



البوتاس العربية  
Arab Potash



# APC SUSTAINABILITY REPORT 2022

Partners in Global Food Security

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His Majesty  
King Abdullah II Bin Al Hussein



His Royal Highness  
Crown Prince Al Hussein Bin Abdullah II



# MESSAGE FROM OUR CHAIRMAN

**Eng. Shehadah Abu Hdaib**  
Chairman of the Board of Directors

On behalf of the Board of Directors, I am delighted to introduce Arab Potash Company's (APC) 2022 Sustainability Report, which documents the progress of our continued sustainability journey by communicating our impacts on people, the planet, and operations in a transparent and comprehensive manner. This report is a platform for us to reiterate our continued sustainability commitment to all our stakeholders and interested parties.

As stated in our Annual Report, APC faced significant challenges during 2022, many of which were exacerbated by the unprecedented high rates of inflation, persisting supply chain disruptions due to the global COVID-19 pandemic, and the various geo-political tensions around the globe. Despite these challenges, APC continued to thrive, achieving exceptional performance in production and sales, that has resulted in a historical and record net profit of JOD 601 million.

I am proud of APC's financial success, which can be attributed to the strategic planning and implementation of initiatives aimed at maximizing operational and marketing flexibility to diversify production and access key markets. In addition, it is also important to recognize our organization's significant contribution to safeguarding global food security.

In the year 2022, we witnessed a series of unprecedented global events that have significantly impacted food security. The Russian-Ukrainian

conflict has disrupted food and fertilizer supply chains from Russia, Ukraine, and Belarus and the severe droughts in the Horn of Africa and the Americas have further exacerbated existing food insecurities. These events have occurred against the backdrop of global economic pressures and governments around the world have struggled to address these challenges, with their capacity limited by the constraints of climate change. We have also seen global trade affected, with transportation costs increasing and product delivery times being extended.

In this challenging environment, we have witnessed large fluctuations in fertilizer prices, which affected APC's sales revenues throughout the year. To address these fluctuations, governments and international organizations, such as the International Fertilizer Association (IFA), have taken steps to promote fertilizer price stability, including lifting restrictions on fertilizer trade and exports. This

has helped alleviate food crises by providing access to affordable fertilizers and maintaining food production. Furthermore, public and private institutions such as APC have continued to promote the efficient use of fertilizers, as well as investing in innovation to develop international best practices and increase productivity using cutting-edge technology. These efforts are aligned with APC's mission to prioritize the principles of sustainable development to support long-term food security and stability.

We believe that collaboration is vital for achieving sustainability goals, especially during times like these. As part of our five-year strategy, we are committed to continue working closely with both internal and external stakeholders to build a sustainable global economy that prioritizes positive environmental and social outcomes, creating a thriving future for all. We are particularly proud of our contribution to the local economy by

sourcing over 40% of our procurement needs from local suppliers in Jordan; to society by safeguarding the health and safety of our employees reflected in the 25% decline in injury rate compared to 2020; and to the environment by having reduced our production emission intensity by 18% compared to 2019 values.

As we enter 2023, sustainability will remain central to our purpose of promoting prosperity and ensuring food security globally as a leading potash producer.

To achieve a sustainable future, we must all work together towards a common goal. Let us embrace collaboration and partnership, as we strive to create a world that is environmentally sound, socially just, and economically prosperous. Our individual actions may seem small, but together, they can make a significant difference in shaping a better future for generations to come.





# MESSAGE FROM OUR CEO

**Dr. Maen Nsour**  
President & CEO

I am delighted to present APC's Sustainability Report, outlining our progress towards contributing to the United Nations' Sustainable Development Goals (SDGs) and Jordan's 2025 Vision. As a leading producer of fertilizers, we recognize our responsibility to promote sustainable practices and reduce our environmental impact. Our commitment to sustainability is at the heart of our business operations, corporate culture, and long-term strategies.

As a leading producer of potash fertilizers, APC operates in an industry that has been impacted by global political, economic, and health events in 2022, such as the Russian-Ukrainian conflict, droughts, floods, and other natural disasters. These challenges have led to higher fertilizer prices and a difficult operating environment for many companies in our industry. In the midst of these challenges, APC has remained resilient, achieving the highest profits in our company's history. This historical achievement is the result of our 2025 strategy, which allowed us to maintain flexibility in our production and marketing operations by scaling up production to the maximum capacity while ensuring the sustainability and safety of the production process, diversifying product offerings, and expanding our marketing network in the European Market and entering into new markets in Southeast Asia, Australia, and Brazil.

At APC, we understand the importance of energy and water efficiency in reducing production costs while simultaneously benefiting the environment. In fact, in 2022, we achieved a significant energy intensity reduction of 20% relative to 2019. Furthermore, as we work to continue to expand production and enhance the competitiveness of APC, we are launching several projects aimed at increasing energy and water efficiency in our operations, with the aim of reducing our carbon footprint, and minimizing waste generation.

These achievements will be further supported by the APC Advanced Center for Research, Development, and Innovation, developed in collaboration with the best

international research centers and for which construction is nearing completion. The center will advance research activity, development, and innovation in the production of fertilizers and in their application in the agricultural sector while considering the environmental impacts and opportunities.

We recognize that our success is largely attributable to our human capital, and we continue to invest in our employees by equipping them with the correct knowledge and skills. In 2022, 18,499 hours of collective training were provided to our employees to upskill them and support their development. As we strive to build a strong institution, we place a large emphasis on creating

a corporate culture that promotes employee engagement, diversity and inclusion, and personal and professional development. We are also proud of the JOD 7 million donated to support our communities in 2022.

As we move forward, we remain steadfast in our commitment to sustainability and to contributing to a more sustainable future for all. We recognize the vital role that businesses play in promoting sustainable practices, and we are proud to be at the forefront of this effort. At APC, we will continue to improve our sustainability practices and maintain our position as a leader in the fertilizer industry.



# ABOUT THIS REPORT

GRI 2-2, 2-3

Arab Potash Company (hereinafter referred to as APC) is proud to share its third annual Sustainability Report of 2022. The report highlights our progress and development in our journey to manage our environmental, social, and economic performance by applying sound governance standards to our business operations and practices.

## REPORTING FRAMEWORKS

This report was developed in alignment with the GRI 2021 Sustainability Reporting Standards, the United Nations Sustainable Development Goals (UN SDGs), and the Amman Stock Exchange Guidance on Sustainability Reporting.

## SCOPE

This report covers APC's operations in Jordan. Unless specified, data from subsidiaries, clients, external contractors, and suppliers are not included.

## COMPLETENESS






We ensure that our stakeholders have access to APC's sustainability performance data by upholding the principles of inclusiveness, materiality, sustainability, and completeness in our reporting practices. Prior years' annual sustainability reports are available on our Sustainability Reports webpage. Financial, legal, and governance information is available in our 2022 Annual Report.

## REPORTING PERIOD

This report covers the calendar year from 1st January 2022 until 31st December 2022 and focuses on APC's activities and performance during the period. Information and data from previous years are provided, where relevant and helpful.

## FEEDBACK

We consider reporting as an ongoing and evolving process. We welcome your feedback on the contents of this report, as well as our approach to reporting at:

-  [sustainability@ArabPotash.com](mailto:sustainability@ArabPotash.com)
-  [linkedin.com/company/arab-potash-co](https://www.linkedin.com/company/arab-potash-co)
-  [twitter.com/ArabPotashJO](https://twitter.com/ArabPotashJO)
-  [facebook.com/pg/Arabpotashjo/photos/](https://www.facebook.com/pg/Arabpotashjo/photos/)
-  [youtube.com/channel/UCIQRyd-1o4hbW8NI-\\_C9uqQ/about](https://www.youtube.com/channel/UCIQRyd-1o4hbW8NI-_C9uqQ/about)

Please note that an electronic version of this report can be found on our website: [www.arabpotash.com/En/List/Sustainability\\_Reports](http://www.arabpotash.com/En/List/Sustainability_Reports)

# OUR PERFORMANCE AND PROGRESS DURING 2022

## THRIVING FUTURE

**2.684 million**

metric tonnes of potash sold (new APC record)

**JOD 738 million**

in consolidated operating profits achieved

**37 countries**

Market presence maintained

**JOD 1,322 million**

in revenues

**JOD 601 million**

in consolidated net profit achieved

**JOD 177 million**

in capital expenditures invested

## ENVIRONMENTAL STEWARDSHIP

**10.4%**

Water reduction in water withdrawal, compared to 2019

**Zero**

Non-compliance incidents in the past 4 years

**18%**

Reduction in energy intensity, compared to 2019 baseline

**18%**

Reduction in emission intensity, compared to 2019 baseline

**7%**

Increase in waste generation, compared to 2019

## PEOPLE CENTRICITY

**22%**

Increase in safety awareness conversations conducted

**312**

Audit for safety performance conducted

**25%**

Reduction in Lost Time Injury rate, compared to 2020

**2,125**

employees are beneficiaries of APC's housing loans

**Zero**

discrimination incidents recorded in 2022

**18,000**

Hours of training delivered in 2022

**JOD 7 million**

in CSR initiatives invested

**JOD 70 million**

invested over the course of the past 6 years

**225 employees**

individuals participated in APC's local community training programs

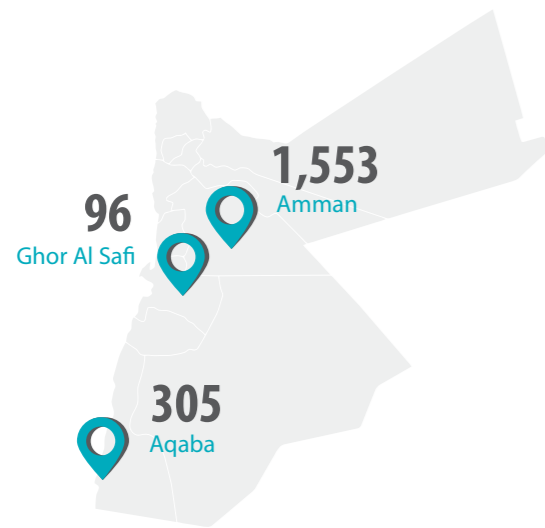
# ABOUT APC

## Business Context

Arab Potash Company was established in 1956 as a pan-Arab venture to extract salts and minerals from the Dead Sea and establish industries that use these salts and minerals. Today, APC is the sole producer of potash in the Arab World and the eighth-largest producer worldwide, by volume of production.

APC operates under a concession from the Government of Jordan that grants it exclusive rights to extract, manufacture, and market minerals from the Dead Sea until 2058. In addition to its potash operations, APC also invests in several downstream and complementary industries related to Dead Sea salts and minerals, including potassium nitrate, bromine, and other derivatives.

### TOTAL NUMBER OF EMPLOYEES IN JORDAN



For information on APC's subsidiaries and affiliates, please refer to the 2022 Annual Report.

Number of Employees	Ghor Al Safi	Aqaba	Amman	Total
<b>APC</b>	<b>1,517</b>	<b>47</b>	<b>96</b>	<b>1,660</b>
<b>Subsidiary</b>				
KEMAPCO	0	258	14	<b>272</b>
Numeira Mixed Salts and Mud Company	36	0	6	<b>42</b>

GRI 2-1, 2-2, 2-6, 2-7



The year 2022 was a successful year for APC, with significant growth in revenue, profit, and production. We achieved revenues exceeding JOD 1.27 billion, an increase of 96% compared to 2021. Net profits were the highest since the company's inception, reaching 601 million dinars, up 177% from 2021. APC also set a production record, producing around 2.684 million metric tonnes, which has marked the highest production levels since its establishment.

Details	2019	2020	2021	2022
Potash production (thousand metric tonnes)	2,486	2,620	2,563	<b>2,684</b>
Potash sales (thousand metric tonnes)	2,408	2,553	2,631	<b>2,621</b>
Consolidated sales revenues	544,980	472,579	664,142	<b>1,321,869</b>
Potash sales revenue	459,824	395,113	583,937	<b>1,206,224</b>
Gross profit	226,179	179,355	316,556	<b>913,402</b>

These accomplishments were largely made possible through our combined corporate efforts to manage production costs and sales, which contributed to raising APC's profit margin, and in turn, our net

profit. Our increased production quantities allowed us to reap the benefits of economies of scale as well as our expansion in several consumer markets for granular red potash. We have continued to position APC as a

leader in the potash industry through our economic achievements and resilience in meeting our customers' requirements in a time of increased demand and profitability for our granular-grade potash.

## Our Products

APC is a producer of various types of potash, such as standard, fine, white, and red granular potash. We continuously seek to achieve sustainable growth for our company through expansion in production and market presence.

