the Kingdom's Vision 2030, SABIC's NUSANED™ program continues its ceaseless efforts to nurture a sustainable entrepreneurial ecosystem for the Kingdom of Saudi Arabia in line with SABIC's local content development and economic diversification strategy.

From such an ecosystem, spring forth small- and mid-sized enterprises (SMEs) that equip entrepreneurs with the latest knowledge and skills for creating differentiated value. These SMEs, in turn, invest in the economy and generate employment opportunities, which consequently contribute to the growth of the national industry through local procurement contracts that reduce the country's dependence on foreign imports. The result of all these efforts will also enhance the base of local products and services that SABIC draws on from the national industrial ecosystem, thus bringing the company closer to its Saudi customers.

Since its inception in 2018, NUSANED™ has developed and graduated 195 SMEs, enabling them to become commercially viable businesses. It has also created a grand total of 19,416 job opportunities, and its continuing collaboration with strategic stakeholders will surely create more.

Needless to say, none of NUSANED's achievements would have been possible without the cooperation of the concerned government entities that dutifully carry out the directives of the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and His Royal Highness Prince Mohammed bin Salman bin Abdulaziz, Crown Prince and Prime Minister. So, on behalf of SABIC, I express my gratitude to them.

Since its inception in 2018, NUSANED™ has developed and graduated 195 SMEs, enabling them to become commercially viable businesses.

ABOUT NUSANED™

Following the local content initiative and establishment of Local Content Unit in early 2017, SABIC launched its first Integrated Localization Engine: NUSANED™ in 2018 to drive forward its localization agenda in support of the ambitious Vision for the local industry development. A comprehensive support program, NUSANED™ addresses key issues

faced by investors from idea generation to execution, and provides key resources and solutions to commercialize and drive investment in opportunities to create local demand. NUSANED™ is open to entrepreneurs/SMEs, local firms, and international companies looking to set-up or expand operations in KSA.



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



NUSANED EXECUTIVE COUNCIL

Nusaned Executive Council represents a national platform that seeks to achieve the Kingdom Vision 2030 and meet the most important industry challenges, in addition to explore opportunities in new industrial sectors.



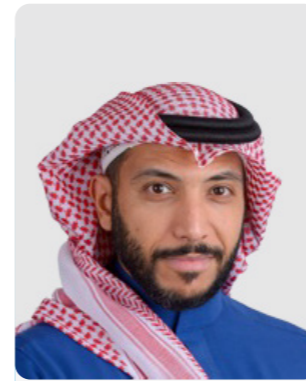
**Eng. Abdulrahman
Al Fageeh**
CEO, SABIC



**Eng. Osama
Al-Zamil**
Vice Minister at
Ministry of Industry
and Mineral
Resources



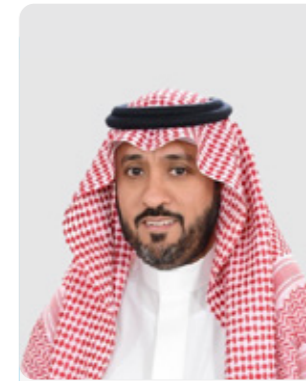
**Dr. Abdulla
Abuthnain**
Vice Minister of
Human Resources
and Social
Development for
Labor



**Eng. Fahad
Al Naeem**
Deputy Minister for
Sector Investment
Development



**Mr. Abdulrahman
Al-Semari**
CEO of the Local
Content &
Government
Procurement
Authority



**Mr. Sami
Al Hussaini**
Governor of Small
and Medium
Enterprises General
Authority



**Mr. Ajlan
Al Ajlan**
Chairperson of
Council of Saudi
Chambers



OUR STRATEGIC GOALS

Working within the framework of the Nusaned initiative, we aim to transform it into a strategic center to support entrepreneurship in the Kingdom and support the industrial infrastructure of the industrial sector through encouraging startup companies

in playing an influential role in the private sector. For this end, we have set a group of goals which are designed to serve each other and wholly to constitute the desired effect of the local content model of economic and global competitiveness value.