While the global supply of potash declined in 2022, APC was able to enhance the flexibility of its production and marketing operations to meet the

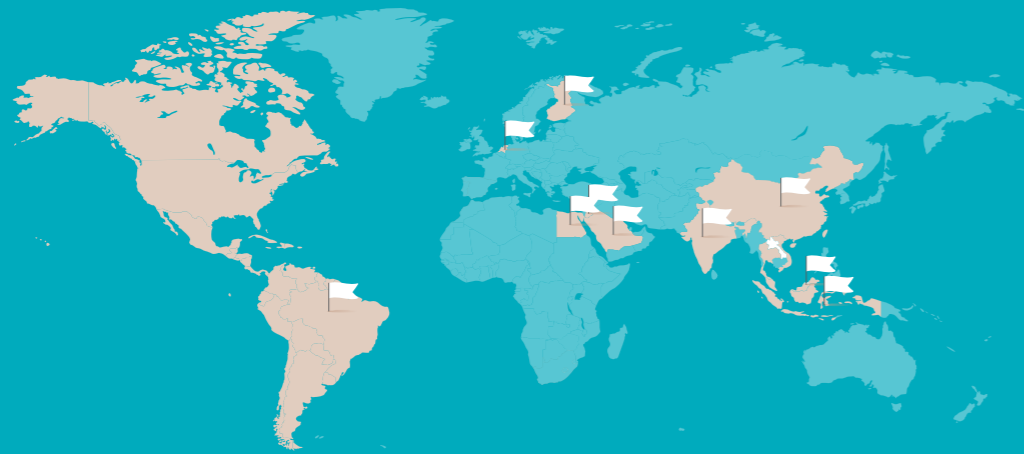
rising demand. In effect, APC diversified production to include both granular and standard red potash in its product offering, resulting in total annual potash production of 2.684 million metric tonnes of potash, a 7.36% increase in production from 2021 figures.

Further to the increase in production, APC capitalized on its ability to enter new markets and expand market

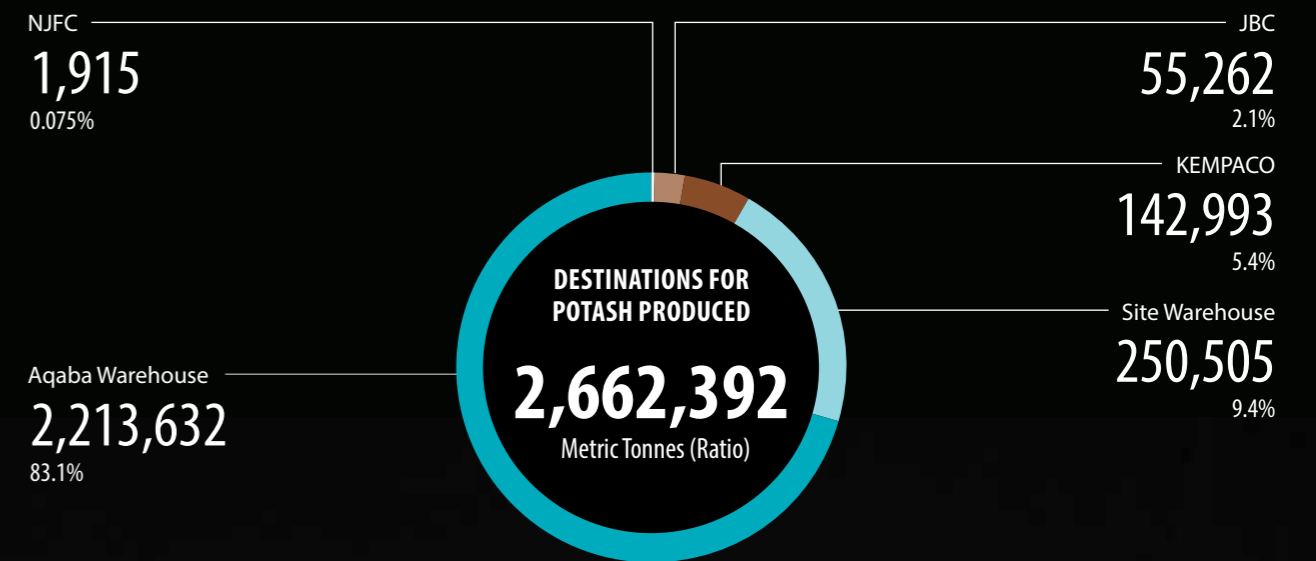
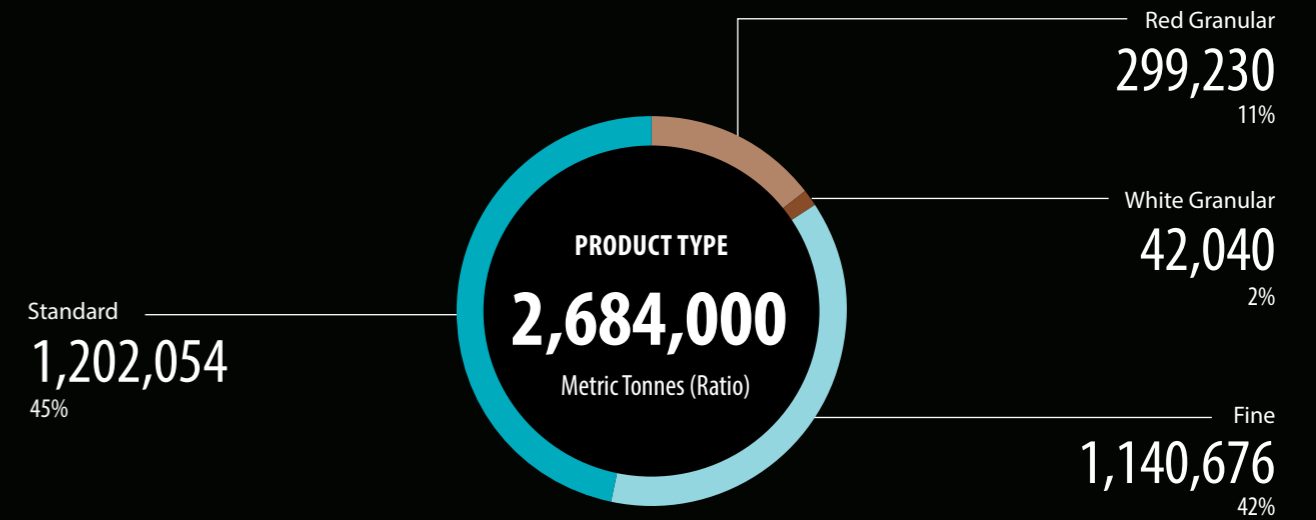
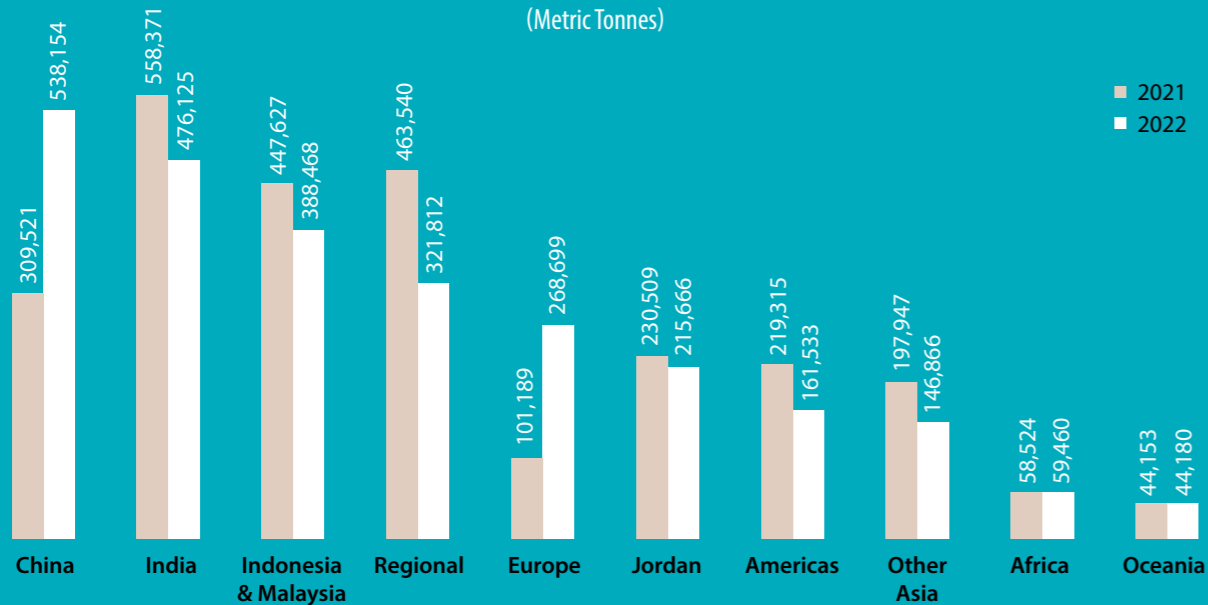
presence in existing ones, contributing to potash availability across continents. We expanded our presence in several markets for granular red potash, particularly in the Brazilian market, wherein a representative APC office was opened. Brazil is the largest importer of potash fertilizer and is among the three largest consumer markets of potash in the world, after China and America.

### APC'S KEY MARKETS

The ten largest markets for sales during 2022 were China, India, Malaysia, Egypt, Jordan, Americas, Indonesia, Holland, Finland, and Saudi Arabia.



### APC SALES BY AREA (Metric Tonnes)



KEMPACO: Arab Fertilizers and Chemicals Industries  
JBC: Jordan Bromine Company





# MEMBERSHIPS AND ALLIANCES

GRI 2-28



## IFA MEMBER

APC continues to be a member of the International Fertilizer Association (IFA); which aims to promote efficient and responsible production and use of plant nutrients. IFA has more than 430 members worldwide across several sectors in the fertilizers value chain.



## AFA MEMBER

APC maintained its membership with the Arab Fertilizer Association (AFA) which encourages member companies to contribute to economic, social, and agricultural development and enhance food security, and combat hunger.

# AWARDS AND RECOGNITION



During the IFA Annual Conference in June, 2022, APC earned second place for the prestigious 2022 Green Leaf Award for excellence in safety, health and environmental performance, in the phosphate/potash producer category. In particular, the judges noted APC's water conservation innovations.



APC continued to adhere to the implementation of the comprehensive quality management system and has once more obtained a certificate of conformity with the requirements of ISO 9001:2015.



APC maintains its commitment to meeting the requirements of the Global Conformity Certificate and the product care protocol issued by the International Fertilizers Association (IFA). APC renewed the certificate of compliance with distinguished appreciation from Société Générale de Surveillance (SGS) on behalf of IFA.



APC continued to meet the requirements of the Jordanian Quality Mark Certificate (JQM) for the quality of potash products and its contribution to the global market for agricultural uses, granted by the Jordanian Standards and Metrology Institution.



APC continued to adhere to the quality requirements of the Indonesian standard for quality, obtaining a certificate of conformity with the requirements.



APC adheres to the requirements of the certificate of conformity with the protocol of the Australian Quarantine and Inspection Service by subjecting the logistics operations of handling, storage, transportation, and shipping at the factory and Aqaba sites to external audit by the Australian accreditation body, through which all risks are assessed. APC received a certificated for continued compliance with the requirements.



APC maintained a comprehensive system for occupational safety and health management in all sector work sites to ensure the provision of a sound work environment for safe production and that all risks are subject to analysis, evaluation, and control. As such, APC obtained the certificate of compliance with ISO 45001:2018.



APC's sustainable environmental management system enabled APC to obtain a certificate of compliance with ISO 14001:2015.



APC's energy management system, which covers all the company's sites and operations, obtained the certificate of compliance with ISO 50001:2018.



APC is keen to apply the best international practices within its chemical laboratories to ensure the reliability of tests and certificates. We continued to implement the requirements of ISO 17025:2017 and obtained the certificate of compliance with the standard from the Jordanian Accreditation System as an associate member of the International Organization for Laboratory Accreditation.

# APC'S CORPORATE STRATEGY

Our initial sustainability report published in 2020 laid the groundwork for our sustainability reporting journey, in harmony with our corporate strategy and outlook. With this third annual sustainability report, we, as APC, have consolidated our performance and contribution to sustainable development for the environment, society, and the economy.

Operating in line with our mission to deliver superior value to all our stakeholders, we are dedicated to our customers, employees, and the communities in which we operate. APC strives to contribute to the development of the economy and society through the realization of high-quality, safe, and sustainable potash products. With a steadfast commitment to excellence and sustainability, APC is leading the way in transforming Dead Sea minerals into products that positively impact people's lives and the environment.