Our strategic goals

NUSANED™ PILLARS AND SUPPORTED PLATFORMS

HOME OF INNOVATION™ PARTICIPANTS

LOCAL PARTICIPANTS



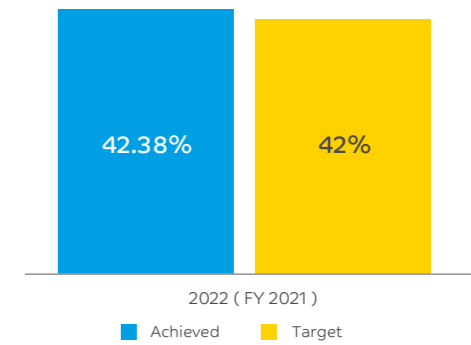
GLOBAL PARTICIPANTS



LOCAL CONTENT AUDITED CERTIFICATE



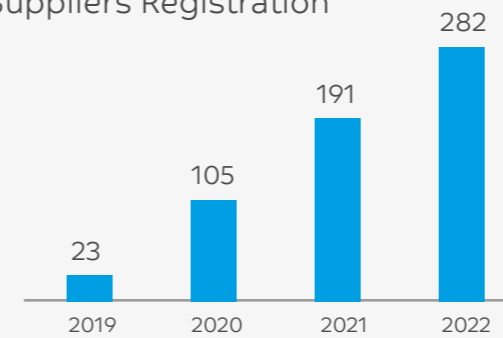
SABIC Procurement Level Local Content Score



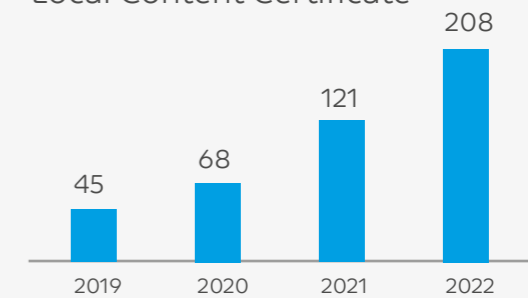
NUSANED™ collaborates with LCGPA to obtain from SABIC Suppliers Local Content Certificate



Growth in New Local Suppliers Registration



Growth in No. of SABIC Suppliers Submitting their Local Content Certificate



NUSANED™
IN NUMBERS



NUSANED™ IN NUMBERS

Within Nusaned, we have focused on developing practical mechanisms capable of transforming ideas into real results, through which the goals of the initiative can be crystallized. The past period witnessed a rising increase in qualifying

entrepreneurs, creating and developing opportunities, and actually entering startup projects into the circle of production and investment. The initiative has also succeeded in creating many job opportunities and directing investors' efforts toward promoting the targeted sectors.



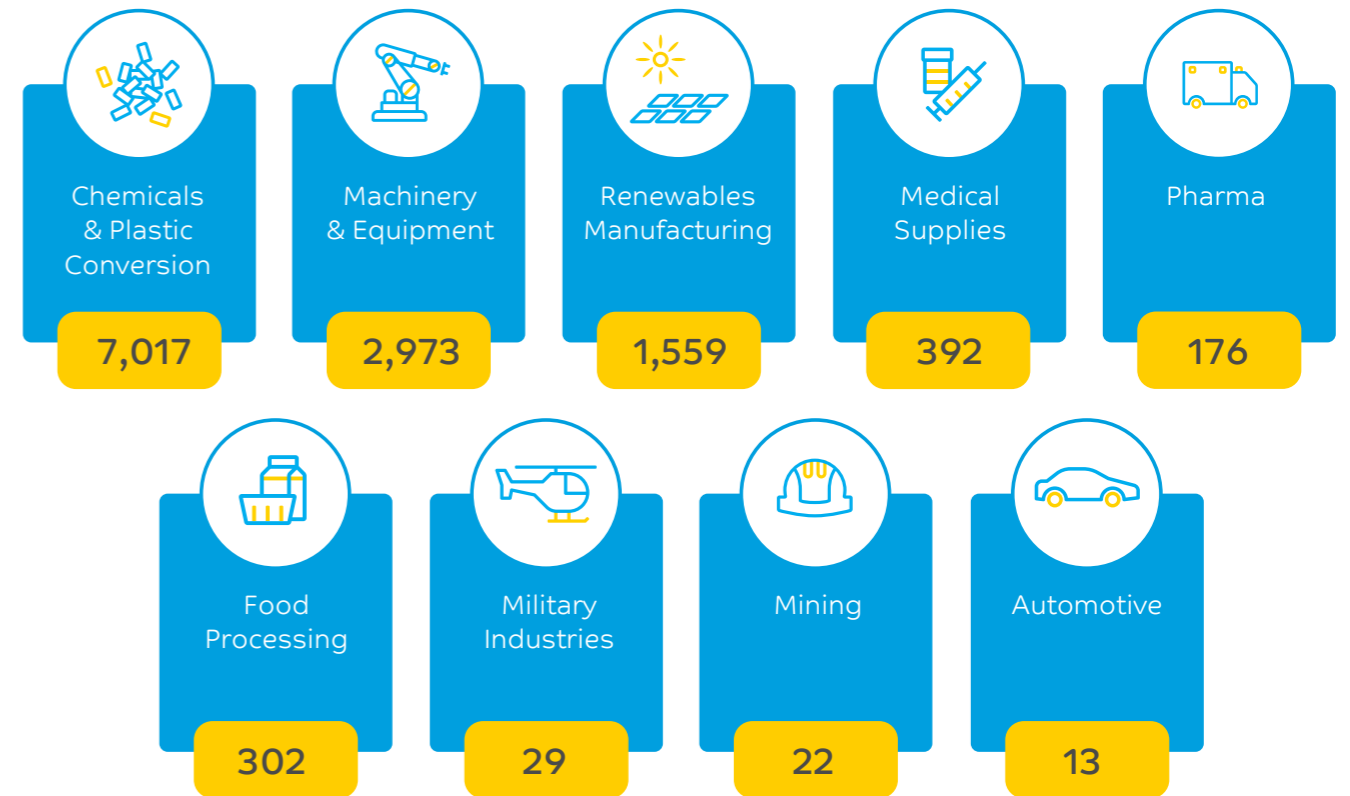
Nusaned Investment™

Nusaned Investment company has established its second fund (Nusaned Fund II) with a total size of SAR 750 Mn managed by SNB capital.



NUSANED™ GRADUATES IMPACT ACROSS VARIOUS NATIONAL STRATEGIC INDUSTRIAL SECTORS

GDP Impact for Graduated Opportunities by Sector (Mn SAR):



IN 2022, 51 INVESTORS GRADUATED, WHICH IS THE HIGHEST NUMBER OF GRADUATORS SINCE THE LAUNCH OF THE INITIATIVE.

SUCCESS STORIES



نساند
مبادرة سابك لتمكين رؤية ٢٠٣٠

سابك
SABIC

لتبدأ مشروعك الصناعي، معاك نساند

www.sabic.com/ar/nusaned سجل الآن 800 124 2030 مركز دعم نساند

SUCCESS STORIES

Nusaned represents an experiment based on a careful extrapolation of the data possessed by entrepreneurs and on how to develop and invest in the light of the available and future capabilities and in the identification of the points of their connection with the real needs of the business sector and ways to reach the strategic goals. We have worked to build the necessary experience and knowledge for the enhancement of local content initiatives and the promotion of the model of their work which has been applied according to high institutional standards, and which has brought benefits in more than one sphere, especially with regard to enabling SMEs to manage their activities, thus achieving

operational excellence, financial efficiency, and the ability for continuous self-improvement. This has over the past period, resulted in qualifying and graduating entrepreneurs and investors who have come to possess professional foundations, in addition to launching pioneering projects working today on manufacturing and providing quality resources and services at the local level. The initiative also has had a role in establishing startup companies which have achieved innovative product lines. It also works to build cooperative partnerships and relationships, including the development of materials, transfer of technology and knowledge, and conclusion of service and procurement contracts.