At APC, we aim to be the most trusted partner in the global upstream and downstream minerals industries. Our corporate strategy helps drive our local and global impact through APC's operations and products and is guided by our mission. We have made sustainability principles central to how we operate, promoting shared value creation and sustainable product delivery and we seek to continuously align our strategy to major global developments and trends in our industry to maximize the shared value created through our operations.

Our corporate strategy for the years 2020-2025 remains as a blueprint for the continued resilience, agility, and adaptability of our business model. We are confident that it will continue to set us apart in the global market for the next three years.

## AMBITION STATEMENTS

Ambitions represent APC's view of the future. They define why the company exists, what the future will look like, what APC will provide to different stakeholders along the way and what are the values that will govern its employees and leadership practices and behaviors.

### Vision

*Be the most trusted partner in the global upstream and downstream Dead Sea minerals industries.*

### Mission

*Create value for our shareholders, customers, employees and other stakeholders through transforming Dead Sea minerals into a wide spread of high-quality, innovative and sustainable products.*

### Strategic Themes

- Strengthen the core
- Expand through diversification
- Prepare for the inevitable change



## STRATEGIC THEMES & OBJECTIVES

Themes are the categories of APC's areas of play, which are represented by a set of objectives that will shift APC from its current status into the future.



## STRATEGIC INITIATIVES (STRATEGIC, TACTICAL & OPERATIONAL)

This part will define each initiative in terms of required activities, responsibilities, timeframes, priorities, type (strategic vs. tactical vs. operational), etc.

“Quality in everything we do.”

## Core Values

### IMAGE VALUES

Values are adopted to improve external perception and brand.

#### Integrity

is our compass in every single behavior.



#### Innovation

we believe in the collective thinking and the value of diverse perspectives.



#### Customer Centricity

our customers success is our success; we do not compromise their trust.



#### Working Together

the sum is better than its individual parts, so we work together with result-oriented mindset.



#### Sustainability & CSR

we care about the environment and local community surrounding us.



### PERFORMANCE VALUES

Values are adopted to improve APC from within.

#### Safety First

Safety is a key priority for us; we think, plan and act safely.



#### Continuous Improvement

Is a practise we adopt in everything we do.



#### Cost Consciousness

Steers all our decisions.



#### Productivity

We make use of all the available time to be productive.



#### Think like Owners

APC is our second home, its prosperity is our prosperity as well.



“It’s a journey, and we’re only at the beginning.”

**STRATEGIC THEMES AND OBJECTIVES**

**PREPARE FOR THE INEVITABLE CHANGE**

Long term strategic planning cannot overlook the **changing dynamics** of the world at large, and those related to the Potash and Fertilizer Industries in particular. Researchers and industry papers reveal **trends** that will **transform the way businesses operate** in the coming decades. Keeping APC aligned and ahead of these changes will be the aim of this theme.



**EXPAND THROUGH DIVERSIFICATION**

Releasing from the old boundaries of being just another potash producer is not a far-fetched goal for APC. **Untapped markets and geographies, high-margin potash-based products, and new customer bases and segments** create significant growth opportunities. Seizing on these opportunities will be the center of this theme.



**STRENGTHEN THE CORE**

Growth plans can turn out to be unachievable if not supported **by robust internal operations and assets**. Therefore, **laying the foundation** for growth is imperative to realize such growth, and will be the primary focus of this theme.



With the active involvement of APC’s leadership, we have continued to align our investments and operations with the strategy, to achieve substantial progress against the five strategic categories:

**KEY THEMES OF APC CORPORATE STRATEGY**

Themes	Progress against the themes in 2022	
<p><b>GROWTH</b></p> <p>Grow and diversify APC’s current product portfolio, geographical reach, and customer base.</p>	<ul style="list-style-type: none"> <li>Product mix</li> <li>Diversification</li> <li>Specialty fertilizers</li> <li>Customer experience</li> <li>Product development and R&amp;D</li> <li>Integrated services</li> <li>Resilience</li> <li>Expansion</li> </ul>	<ul style="list-style-type: none"> <li>Significantly increased potash production and diversified offerings through the production of regular and red granular potash.</li> <li>Expanded presence in new and existing markets such as Brazil, China, Europe, and Australia.</li> </ul>
<p><b>EXCELLENCE AND OPTIMIZATION</b></p> <p>Create an organization that is both lean and institutionalized, with a delivery model that is streamlined and effective and that makes efficient use of resources.</p>	<ul style="list-style-type: none"> <li>Excellence</li> <li>Efficiency and effectiveness</li> <li>Quality</li> <li>Optimization</li> <li>Energy mix</li> <li>Asset management</li> <li>Corporate Planning</li> <li>Business performance management</li> <li>Financial management</li> <li>Outsourcing</li> <li>Standardization</li> </ul>	<ul style="list-style-type: none"> <li>Achieved revenues exceeding 1.27 billion JOD, an increase of 96% compared to 2021.</li> <li>Net profits were the highest since the company’s inception, reaching 601 million JOD, up 177% from 2021.</li> <li>Set a production record, producing around 2.684 million tons, the highest production levels since the establishment of APC.</li> </ul>
<p><b>CULTURE AND TALENT ENABLEMENT</b></p> <p>Empower talent and foster a corporate culture that is aligned with APC’s corporate values.</p>	<ul style="list-style-type: none"> <li>Corporate culture</li> <li>Occupational Health and Safety</li> <li>Workforce planning</li> <li>Performance management</li> </ul>	<ul style="list-style-type: none"> <li>Employee satisfaction rates were recorded at 89%.</li> </ul>
<p><b>INNOVATION AND DIGITALIZATION</b></p> <p>Prepare for the inevitable change through innovation and digital enablement.</p>	<ul style="list-style-type: none"> <li>Innovation</li> <li>Automation &amp; digitalization</li> <li>Think tanks</li> </ul>	<ul style="list-style-type: none"> <li>Moving forward with Eastern expansion plans.</li> <li>Assessing feasibility of expanding in the Southern region of operations.</li> <li>Commenced the implementation of the digital strategy, with several initiatives in progress, working to improve APC’s digital capacity.</li> </ul>
<p><b>ECOSYSTEM EFFECTIVENESS</b></p> <p>Build an effective ecosystem and create partnerships and alliances that will facilitate faster and more optimized inorganic growth.</p>	<ul style="list-style-type: none"> <li>Partnerships &amp; alliances</li> <li>Synergies &amp; collaboration</li> <li>Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Published 3<sup>rd</sup> sustainability report.</li> <li>Partnered with 3 universities, centers, and innovation drivers.</li> </ul>

# APC'S SUSTAINABILITY JOURNEY

Our sustainability reporting journey has been a natural progression of our commitment to responsible operations, environmental stewardship, and our people. APC actively seeks to uphold its governance frameworks, reduce its impacts on the environment, and maximize its positive externalities for society and our people. Throughout 2022, we continued to implement internal guidelines and controls to manage our material topics in line with leading sustainability practices and monitor the efficacy of those from previous years to track performance. Our objectives, initiatives, and performance improvements demonstrate our commitment to sustainability across our operations, including our efforts to ensure a stable and reliable supply of fertilizers to the world.

In 2022, our company played a significant role in ensuring fertilizer supply to the world, while global supply was significantly cut short. This achievement highlights our commitment to sustainability and responsible operations, and we are proud to have been able to make a positive impact during challenging times. Our focus was on ensuring operational excellence while increasing production to meet the demand for fertilizers worldwide, contributing to widescale food security.

## Our Sustainability Commitments

The APC corporate strategy drives our local and global impact in the upstream and downstream minerals industries, aiming to be the most trusted partner. Our strategy is the blueprint for our continued resilience, agility, and adaptability and is articulated through our ambition statements, strategic themes, and objectives. We have been activating the strategy through a roadmap of initiatives, guided by sub-strategies that are aligned with our material issues and approach for managing water, energy, human resources, marketing, and production performance across our operations. Our strategic planning directorate monitors and tracks the implementation of our roadmap to achieve our ambitions.

Each of the sub-strategies has been developed based on an assessment of our current state to identify the required actions to align with leading practices and achieve our set vision and objectives. Detailed information on each strategy is provided in the respective chapters, covering our sustainability performance.



### HUMAN CAPITAL STRATEGY

#### Overview

The Human Capital Strategy includes a holistic review of APC's human capital practices, an analysis of human capital capabilities, and the compilation of the human capital strategy as well.

#### Our Mission

- Assess existing ambitions, by-laws and the objectives of the Human Capital department following a holistic approach.
- Analyze capabilities anticipated based on the overall strategy, and revamp all in-scope components including Performance Management System (PMS), Workforce Planning (WFP), Culture, Competency Framework etc.
- Develop the Human Capital Strategy compiling all information captured in other components of our initiatives.



### WATER STRATEGY

#### Overview

Operating in a water-scarce country, APC has devised a water strategy to rationalize water consumption and overcome the water challenges faced and sustain our operations.

#### Our Vision

A leading, water-efficient potash producer that is using sustainable and diverse water resources in its operations.

#### Our Mission

A responsible company developing and managing its water resources in a sustainable manner, alongside actively engaging with national and local stakeholders and communities to create synergies and develop partnerships to overcome water challenges in Jordan.



### MARKET STRATEGY

#### Strengthen the Core

- Increase production capacity and optimize supply chain.
- Maintain customer satisfaction with focus on quality and service.
- Achieve operational excellence with focus on capabilities.
- Transform culture and enable talent.

#### Expand through Diversification

- Diversify and upgrade core and non-core product portfolio.
- Enhance channel mix and delivery network.
- Grow and diversify customer base and market/geography presence.

#### Prepare through Inevitable Change

- Activate and apply innovative practices to lead change.
- Transform into digitally-enabled organization.
- Institutionalize and foster sustainability practices, and create societal impact.



### ENERGY STRATEGY

#### Overview

This Energy Strategy 2021-2030 stresses a comprehensive approach to energy management and emphasizes the importance of sustainable methods to meet future energy demand. There is a need to work in a parallel manner to ensure high-efficiency of energy usage, in addition to exploring innovative solutions which will help APC decrease its dependency on fossil fuels in favor of renewable clean energy. In conclusion, APC's Energy Strategy attempts to create a new momentum which makes APC operate in an optimal model advancing its competitiveness in synchronization with national and stakeholder's objectives.

#### Our Mission

- Attaining the security of sustainable energy supply and optimal utilization of natural resources.



## Engaging with Our Stakeholders

Stakeholder engagement is a critical component of APC's sustainability strategy. At APC, we recognize that our business operations have an impact on various stakeholders, including our employees, customers, shareholders, communities, and the environment. Therefore, engaging with our stakeholders is essential to understand their needs, expectations, and concerns, and to integrate their feedback into our decision-making processes.

APC's stakeholder engagement approach is based on transparency, inclusiveness, and responsiveness. We aim to build and maintain trust with our stakeholders by providing them with accurate and timely information about our operations, products, and services. We also strive to involve our

stakeholders in our sustainability initiatives and seek their input and feedback to improve our performance.







To engage with our stakeholders, we use various channels, including surveys, focus groups, consultations, and meetings. We also leverage technology to enable remote engagement. In 2022, we conducted a stakeholder survey to gather feedback on our sustainability performance, and the results have been incorporated into our sustainability report.

Our efforts to regularly conduct stakeholder engagements enable us to identify key sustainability issues that are relevant to our stakeholders and our business. These issues include water conservation, energy efficiency, food security, community

development, and biodiversity protection. We have taken steps to address these issues by implementing sustainability initiatives and collaborating with our stakeholders to achieve mutual goals.

APC is committed to continuously improving our stakeholder engagement practices and incorporating their feedback into our decision-making processes. We recognize that effective stakeholder engagement is a continuous process that requires commitment, transparency, and accountability, and we will continue to work towards building strong relationships with our stakeholders based on mutual trust, respect, and shared value.


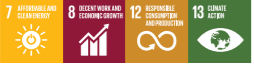


## STAKEHOLDER NEEDS AND EXPECTATIONS AS PER THE ENGAGEMENT PROCESS








Stakeholder group	Means of communication/ engagement channels	Needs and expectations	APC response
 <b>CUSTOMERS</b>	<ul style="list-style-type: none"> <li>Customer satisfaction surveys</li> <li>Customer service department feedback discussions</li> <li>Website and social media</li> <li>Sustainability Report</li> </ul>	<ul style="list-style-type: none"> <li>High-quality products</li> <li>Excellent customer service</li> <li>New products meeting needs and market demands</li> <li>Data Security</li> </ul>	Refer to section "Products and Customers" and section "Ensuring Customer Satisfaction"
 <b>SUPPLIERS</b>	<ul style="list-style-type: none"> <li>Supplier evaluation process</li> <li>Digital procurement system</li> </ul>	<ul style="list-style-type: none"> <li>Fair bidding and contracting practices</li> <li>Opportunities and support to local suppliers</li> <li>User-friendly procurement portals</li> <li>Clear scope of work</li> </ul>	Refer to section "Local Procurement Spending" and section "Embedding Sustainability"
 <b>SHAREHOLDERS</b>	<ul style="list-style-type: none"> <li>Investor relations</li> <li>Board of Directors meetings</li> <li>General assemblies</li> <li>Annual Reports / Sustainability Report</li> <li>Website and social media</li> </ul>	<ul style="list-style-type: none"> <li>Sound corporate governance</li> <li>Increased market share</li> <li>Returns on investment</li> <li>Sustainable production and operations</li> <li>Transparency and accuracy in disclosures</li> <li>Risk management</li> <li>Cost optimization</li> </ul>	Refer to section "Thriving Future", section "Environmental Stewardship", and section "People Centricity"
 <b>EMPLOYEES</b>	<ul style="list-style-type: none"> <li>Training needs assessment</li> <li>Code of Business Ethics</li> <li>Training and Coaching</li> <li>Performance reviews</li> <li>Whistle-blower and complaints policies</li> <li>Intranet information portal</li> </ul>	<ul style="list-style-type: none"> <li>Training and career development</li> <li>Equal opportunity</li> <li>Competitive salaries and benefits</li> <li>Safe working conditions</li> <li>Incentives and promotion program</li> </ul>	Refer to section "Our Workforce" and section "Our Commitment to Health and Safety"
 <b>LOCAL COMMUNITY</b>	<ul style="list-style-type: none"> <li>Social Responsibility Association</li> <li>Vocational Training Institute</li> <li>Scholarships and internship</li> <li>Donations</li> <li>Website and social media</li> </ul>	<ul style="list-style-type: none"> <li>Environmental protection</li> <li>Social and economic development</li> <li>Job opportunities</li> <li>Donations Program</li> </ul>	Refer to section "Our Local Communities" and section "Environmental Stewardship"
 <b>REGULATING PARTIES</b>	<ul style="list-style-type: none"> <li>Direct contacts</li> <li>Meetings</li> <li>Annual Report</li> <li>Website and social media</li> </ul>	<ul style="list-style-type: none"> <li>Transparency and accountability</li> <li>Corporate governance and ethics</li> <li>Compliance</li> </ul>	Refer to section "Our Governance Structure"



## Aligning with the United Nations' Sustainable Development Goals (SDGs)

At APC, we recognize our responsibility to support our government to contribute to the SDGs, working towards achieving sustainable development for all. Our material topics help drive our local and global impact in alignment with the environmental and social principles of the SDGs across all operations. We place sustainability at the heart of our strategic priorities through instilling a safe working environment for our employees, caring about the environment and local communities, as well as, contributing to the economic development of Jordan.

Material topics	Initiatives
<b>Occupational Health and Safety</b> 	APC provides our employees and contractors with trainings, as well as conducting regular inspections and operational testing of safety equipment. In 2022, the safety department conducted safety awareness trainings for 9,182 contractors.
<b>Energy</b> 	APC has established environmental and energy policies and strategies to ensure responsible consumption and management of environmental impacts associated with potash production. In 2022, APC invested in implementing energy recovery and renewable solutions in addition to installing energy-saving systems that use environmentally friendly refrigerants.
<b>Water and Effluents</b> 	APC has developed a ten-year water strategy to rationalize water consumption, diversify withdrawal sources and to increase storage capacity. In 2022, APC increased the capacity of the water reservoirs by 44% and led the development of a new pond with a storage capacity of 80,000 m <sup>3</sup> . APC also drilled new wells to replace depleted ones to address the needs of the local community.
<b>Employment</b> 	APC is keen to provide extended benefits to our employees through our existing programs, including providing healthcare coverage, housing loans, scholarships for employees and retirees, and gender equity efforts to maintain fair pay for women. In 2022, the number of beneficiaries of housing loans was 2,125 employees, with a total amount of about 68 million JOD invested in addition to 50 scholarships provided.
<b>Economic Performance</b> 	APC has been keen to enhance the flexibility of our production and marketing operations, through the diversifying of our products to include red granular and regular potash, in addition to expanding our marketing network and entering major markets. APC is pursuing a storage and packaging warehouse project in line with the latest international standards in Ghor Al-Safi and Aqaba.

Material topics	Initiatives
<b>Waste</b> 	APC is committed to evaluating our environmental and waste management practices in line with the latest international standards and national requirements. In 2022, APC continued to align with leading practice for the safe disposal of chemicals and hazardous waste following the 5S housekeeping management system.
<b>Local Communities</b> 	APC supports local communities through cooperation with local authorities to address their needs and support national efforts. In 2022, APC spent 7 million JOD on CSR initiatives in sectors such as: Education, Social development, Water and environment, Health, Sports, and the national "Himmat Watan" fund.
<b>Training and Education</b> 	APC is committed to the continued development of our employees. In 2022, APC supported the growth and capacity building of all employees by offering extended training programs for all employees and specialized courses for key resources.
<b>Environmental Compliance</b> 	APC maintains an Occupational Health Program that aims to foster a broader concept of well-being in addition to existing practices. In 2022, APC worked diligently to ensure that all risks were identified proactively in order to avoid work-related injuries to the maximum extent possible. APC also ensured that the processes in place for employees to report violations were carried out anonymously to encourage effective implementation.
<b>Indirect Economic Impact</b> 	APC's operations and success in 2022 has continued to support the growth of the local economy in Jordan through APC's indirect economic contributions to the GDP as well as contribution through applicable royalties and taxes to the government.
<b>Emissions</b> 	APC supports the global climate change goals outlined in the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement to limit the rise in global temperature to well below 2°C by 2050. As part of APC's efforts, we have been monitoring and reporting our carbon footprint for the past three years, along with planting more than 3,000 palm trees across our sites.
<b>Diversity and Equal Opportunity</b> 	APC continued to effectively implement sound governance practices in line with the Code of Business Ethics which prohibits discriminatory actions based on race, gender, origin, disability, age, or religion.

HIGH IMPORTANT TOPICS

MEDIUM IMPORTANT TOPICS

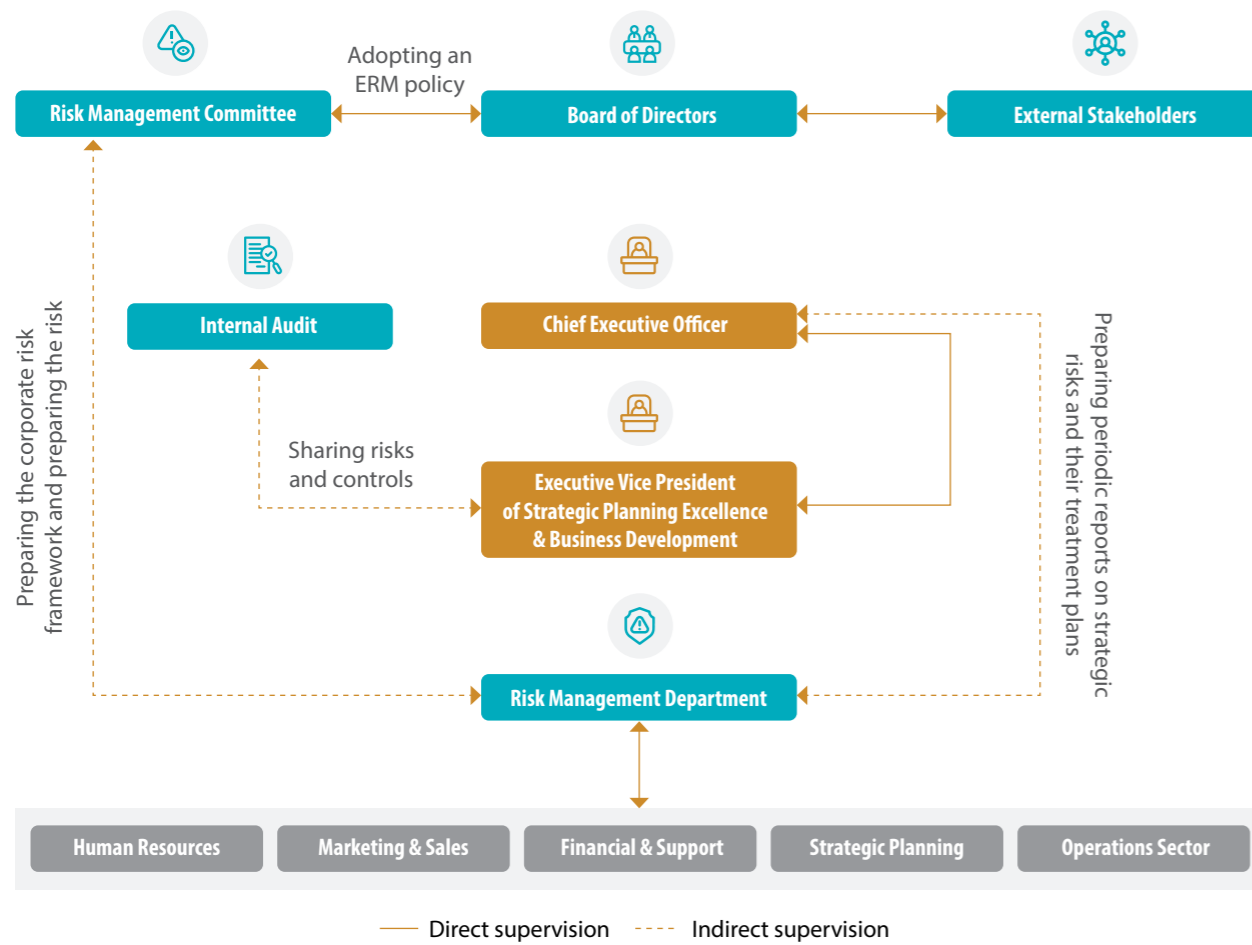
# OUR GOVERNANCE STRUCTURE

Upholding corporate governance and compliance is essential to our business, purpose, and how we operate as an organization. The APC leadership recognizes the importance of adhering to the corporate governance standards as instructed by the regulatory authorities and in line with the legislative and legal frameworks.

Our operations are governed by an established corporate governance framework in line with leading practices and requirements of the Amman Stock Exchange (ASE).

We have established clear and effective governance structures throughout our operations to ensure

that our governance procedures and internal controls reflect our values and commitment to sound governance across our organization. We are committed to ensuring that our procedures are cascaded within our business and regularly updated to align with leading practice.



To provide guidance and meaningfully monitor APC management's actions, the overall accountability for sustainability within APC falls on our Board of Directors. Along with the teams and individuals who work across our operations, they ensure that our governance procedures are effectively implemented at every level of our organization.

## BOARD OF DIRECTORS



Eng. Shehadah Abdallah Alhamad Abu Hdaib  
Chairman of the Board



Mr. "Ahmad Jamal" Nawaf Moh'd Bataineh  
Board Member



Eng. Mofareh Dakhilallah Jum'a Al-Tarawneh  
Board Member



Prof. Fayyad Melfi Aqil Al Qudah  
Board Member



Mr. Zhou Weiliang  
Board Member



Eng. Shen Yi  
Board Member



Mr. Zhou Jing  
Board Member



Eng. Deng Hua  
Board Member



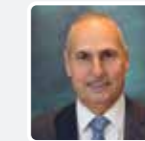
Mr. Anmar Taleb Abd Allatif Al Abdjalil  
Vice Chairman



Mrs. Azza Mohammad Saeed Rashed Al-Suwaidi  
Board Member



Mr. Ali Saleh Ali Al-Smadi  
Board Member



Dr. Bassam Ali Nayef Al-Subaihi  
Board Member



Mr. Ahmed Abd Al Jabbar Ali Al-Kareem  
Board Member



Eng. Yousef Mohammed Jasim Al-Janabi  
Board Member



Mrs. Wafa Abdurrezagh Mohamed Abu Shkewa  
Board Member



Eng. Emhemmed Abdurrahman Emhemmed Ghula  
Board Member



Mrs. Reem Ali Abdullah Al Sughayer  
Board Member

## EXECUTIVE MANAGEMENT



Dr. Maen Nsour  
President & CEO



Mr. Mohammed Al Razem  
Senior VP Finance & Support Services



Mr. Rashid Lubani  
VP Marketing & Sales



Mr. Adnan Al Ma'aitah  
VP Human Resources & Corporate Affairs



Eng. Mohammad Abu Gheyab  
VP Operations



Dr. Samer Ibrahim Al Mofleh  
VP Strategic Planning, Excellence & Growth



The Board of Directors undertakes its duties, supported by four permanent committees emanating from the Board and two additional ad-hoc committees. The responsibilities and duties of each committee are defined, and the powers for each committee are delegated by the Board to increase the effectiveness of the Board's supervision of the company's various activities and operations in an independent and professional manner.