Inauguration of KOCH Engineered Solutions Factory

KOCH Engineered Solutions (NUSANED™ graduated investor) inaugurated their new facility in Dammam. The factory covers an area of 22,000 Sq.m., including state-of-the-art manufacturing facility & industrial training center intended to meet Kingdom's need for equipment & systems relating ignition, combustion, heat transfer, gas emission control and carbon emission reduction, thus enhancing SABIC's role in contribution towards Kingdom's Vision 2030 regarding localization of procurement, transfer of technology & support towards sustainability initiatives & programs.



New Process Automation Factory Inauguration by ABB

ABB (SABIC Strategic Alliance) inaugurated a new process automation facility in Dammam consisting of Digital Collaboration Center to work collaboratively on new technology development and process improvement. It also includes testing facilities and a local learning center for training and developing engineers using advanced process simulators



Successful local manufacturing of Plastic Pallets by iPlast Saudi LLC

iPlast Saudi LLC., (NUSANED™ graduated investor) successfully started manufacturing of plastic pallets locally by utilizing available plastics materials within the Kingdom and signed a long-term contract to supply plastics pallets to SABIC for industrial use with a growth in localization & job creation.



Inauguration of Temperature & Pressure Transmitters facility by Emerson

Emerson (SABIC Strategic Alliance) inaugurated new temperature & transmitter's facility in Dammam with this facility SABIC now will get access to locally manufactured transmitters with advantage of obtaining discounted prices directly from the manufacturer along with technical support.



First Valve body casted & produced in KSA by Emerson

Emerson (SABIC Strategic Alliance) achieved casting and production of the first control valve body utilizing local foundry in the Kingdom. This remarkable achievement is a step forward towards the true localization of materials & services within the Kingdom of Saudi Arabia and reinforcement of an extended partnership between Emerson & SABIC to support local content and meet the growing demand of customers in the region.



SUCCESS STORIES

Localization of Hadeed Mechanical Machine Tools

Developed Shaheen Arabia (a local metal fabrication facility) through Hadeed (end-user) by sharing their mechanical tools samples for refurbishment & production, as a result, 370 line items were identified which be refurbished & produced, hence reducing foreign spend to half, lead time to 2 days from 2 months & 28% cost saving on refurbishment.



Supporting new artificial intelligence based on agricultural technologies

Nusaned™ launched one of the most prominent modern artificial intelligence-based technologies in agricultural sector to cultivate pastoral areas outside cities. We have worked to support the development of this technology in cooperation with the Driving Technologies Company (one of the investments registered in Nusaned), during the launch ceremony of Mecca green initiative. This technology is compatible with the Kingdom's aspirations for enhancing vegetation cover and environmental sustainability. The work started with the National Center for Vegetation Cover Development and Combating Desertification to adopt this technology as well in the Saudi Green Initiative.



NUSANED Dammam Hub

We are pleased to open and activate Nusaned Dammam Hub, This Hub is equipped with the latest technology that is designed to benefit investors, suppliers and others in various sectors by providing them the needed support in different segments such as manufacturing, suppliers, entrepreneurs, universities and other relevant parties to make the investor's experience unique and rich in ideas.



NUSANED Al-Tamayouz Program for supporting investors

The program aims to support national factories in facing their internal challenges by applying operational excellence tools and methodologies. The program currently supports five factories across the Kingdom. The team achieved 122% of the total cost savings target from all factories by reducing 14 million riyals of operational costs. The team also achieved all its targets to free up cash savings through reducing inventory by 110%, which represents SAR 19 million of total inventory value. With regard to training, the team has conducted more than 10,000 hours of training with an average participation of more than 85% of the factory team.



Inauguration of industrial chemicals plant for manufacture specialized products

The strategic business unit and the local content unit, represented in Nusaned™ initiative, launched the Saudi Industrial Chemicals Factory (one of the graduates of Nusaned™ initiative) in Jeddah. The factory aims to manufacture specialized chemical products for export. The Saudi Industrial Chemicals Factory is the first factory in the Kingdom to use Ethyl Hexanol (2-EH) to produce Diocetyl Terephthalate (DOTP), which is an essential ingredient in the manufacturing of plastic softeners in consumer fields, medical and Children care products and games.