Our committees continued to support the Board of Directors in fulfilling its commitments and responsibilities towards upholding sound governance across the decisions our management makes and the actions our people take.

In 2022, the performance of the Board of Directors and its Committees was evaluated, and the results were shared with Jordan Securities Commission. The results showed that 98% of the Board's goals were achieved, whereas the Board Committees achieved 100% of their goals in 2021.

**BOARD OF DIRECTORS COMMITTEES**


**CORPORATE GOVERNANCE**

The committee is responsible for assisting the Board in sustaining good standards of corporate governance by developing and recommending governance guidelines and procedures.

**6**   
**Members**

**AUDIT**

The committee is responsible for carrying out oversight work in relation to financial reports, internal control, and audit of APC's process and procedures to ensure compliance with applicable laws, regulations, and codes of ethics and conduct.

**5**   
**Members**

**NOMINATION AND REMUNERATION**

The committee is responsible for setting, executing, and monitoring the remuneration and compensation policies and assessing the performance of the Board and its committees. In coordination with the Risk Management Committee, it oversees the company's investments to maximize returns and predict potential risks. Moreover, the committee evaluates and/or recommends future investment opportunities, and it assists the Board in making investment decisions in a timely manner and according to the authorities set forth in the Investments Regulations

**5**   
**Members**

Upon the appointment of any new Board member, the Secretary of the Board publicly shares the announcement on APC's website and with Jordan Securities Commission along with Amman Stock Exchange.

The CEO of APC is not prohibited from serving as a board member; however, the CEO currently holds a different role within the organization. In accordance with the "Instructions of Corporate Governance for Shareholding Listed


**RISK MANAGEMENT**

The committee is mandated with assisting the Board in identifying, monitoring, and controlling APC's business risks.

**7**   
**Members**

**BOARD TENDERING**

The committee was established under the provision of APC's Procurement Policy to decide on tenders with values between five and 10 million JOD and advise the Board on tenders above 10 million JOD.

**3**   
**Members**

**CORPORATE SOCIAL RESPONSIBILITY & DONATIONS**

The committee formulates APC's annual social responsibility strategy and establishes an action plan to deliver planned social responsibility activities on the ground, specifying expenditures, target sectors and amounts committed annually.

**6**   
**Members**

Companies for the year 2017" by the Jordan Securities Commission, the CEO serves as a member of the board risk management committee. This aligns with the practice of including members of the Senior Executive

Management in this committee, as permitted by the regulations.

We understand the importance of maintaining high standards of governance and transparency. As

such, we will continue to strengthen our corporate governance practices, working collaboratively with our stakeholders to ensure that we meet their expectations and maintain their trust.

Our publicly available Corporate Governance Report serves as a key platform for transparent disclosure of our performance to our stakeholders, including shareholders, potential investors, and the public. The report provides insights into our performance, allowing shareholders and potential investors to make informed investment decisions. We take rigorous care to ensure that our disclosures are representative of our true performance as an organization.

In the spirit of transparency and continual improvement, we encouraged the reporting of any misconduct or violations with regard to our policies and governance standards. In 2022, no reports on governance violations related to the implementation of the corporate governance structures and policies were recorded. Further information on our governance framework, committees, and policies is captured in our Annual Report.

## Sustainability Governance

At APC, sustainability governance is crucial to our business operations. We have established a robust structure for sustainability governance, which is supported by our leadership's commitment and strategic influence. This approach has helped us to drive our sustainability performance improvements across the business, such as striving to maintain carbon emissions intensity metrics, improving our waste management practices by introducing circularity measures, and increasing our use of renewable energy sources by implementing solar energy initiatives aimed at covering part of our electrical loads. By implementing sustainability governance, we have strengthened relations with external stakeholders, gaining valuable feedback and insights, building trust and credibility, and identifying new opportunities for sustainability initiatives.

Our corporate strategy and governance structures set the standards that we must live up to as an organization. We have several Internal Management Systems in place that are integrated through different policies and procedures to help us achieve our goals and commitments. These systems include Environmental Performance, Energy, Occupational Health and Safety, APC Laboratories Accreditation,

and APC Total Quality, among others. For instance, our Environmental Performance system tracks a myriad of metrics, including carbon emissions, total electricity produced through renewable sources, as well as total and detailed energy consumption. Our policies and procedures are approved by our President and CEO, demonstrating our top management's commitment to sustainability management. We ensure that our people are well-informed of our established policies and procedures, and we communicate them regularly across all levels of our organization. By actively engaging our employees, we are able to drive sustainable business practices and achieve our sustainability goals.

In addition, APC has several committees in place to drive initiatives in line with our corporate strategy. Our Sustainability Reporting Committee reports directly to the Board of Directors and is responsible for overseeing the development of APC's sustainability report and managing the sustainability reporting process for future reporting cycles. The committee has successfully driven the sustainability reporting of APC for the past three years, working to gather, monitor and track sustainability metrics from across the organization.

APC has several additional committees in place to drive initiatives in line with the corporate strategy:

### SALT MANAGEMENT

The Salt Management Committee established the Salt Management Strategy in 2021 and is responsible for establishing a long-term framework and plan to manage salt resulting from dredging operations.



### WATER MANAGEMENT

The Water Management Committee oversees the advancement of APC's 10-year strategy (2021-2030) to sustain APC's water needs.



### ENERGY MANAGEMENT

The Energy Management Committee evaluates APC's energy requirements and assesses the energy efficiency of operations in line with the 10-year strategy for energy management.



### DIGITAL & TRANSFORMATION

The Digital Transformation Committee guides the development of a strategy to digitize operations and automate processes.



### TRAFFIC & LOGISTICS

The Traffic and Logistics Committee is responsible for APC's fleet management, analyzing fuel and diesel consumption, and assessing the feasibility of shifting to hybrid or electric vehicles.



### SUSTAINABILITY REPORTING

The Sustainability Reporting Committee oversees the development of APC's sustainability report and manages the sustainability reporting process for future reporting cycles.



### 5S HOUSEKEEPING COMMITTEE

The 5S Housekeeping Committee is responsible for implementing the 5S housekeeping management system across APC's operations, while identifying and monitoring initiatives that support its implementation.



By establishing committees to drive sustainability initiatives, we ensure that we are aligned with our corporate strategy and are continuously improving our sustainability performance.

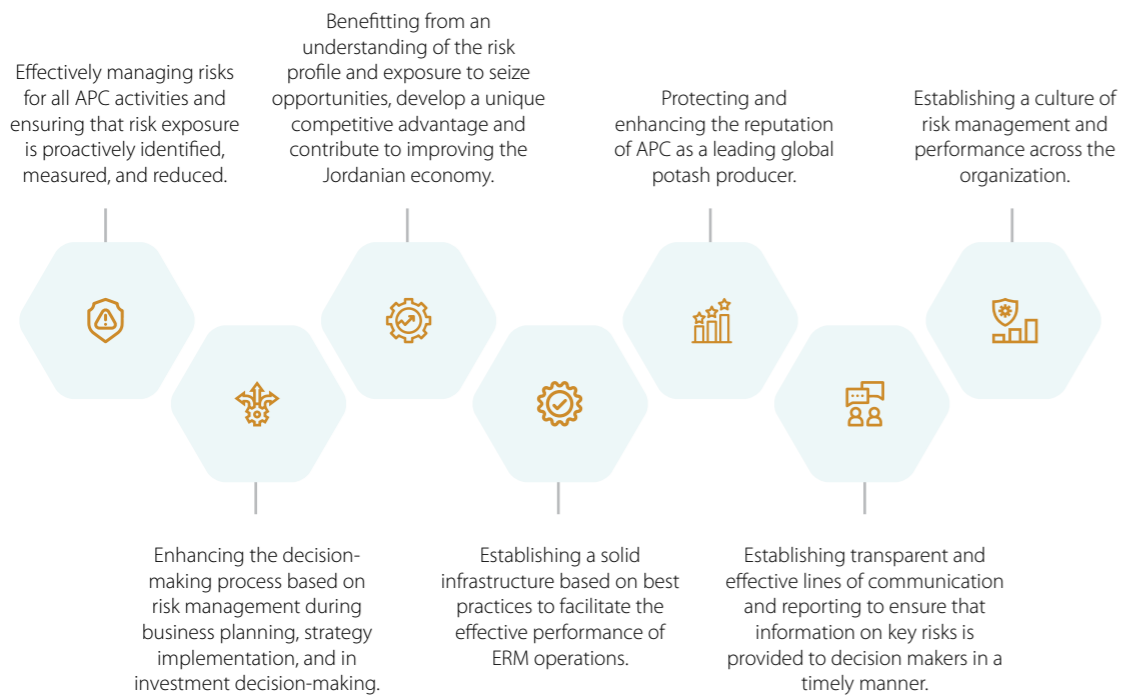
Our values are also upheld by the Code of Business Ethics, which ensures integrity and ethical behavior with all stakeholders and partners. New employees review and sign the CoBE upon joining, and ongoing

communication and whistleblowing policy reinforce responsible behavior standards.

# OUR ENTERPRISE RISK MANAGEMENT STRATEGY

APC has an ambitious vision in risk management that goes beyond maintaining risk records, through which it seeks to apply the best risk management practices in all its tasks and activities. We acknowledge that risk management is a practical practice on which all important strategic decisions are based.

The following are the pillars of the enterprise risk management strategy in the Arab Potash Company:



## Enterprise Risk Management Framework

APC defines risks as the possibility that expected or unexpected events will negatively or positively affect the company's performance and our ability to achieve our goals and objectives. Therefore, risk management activities are implemented consistently across the company to ensure effective and efficient risk management.

Enterprise Risk Management (ERM) is a cornerstone of our business operations that plays a crucial role in increasing confidence in achieving our goals. Our ERM framework provides practical guidance on how to identify, analyze, evaluate, and address risks in an environment that encourages control, processing, and continuous communication. By establishing

consistent risk management processes and practices, we can enable effective operational reporting and decision-making using relevant and comparable data. Additionally, aligning risk management with other relevant processes and practices ensures a holistic approach to managing risks across our organization.

Our ERM framework also gives assurance to both external and internal stakeholders that our risk management process is active and appropriate in line with global standards. This commitment to implementing effective risk management processes not only aligns with best practices but also demonstrates our dedication to ethical business practices and corporate governance. By integrating our ERM framework into our overall business strategy, we can better manage risks across all business functions and

ensure that we maintain our reputation as a responsible and trustworthy organization.

Last year, APC underwent corporate restructuring of the ERM function, led by our Risk Management Committee. APC has since been able to increase focus on safeguarding the independence of our controls and aligning with the most sophisticated corporate governance standards. This also included the continual improvement of our ERM framework.

Accordingly, APC's ERM framework consists of the following key elements:

- PURPOSE & KEY ELEMENTS OF THE ERM FRAMEWORK** Best practices for enabling an effective ERM process in APC.
- RISK MANAGEMENT** The pillars that enable, coordinate, and supervise the execution of the operation.
- ERM PROCESS GUIDELINES** Guidelines for the effective management of risk activities in APC.
- ERM PROCEDURES** The steps and activities undertaken by APC to identify and manage risks and priority risks for a comprehensive and consistent risk management approach.

Our risk management function oversees the identification, management, and control of business-related risks in accordance with our ERM manual. The manual outlines APC's approach to risk management, including compliance with relevant laws and regulations, alignment with shareholder risk appetite, and adherence to high corporate governance standards. It is developed in line with Jordanian laws, ISO 31000:2018-02: Risk management Guidelines, and the Committee

of Sponsoring Organizations of the Treadway Commission COSO Enterprise Risk Management Integrated Framework:2017, as approved by our President and CEO.

Furthermore, APC's ERM framework is also implemented by the Internal Audit function which complements the Risk Management function. The Internal Audit department provides independent assurance that the risk management, governance, and internal control processes are effective.

## Business Continuity and Crisis Management

In 2022, APC continued to implement the business continuity plan, which had proven successful in previous years. Despite the challenges posed by market complexities and logistical disruptions following global conflicts, the executive management made all necessary decisions and procedures to ensure uninterrupted production operations and company activities. Recognizing the need to improve our risk management process, APC developed an administrative response plan that includes a comprehensive evaluation model. This model follows preventive measures, identifies new challenges accurately, and uncovers gaps in planning or implementation.

To ensure the supply of necessary production elements, including treated water, natural gas, and energy, APC takes measures that comply with product quality standards, maintenance equipment, and safety requirements. However, the most significant challenge in 2022 was securing water supplies. The executive management directed all efforts towards securing the required quantities and started implementing a water strategy in line with the company's continuity plans.



Further to this, we also recognize the importance of developing our employees' skills and competencies with respect to business impact assessments, risk monitoring and testing, and overall crisis management. APC's commitment to our human capital is reflected in the provision of basic requirements and the maintenance of open communication channels at all work sites. This support fosters a culture of readiness and preparedness among employees, ensuring that the company can efficiently deal with emergencies.

APC's administrative response plan also contributes significantly to managing protracted crises and finding quick

solutions to mitigate risks. The plan's systematic measures enhance the company's experience and build practical knowledge, consolidating it in the collective awareness of the company's cadres. The procedures manual reflects best practices, with a wise response that accurately identifies the relevant functional departments, appropriate responsibility, and delegation structure.

The management plans and evaluation approach within APC have significantly contributed to achieving outstanding performance under exceptional circumstances, further solidifying our reputation as a reliable and resilient organization.

### Needs and expectations

### APC response

#### FACTORS AFFECTING POTASH SALES

These factors include price fluctuations in global markets and the slowdown in the global economy, which lead to a decrease in the demand for potash and its price; weather factors such as drought and torrential rains; and other factors that affect the agricultural sector.

APC has implemented several strategies to achieve our goals, including signing long-term supply agreements with key customers, targeting high-yield markets, diversifying our product mix to include both red standard potash and red granular potash, and producing special order batches to serve niche markets.

### Needs and expectations

### APC response

#### AMENDING AND CHANGING LAWS AND LEGISLATION

These include changes that occur in tax or customs laws, or that may affect government policies and legislation in importing countries, and the amendments and changes that may occur to the quantities and prices of sale in those countries.

APC maintains a continuous dialogue with the government, finance minister, and other key entities in the country, fostering open communication and collaboration. Additionally, we built trust and nurtured sustainable relationships through its generous corporate social responsibility (CSR) program, which serves both the local community and Jordan as a whole.

#### HIGH PRICE OF ELECTRICITY AND SCARCITY OF WATER

The potash production process requires large quantities of energy and water which are characterized with high prices.

#### For electrical and thermal energy:

APC has implemented measures to ensure efficient and reliable energy supply for its plant operations, including transitioning to natural gas consumption, which offers greater efficiency and cost-effectiveness. The installation of the HRSG further maximizes energy efficiency by using waste heat from the gas turbine to generate steam. Additionally, an emergency diesel generator with a capacity of 3.75 MVA is in place to ensure continuous potash production during grid breakdowns. A new steam and electricity generation project with a gas turbine, HRSG, steam turbine, and steam boiler were installed to enhance energy production capacity.

#### For water:

APC strives to ensure a reliable water supply for its plants. APC's actions towards this includes drilling and developing five wells in Ghor Al-Safi and Ghor Al-Mazra'a regions, utilizing surplus irrigation water in Al-Samar and Ain Younes areas, and harnessing water from valleys and overflow sources. To enhance water storage capacity, APC constructed a new pond with a capacity of 80,000 cubic meters and utilizes wastewater from treatment operations and reject water streams from reverse osmosis desalination plants. The company also focuses on infrastructure maintenance by rehabilitating existing water lines and implementing a control system for all water sources. APC provides technical support to the Jordan Valley Authority (JVA) for resolving water flow issues from Tannour Dam and Mujib Dam. To further secure water resources, APC is financing the construction of Wadi Ibn Hammad Dam through an agreement with JVA. Moreover, a study has been conducted to drill deep wells in APC's concession area, with plans to obtain licenses for recommended drilling sites.

#### LABOR DISPUTES AND POLITICAL ISSUES

APC's management actively fosters open communication with trade union representatives. APC also offers a highly competitive benefits and compensation package, positioning itself as an attractive employer in the market. To ensure employee satisfaction remains high, the company conducts regular surveys to identify and address any concerns or issues that may impact employee morale.

#### VULNERABILITY TO NATURAL DISASTERS

Ghor Al-Safi area, which is located within the scope of the APC factories, is considered one of the areas exposed to sudden floods and areas prone to earthquakes and the formation of crash craters.

The dike evaluation at APC is conducted to the highest standards, encompassing daily visual inspections, measurements, and the monitoring of subtle surface changes. To mitigate the risk of failure, ongoing maintenance activities, both operational and capital, are performed regularly. Additionally, the formalization and refinement of dike evaluations contribute to reducing the potential for failures. Notably, APC is currently undertaking cut-off wall and sheet-piling works for significant dikes, and the presence of the APC consultant from Royal Haskon provides valuable advice and counsel on-site.



# THRIVING FUTURE

We are proud to maintain our position as the 8th largest potash producer globally, a feat that was achieved through our effective leadership, strong business model, and consistent improvement in operational efficiency. Our commitment to helping customers meet the ever-increasing demand for food and enhancing the sustainability, profitability, and efficiency of their operations has been unwavering.

Our plans of increasing our production capacity, expanding our presence in existing markets and entering new ones, and continuously improving our operational efficiency

was fulfilled this year. We leveraged our expertise and resources to provide high-quality potash products to meet the needs of our customers while ensuring sustainable growth for our company and the communities we serve.

As the sole producer of potash in Jordan, we recognize our responsibility as a significant contributor to the country's economy. We are determined to maintain our economic position and continue to have a positive impact on the economy and the community at large, ensuring long-term sustainable growth.

## HIGHLIGHTS

**2.684 million**  
metric tonnes of potash produced (new APC record)

**JOD 601 million**  
net income achieved, the highest in our history

**JOD 1,321 million**  
direct economic value generated

**JOD 404 million**  
paid to the Kingdom's Treasury

**JOD 738 million**  
operation profit achieved

**JOD 2 million**  
asset value reached

**Highest ROA & ROE ratios**  
ever in our history

**Expanded our presence**  
in several consumer markets for granular potash

# OUR ECONOMIC PERFORMANCE

GRI 3-3, 201-1, 203-1, 203-2, 207-2

APC's responsible operations, aligned with our corporate strategy, have allowed us to optimize our production assets to cost-effectively supply our global network of customers with high-quality potash products. We have continued to invest in expanding our production capacities, implementing innovative solutions, and deploying new technologies to support our customers and strengthen our leading market position.

APC has achieved several significant milestones in 2022, including the highest reported net income in the company's history, totaling JOD 601 million. This achievement highlights our unwavering commitment to efficient and sustainable business practices, along with its strategic planning and leadership. The successful execution of APC's business model has enabled us to grow and expand our operations while meeting the increasing global demand for food.

Our success is not limited to financial achievements but also extends to our operational performance. In 2022, we achieved a record potash production of 2,684 thousand metric tonnes, surpassing the previous year's production of 2,563 thousand metric tonnes. This impressive production growth was accompanied by investments in expansion projects, which will further diversify and uplift APC's production capacity in the coming years. Additionally, we achieved the highest Return on Assets (ROA) and Return on Equity (ROE) ratios in our history, placing APC among the top fertilizer producers in the industry.

### WORLD-CLASS PRODUCTION ASSETS

Our world-class production assets and investments in technologies supported us to increase production while maintaining low costs, optimizing throughput.



### RESPONSIBLE OPERATIONS

Our flexible and resilient operating model supported us to produce 121,000 metric tonnes of additional potash compared to our 2021 production. APC's total production was 2,684,000 metric tonnes, a 5% increase from 2021.



### GLOBAL DISTRIBUTION NETWORK

Our extensive production and distribution networks have enabled us to meet the growing global demand for a diverse range of potash products.



The increase in potash prices and APC's targeted approach to markets with higher netbacks have led to a year-on-year potash sales revenue increase of 107%, reaching a record level of JOD 1.27 billion. These results reflect our ability to adapt to market changes and capitalize on new opportunities while maintaining a customer-centric approach. Overall, our remarkable achievements in 2022 demonstrate our ongoing commitment to sustainable growth, operational excellence, and value creation for all stakeholders.

Throughout 2022, several global events, including the Russian-Ukrainian conflict, caused significant disruptions to food and fertilizer supply chains, exacerbating existing food insecurities. These events happened amid global economic pressures, and governments worldwide have been grappling with limited capacity due to climate change constraints. Global trade was also affected, resulting in increased transportation costs and extended product delivery times.

In this challenging environment, we have witnessed large fluctuations in fertilizer prices, which affected APC's sales revenues throughout the year. APC responded to strong global demand and supply constraints by ramping up efforts and achieving new records for sales volume and net profit. Our sales volume reached an all-time high of 2.684 million metric tonnes, while the Group consolidated net profit skyrocketed, reaching JOD 601 million, our highest ever recorded. This impressive achievement was made possible through our robust operating model, flexible operations, and decades of experience, resulting in an increase in net profits compared to 2021 of 2.8 times larger. Our success not only led to a rise in the price of our stocks but also strengthened our position and value in the Amman Stock Exchange market, placing us among the top companies in the Middle East.


These remarkable economic achievements were made possible through the strong leadership of our management, leading technologies, and effective processes for utilizing our assets to produce potash reliably and safely. In 2022, we produced more than 2.684 million metric tonnes of potash through our plants and facilities, maintaining high levels of production. The direct economic value generated from our operations doubled compared to the previous year. Additionally, we optimized our supply chain logistics, improving our shipping and transportation operations to reduce costs.

The increase in the sale price and overall sales of potash have contributed to our improved economic performance and stellar achievement this year. Moreover, in 2022, there was a decline in turnover rate of the APC workforce, which reflected a decline in the exit packages provided to retiring employees. All in all, our total indirect economic contributions have increased almost threefold, through the payments of applicable royalties and taxes to the government as well as our community investments.


In 2022, we invested JOD 177 million in capital expenditures and are committed to continuing investing in expansion and other projects that serve to improve economic performance. In line with this

commitment, APC has budgeted JOD 225 million for capital expenditures in 2023.

For the future, we are working on multiple projects aimed at expanding potash production and increasing granulation capacity. Specifically, we are targeting to increase the production of red granular potash by 1.1 million metric tonnes. We are also exploring new opportunities to invest in downstream products and specialty fertilizers, demonstrating our commitment to innovation and growth in the industry. With these commitments, APC is well-positioned to continue its success and drive economic growth in the future, maintaining our long-term corporate viability.