Fourth batch of ExSABIC program

The Local Content and Business Development Unit, in cooperation with Human Resources of SABIC, launched the fourth batch of ExSABIC program. The program aims at availing opportunities to women recently employed in national companies supporting industrial field, which is intended to meet and work with SABIC experts in different fields and access to specialized training in several sectors. Qualification is obtained to apply these skills practically in the workplaces in which they work.



NOTABLE PARTICIPATIONS AND VISITS

NUSANED™ initiative participates in many exhibitions and conferences related to youth employment, including the initiative's contribution to the qualification of entrepreneurs and the enhancement of their communication with the employment community, in addition to the initiative's cooperation with its

partners in developing the capabilities of graduates seeking job opportunities, and enabling them to start their careers. This comes in the context of supporting the role of national human resources in achieving the goals of Saudi Vision 2030.

Medical Industries Forum

The Local Content and Business Development Unit held a dialogue forum targeting 15 companies and projects within the Nusaned™ initiative, in the presence of more than 30 representatives of investors and employers. The forum included a number of workshops and consultative sessions with the participation of SABIC representatives, the Ministry of Health and the Food and Drug Authority. They discussed the overcoming of difficulties facing investors in the medical industries sector and maximizing the chances of the success of their investments.



NUSANED™ participation in the Local Content Forum

NUSANED™ participated in the Local Content Forum, which aims to raise awareness of the importance of local content, empower local capabilities, enhance communication between the public and private sectors, activate strategic partnerships, and explore investment opportunities that would advance the national economy and reach global competition.



Job creation program and employment campaign with Abha Chamber

The Local Content and Business Development Unit, with the support of SABIC Human Resources Department, launched an employment campaign for the month of August 2022 in Asir region through Muahal program (one of the pillars of the NUSANED™ initiative), in cooperation with the Chamber of Commerce.



Industrial Hackathon 2022

NUSANED™ participated in the sponsorship and refereeing of the Industrial Hackathon 2022, which was organized by the Saudi Industrial Development Fund to invest the energies of the country's youth in coming up with creative solutions. The winners of the first five positions were offered an opportunity to join the NUSANED Excellence Program, which deals with operational excellence policies for factories.



NOTABLE PARTICIPATIONS AND VISITS

United Nations Climate Change Conference

SABIC took part in the United Nations Climate Change Conference (COP 27) in Egypt, where the Kingdom's initiatives to combat climate change were highlighted. The "Home of Innovation" model was presented at the Saudi pavilion to reflect efforts to enable green energy and the smart use of renewable energy.



New Building Technologies Forum

Based on the importance of cooperation between SABIC, the Ministry of Municipal, Rural Affairs and Housing, and the Ministry of Industry and Mineral Resources, the Local Content and Business Development Unit of SABIC hosted a discussion forum targeting 16 companies from the modern building technologies sector. In the presence of 45 representatives and owners of these investments, the forum highlighted the most important challenges facing the modern construction technology sector.



Thai Minister of Energy visits Home of Innovation

Deputy Prime Minister and Minister of Energy of Thailand Supattanapong Punmeechaow and his accompanying delegation visited the SABIC Home of Innovation™ (HoI) in Riyadh. The delegation was briefed on the latest products manufactured by local and international partners using SABIC materials, which fall within the focus areas of the National Industrial Development and Logistics Program (NIDLP). They saw some of SABIC's solutions in the energy and petrochemicals sector. The guests were also told about SABIC's research, development, innovation, and localization efforts in the industrial sector.



United Kingdom Prime Minister Visit

Boris Johnson, Prime Minister of the United Kingdom, visited the SABIC Plastics Application Development Center (SPADC) in Riyadh during an official visit to Saudi Arabia. He was accompanied by Prince Abdulaziz bin Salman, Saudi Arabia's Energy Minister, Prince Khalid bin Bandar bin Sultan bin Abdulaziz, Saudi Arabia's Ambassador to the UK, Dr. Musaed bin Muhammad Al-Aiban, Minister of State and Member of the Council of Ministers, and a number of dignitaries and officials.