**JOD 738 million**  
consolidated operating profits achieved




**Doubled direct economic value generated**  
compared to 2021 with JOD 1,322 million in revenues

---



**Economic value retained**  
almost four times higher, at JOD 504 million



**Tripled indirect economic contributions**  
through government payments



Indicator (JOD thousands)	GRI Indicator	2019	2020	2021	2022
<b>Direct economic value generated by APC Group - Revenues</b>	201-1	504,608	456,169	648,010	<b>1,268,192</b>
Total consolidated assets	NA	1,088,573	1,119,039	1,324,697	2,025,795
Consolidated operating profit	201-1	150,483	102,293	238,501	738,012
Consolidated net profit	201-1	151,695	126,890	216,717	601,228
<b>Direct economic value generated by APC - Revenues</b>	201-1	544,981	472,579	664,142	<b>1,321,870</b>
Total economic value distributed	201-1	468,262	433,390	527,415	818,306
Operating cost	201-1	219,607	197,084	240,877	270,052
Employee total remuneration	201-1	61,003	66,054	68,281	65,461
Payments to providers of capital	201-1	91,379	88,638	87,838	105,310
Payments to government by country	201-1	84,951	51,372	125,169	370,210
Community investments	201-1	11,323	30,244	5,249	7,274

# OUR MARKET PRESENCE

GRI 2-4, 2-6, 3-3

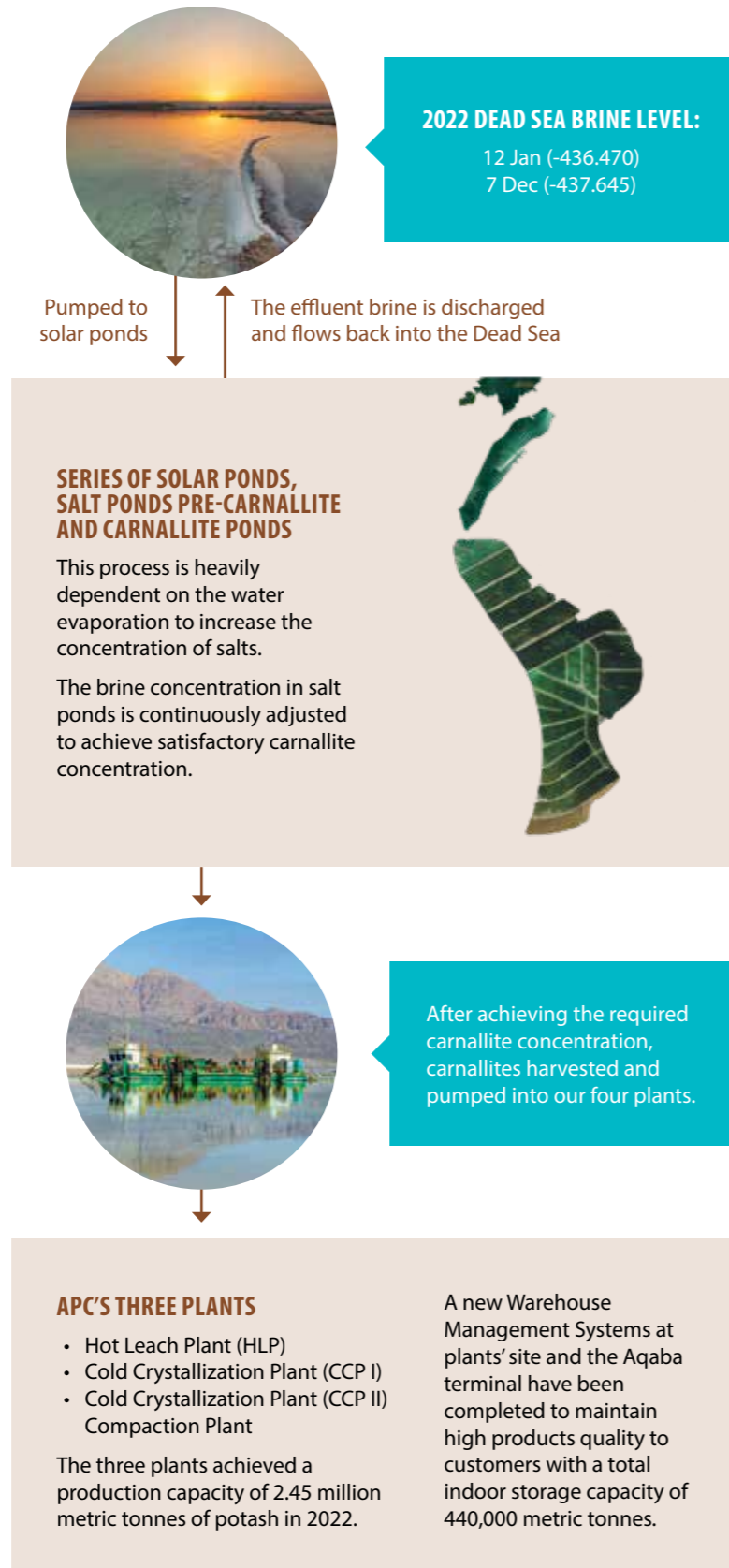
## Production

At APC, we are committed to achieving the highest level of operational excellence, which extends beyond the borders of our operations in Jordan. As the sole provider of potash products in the local market and a leading global supplier, we are well-positioned to continue our growth journey. Our commitment to quality and reliability is reflected in our production and marketing strategy.

We operate man made solar pond system to prepare the raw material for processing at three plants - the Hot Leach Plant (HLP), the Cold Crystallization Plant (CCP I), and the Cold Crystallization Plant (CCP II) furthermore, compaction plant are utilized to produce red and white granular potash- extracting a variety of potash products from the Dead Sea. In addition, we invest in bromine and potassium nitrate production, among other products, through our subsidiaries and affiliates. Throughout our operations, we prioritize achieving the highest level of quality while minimizing the risk of lost production and sales due to unforeseen downtime.

We take pride in our commitment to operational excellence, as it is fundamental to our success as a company. By prioritizing quality and reliability in all aspects of our operations, we can continue to meet the growing global demand for potash while maintaining our position as a leading supplier in the market.

### OVERVIEW OF APC'S PERFORMANCE MANAGEMENT CYCLE



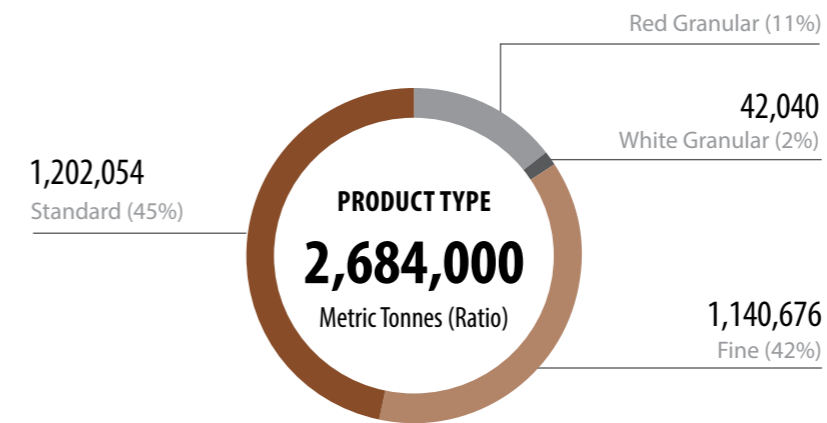
At APC, we employ an innovative man-made solar ponds system to prepare the raw materials for our production process. This process takes place at three of our plants - the Hot Leach Plant (HLP), the Cold Crystallization Plant (CCP I), and the Cold Crystallization Plant (CCP II) - where we extract a diverse range of potash products from the mineral-rich Dead Sea. By utilizing this advanced technology, we are able to efficiently and sustainably source our materials, while minimizing our environmental impact.

As we continue to follow our expansion and product diversification plans, we remain steadfast on completing the additional compaction unit that will be operational in 2023. This plant will increase our red granular potash production capabilities to be 1.2 million metric tonnes per year.

We are keen to always operate responsibly and ensure diversity in the raw materials we used as well as the products we make. In 2022, we

continued the practice of producing multiplied types of high-quality potash, meeting client demands and expectations. Even so, our granular potash production specifically declined in 2022, as it is subject to contract and spot sales quantities in response to customer demands.

With our commitment to enhancing APC's global competitiveness and expanding our customer base for potash fertilizer, we are currently implementing a state-of-the-art storage and packaging warehouse project in Ghor Al-Safi and Aqaba, designed according to the latest international standards. The goal of this project is to fulfill the needs of customers in various international markets and to penetrate new markets with specific requirements related to potash packaging and filling mechanisms. The project includes a separate storage area for potash of different types and colors, which will ensure product quality and compliance with global standards. By doing so, we aim to improve our competitiveness at the global level.



### APC SALES BY GRADE (Metric Tonnes)

Year	Fine	Standard	Granular
2019	996,813	1,258,654	152,810
2020	997,292	1,216,747	338,651
2021	1,022,094	1,210,600	398,003
2022	1,083,983	1,211,342	325,640

**326,000**  
metric tonnes of granular grade potash sold

**299,230**  
metric tonnes of red granular potash produced



For more information on APC's production process, please refer to the 2021 Sustainability Report.

## Sales and Distribution

The global challenges that arise year-on-year are a demonstration of the necessity for plans of resilience, business continuity and adaptation. The importance of ensuring global food security is higher than ever, as the demand for products and commodities related to food production continued to increase the past year. When it comes to our industry, this has meant that global fertilizer production had to increase to meet the demand of farmers and food crop producers. While in 2021, a new world record was set for total global potash production, production declined this year, responding to fluctuations in global prices, and correspondingly, demand of potash.

The year 2022 began with an agreement between Indian and Canadian producers on a new contract price of USD 590 per metric tonne, a price approximately USD 145 higher than the previous contract price in India in 2021. Once the Russian-Ukrainian conflict erupted, China also formed agreements with producers on the prices and quantities of potash shipped by sea, equal to the new contract price in India. For China, this was an increase of approximately USD 343 per metric tonne for contract prices, compared to 2021.

With the increase in political tensions during the first half of the year, the growing concerns over food security and the fear of buyers around the world of not being able to secure their fertilizer needs, potash prices increased very dramatically in April and May. In Brazil, this resulted in a spike to about USD 1,200 per metric tonne and in the United States, to about USD 900 per metric tonne. In Indonesia and Malaysia, potash prices increased to around USD 950 per metric tonne, although prices in some bids reached to a level higher than USD 1,100 per metric tonne.

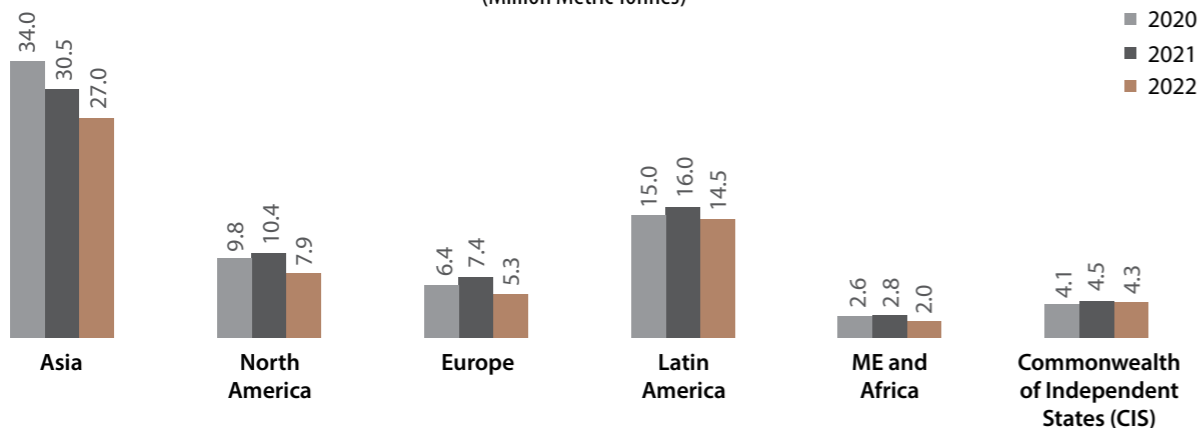
Moreover, in the first half of the year, many suppliers preferred to ship production to spot markets where prices were high rather than contract markets. Europe began importing potash from alternative sources due to a halt in imports from Russia and Belarus, resulting in high prices for European buyers. However, potash prices in spot markets began to decrease in the third and fourth quarters of 2022 due to a decrease in farmers' purchasing power, lower food commodity prices, and an increase in supply. These factors caused a significant decline in prices at the end of the year as prices in Brazil and America fell to about USD 500 - 520 per metric tonne, and Malaysia and Indonesia to levels from USD 500 - 550 per metric tonne.

In this hierarchy of ensuring food security, our potash products played a vital role. Our production share continued to present 4% of the global shares, of which more than 92% of our total production was sold to the international market.

As a testament to the agility of our product offerings and our long-standing relationships with our global network of customers, we have continued to respond to granular potash demand. In 2022, we sold approximately 326 thousand metric tonnes of granular grade potash. While this is an 18% decrease from last year's sales, it is justified by the decline in global demand for potash during the year as a result of the high increase in product prices, which have reached high historic levels.

For our local sales, as the sole producer of potash in Jordan, we continued to have full market share. Our products are transported straight from our Safi plants to local customers or warehouses for storage. For our overseas customers, our fleet of trucks transported our products and ensured their delivery from our Aqaba warehouses to their respective port facilities. In 2022, sales to the local market represented 8.2% of our total sales, a slight decrease from last year's market share of 8.8%.