NOTABLE PARTICIPATIONS AND VISITS

Cooperation with the Yanbu Chamber in employment and qualification of national cadres

Joint efforts and cooperation with Yanbu Chamber resulted in the signing of a cooperation agreement in the field of employment and qualification of national cadres in Yanbu Industrial City. This agreement aims to cooperate in supporting the employment and qualification of national cadres, which contribute to increasing jobs localization.



Cooperation with Al-Ahsa Chamber

NUSANED™ initiative visited Al-Ahsa Chamber of Commerce in the Eastern Province, in the presence of a number of officials from both parties. The cooperation aims to develop local content and linking the public and private sectors, helping small and medium enterprises (SMEs), supporting business initiatives and local procurement and capacity building.



NUSANED™ DIALOGUE FORUM WITH SIDF

The Local Content and Business Development Unit held the NUSANED™ dialogue forum at the SABIC Plastics Application Development Center (SPADC), with the support and participation of the Saudi Industrial Development Fund, the strategic partner of the initiative. The Forum aims at empowering investors of NUSANED'S Initiative to identify the offered programs, which support investors and localize industry.



Qualitative Employment Forum «Kafa'at»

NUSANED™ initiative, in cooperation with the Jeddah Chamber of Commerce, held the Qualitative Employment Forum "Kafa'at". The forum aims to create more than 2,000 quality job opportunities and link job seekers with more than 40 companies from various economic sectors. During the forum personal interviews were conducted, which was followed by immediate employment. In addition, workshops on the development of the capabilities and skills of job seekers were also held.



Cooperation with chambers in various regions of the Kingdom



NUSANED™ participated in the program of the "Provincial Development Works Committee in Dawadmi province", in order to activate NUSANED's role in Job creation and increasing the local content score.



NUSANED™ participated with Alkharj chamber to conduct a workshop in order to activate NUSANED role in Job creation.



NUSANED™ contributed to support entrepreneurs and creating new industrial opportunities in Shaqra province, by participating in the investment forum organized by the Development Committee of the Riyadh Chamber

Nusaned BOOT CAMP

Based on the vision of NUSANED™ initiative to be the preferred platform for industrial investors in the Kingdom and to continue to support investors and develop their opportunities by transferring the necessary knowledge and improving the investor's journey continuously, the Local Content and Business Development Unit held a four-day virtual training camp during this year in the presence of more than 110 investors under the umbrella of NUSANED™ initiative and the participation of 5 strategic partners



OUR
AMBITION



VICE PRESIDENT'S STATEMENT



Abdullah Al-Arifi

Vice President of Local Content
and Business Development Unit,
SABIC

Following the launch of the NUSANED™ initiative to localize future industries, we quickly learned from experience but never lost sight of the original goals.

Nusaned was intended to follow SABIC's lead in achieving the goals of Saudi Vision 2030. It was meant to contribute directly to the creation of industrial capabilities that support the nation's growing economy. In doing so, it would also enhance the nation's self-sufficiency, global competitiveness and capital markets.

Today, five years after the launch of the initiative, our initial ideas have been turned into operational institutions and our first applicants have become entrepreneurs capable of establishing a market presence with distinct products and professional services. In short, Nusaned is creating small and medium enterprises (SMEs) and producing entrepreneurs who can create jobs and investment opportunities.

As much as I am pleased with the progress achieved, Nusaned is still looking forward to more. It will continue to invest in people who are eager to prove their skills at analyzing markets and realizing business opportunities. They are the ones who thrive in commercial competition. Nusaned will also continue to support the establishment of national companies—particularly if they localize technology development, sustainable practices, and operational excellence.

Finally, let me express my thanks to Nusaned's Executive Council for its active and close cooperation. And of course I also am grateful to all the investors and business partners who are affiliated with Nusaned's entrepreneurs.


With everyone's continued efforts, Nusaned will keep pursuing its goals for the sustainable growth of the Kingdom.



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register on ENTEMA portal

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