**GLOBAL POTASH DELIVERIES**  
(Million Metric Tonnes)



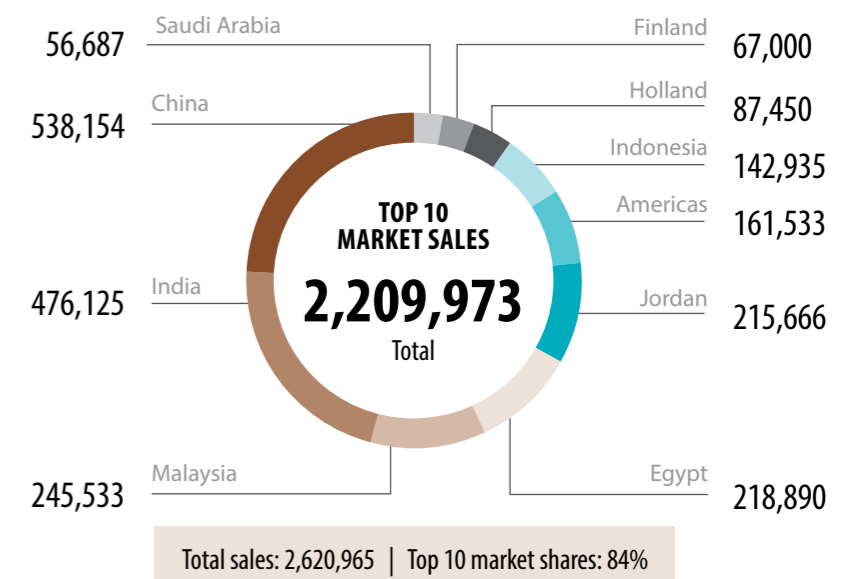
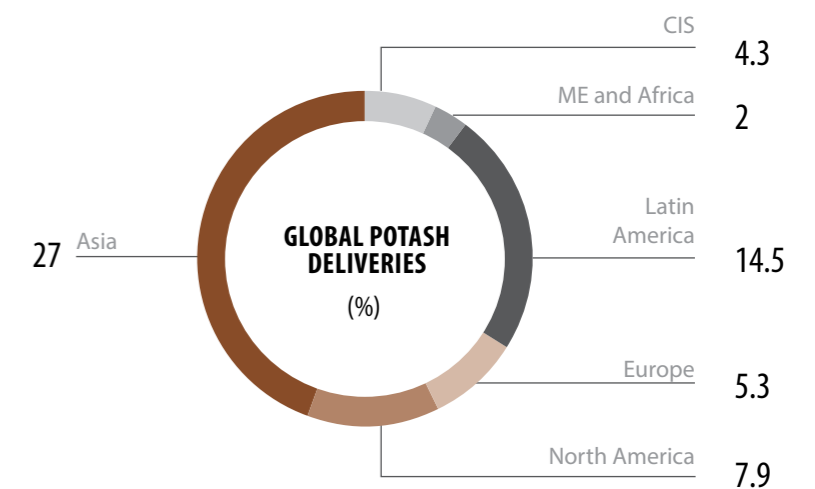
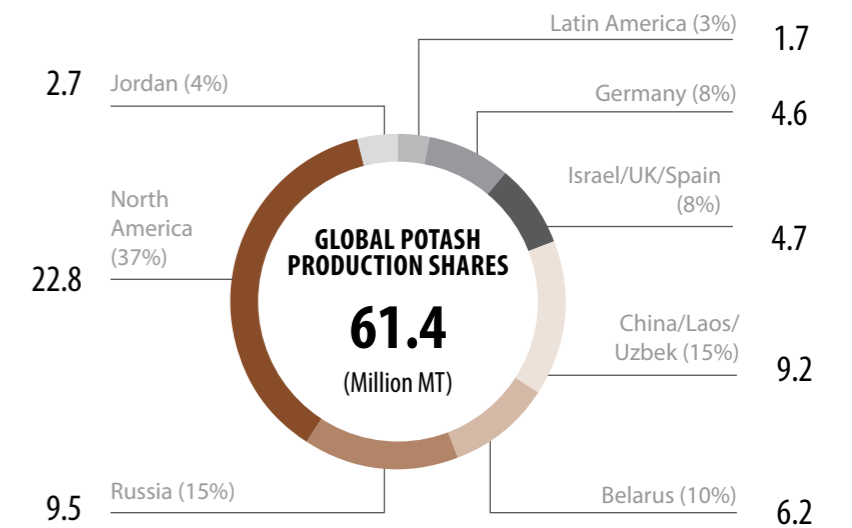
**37 countries**  
market presence achieved

**4% shares**  
global production maintained

**Expanded our presence**  
in the European and Asian markets

In this report, we are humbly presenting restatements of information regarding our 2021 global potash deliveries. As of the publication of our 2021 Annual Report, the final figures from the International Fertilizer Association (IFA) were not yet available, and we had to rely on estimates. However, we have since obtained the final data from the IFA, and we are presenting the restatements of the 2021 information in this report to provide accurate and updated figures.

In 2022, we observed changes in our sales distribution across our major markets. Our sales to China increased compared to the decline seen in 2021. Additionally, we expanded our presence in Saudi Arabia, Finland, and Holland, as sale prices were more favorable for APC in these locations compared to the previous year. Overall, our top 10 markets accounted for 84% of APC's total sales distribution in 2022.



# ENHANCING EFFICIENCY AND RELIABILITY OF OPERATIONS

Operational excellence is considered as the main element of our strategic theme of strengthening the core of APC's business. Enhancing the efficiency of our operations allows us to leverage a myriad of opportunities for improved reliability, higher performance, and better sustainability outcomes.

We strive to identify areas for improvement and implement initiatives that allow us to diversify our product portfolio, increase our production capacity, and optimize our operations.

In 2022, APC's plans for expansion included the northern, eastern, and southern expansion projects within the company's concession lands. The aim of these projects was to increase production capacity by a total of 810,000 metric tonnes annually.

In addition to expanding production capacity, APC is also focused on raising the added value of its products and entering new global markets. We are in the process of studying a group of investment projects, including the establishment of a specialized fertilizer complex in the Ghor Al-Safi area in partnership with a major unit of leading companies in this field, and expanding the production of potassium nitrate fertilizer.

With operational excellence as a guiding principle, we are constantly looking for ways to improve our efficiency and performance. In 2022, we continued our rehabilitation, expansion, and cost optimization projects. These projects will serve to diversify our product portfolio, increase our production capacity, and optimize our operations, positioning APC to achieve our long-term growth objectives.

We continue to set and monitor Key Performance Indicators (KPIs) to explore potential performance improvements and assess our performance in implementing our strategic initiatives. The KPIs allow us to monitor our progress and act, when needed, to ensure the successful implementation of our planned initiatives.

# ENSURING CUSTOMER SATISFACTION

At APC, we prioritize operating efficiently, expanding skills, and ensuring customer satisfaction by providing high-quality products that meet international market quality standards. APC operates in compliance with international market quality standards, such as the Australian Quarantine and Inspection Services protocol and the Indonesian National Standard, which support us in enhancing APC's competitive advantage.

On a national level, APC follows the Jordan Quality Mark instructions for the compliance of potash products with the Jordanian Quality Standard. We maintain compliance with this standard through third-party auditors and a company-wide quality management system that adheres to ISO 9001:2015 standards. Moreover, APC's technical laboratories are accredited by the Jordanian Accreditation System according to ISO 17025:2017.

Our customer service department is responsible for engaging with customers, assessing their satisfaction, and addressing feedback. In 2021, we achieved an 81% satisfaction rate through our dedicated survey. We look forward to conducting the survey again in the coming year to continue improving our customer satisfaction and enhancing our services.

## APC'S EXPANSION PROJECTS

### PRODUCTION

- **The northern expansion project:** Within the concession lands of APC, where we aim to increase production capacity by one hundred and 140,000 metric tonnes annually. APC has continued to progress with this project in 2022.
- **The eastern expansion project:** Within the concession lands of APC, where we aim to increase production capacity by the equivalent of 120,000 per year.
- **The southern expansion project:** Within the concession lands of the APC, where work is underway to finalize the studies to determine the feasibility of expansion in that area, which would increase production by approximately 550,000 metric tonnes annually.

### DERIVATIVE INDUSTRIES

- **Specialized fertilizer complex:** APC is preparing feasibility studies and design and implementation bids related to the specialized fertilizer complex that will be established in the Ghor Al-Safi area in partnership with a major unit of leading companies in this field.
- **Expanding the production of potassium nitrate:** APC is considering expanding the production of potassium nitrate fertilizer. APC currently produces potassium nitrate fertilizer through the factories of KIMAPCO, wholly owned by APC in Aqaba.

### REINFORCEMENT

- **Dike Projects (Reinforcing Perimeter Dikes):** APC's Executive Management carried out a comprehensive study of the perimeter dikes surrounding APC's solar and salt evaporation ponds, which are considered the backbone of the production operation, to identify the necessary investment in the dikes.

### COST CONTROL AND OPTIMIZATION

- **New Pumping Station Project:** APC relies on Dead Sea water, pumped through a specialized station, to supply its solar and salt evaporation ponds. To replace the existing facility, built in 2010, APC is developing a new pumping station at a cost expected to exceed USD 231 million.

- **Energy:** APC has set up a strategic energy plan that entails conducting feasibility studies for the power generation from solar energy or gas from various entities at the possible lowest prices. APC has also set an ambitious plan aims to increase the efficiency of electricity consumption, which will reduce electricity consumption and financial costs, as a result of the efficiency and enhancement of the equipment at APC's plants.
- **Water:** APC financed the Wadi Ibn Hammad Dam project for JOD 51.5 million, with a capacity of over 4 million cubic meters, set to collect water in 2022. Additionally, APC's Executive Management is studying the feasibility of implementing more dam projects, utilizing water from other sources, and reducing water consumption through recycling and re-exploitation projects.

- **Dredging:** APC has made salt dredging operations a primary focus to ensure the flow of water in its pools and prevent the formation of salt reefs and mushrooms. To achieve this, APC is implementing a detailed plan with the use of high-specification dredgers and converting drilling rigs to operate on electricity to control operational costs in the short, medium, and long term.
- **Transportation:** With a focus on reducing environmental impact and transportation costs to the export port, APC is currently exploring the replacement of its fuel-run potash transport trucks with electric alternatives.

# PROCUREMENT

GRI 2-6, 2-23, 204-1

We seek to build a sustainable supply chain network to support our journey towards embracing circularity in our operations. We believe that our operations will continue to create opportunities for our community, suppliers, and customers, ranging from investments, market growth, and contribution to local spending as our business continues to grow.

We recognize that the successful delivery of our business is highly dependent on our suppliers – they are our partners in success. By developing and implementing our Supplier Code of Conduct procedures, we ensure fair and inclusive opportunities to our third-party vendors and suppliers. We provide the Supplier Code of Conduct to our suppliers who have been awarded a purchase order for the first time and register them on our suppliers' master file. In addition to that, our procurement policy includes a supplier evaluation process in which we consider safety and environmental requirements.

In line with APC's vision of digitalizing its operations, the procurement team successfully implemented the online supplier registration portal and collaborated with Finance and IT departments to enhance its functionality. Additionally, a new system, I-sourcing, was developed to automate RFQ bidding and reverse auction feature for tenders via the I-supplier portal, leading to improved operational efficiency and reduced paper usage.

While APC faced challenges related to material availability, inflation, and increased commodity prices, which led to a rise in the cost of raw materials, transportation, labor, and other related expenses, the procurement team

developed a preliminary projects procurement plan, updated their procurement policies, and submitted them to the quality department for review. This supported APC in procuring goods and services that are essential for the smooth functioning of operations, while providing the best value for money within the required specifications and quality.

APC offers a diverse range of procurement-related courses and events to keep the procurement team up to date with the latest industry practices and trends.

The procurement team also provided continued support to all suppliers experiencing difficulties in adapting to the e-procurement environment and collaborated with major industrial machinery suppliers to secure long-term agreements for the supply of essential common industrial items and consumables.

Our goal is to continuously improve and refine our procurement practices and align them with our core values and sustainability goals. We recognize that technology can enhance procurement efficiency, accuracy, and effectiveness, and provide greater visibility into procurement activities, which is why we will invest in state-of-the-art systems and tools. This will also help us to reduce purchase order cycle times year-on-year by implementing electronic sourcing system technologies. We will work closely with our technology partners to identify and implement solutions that align with our procurement goals and strategies, driving long-term value for the organization. We are committed to sharing the progress we make in this space as an organization.



## CASE STUDY

APC's procurement team, in alignment with the company's strategic procurement goal of outsourcing non-core capabilities and regionalizing the supply chain, established a joint venture with an indigenous group in southern Jordan to create a sustainable and efficient transport solution for APC's potash transportation. The initiative not only aligns with APC's procurement objectives but also contributes to the economic development of the region and strengthens APC's commitment to social

responsibility and sustainability. APC had the unwavering support of top management and the cooperation and guidance of the garages and trucking directorate in implementing this initiative. Its success has resulted in many truck drivers having a stable income stream, which benefits them and their families while also helping local businesses thrive. The initiative is creating long-term value for the local community and contributes to the sustainable development of the region.



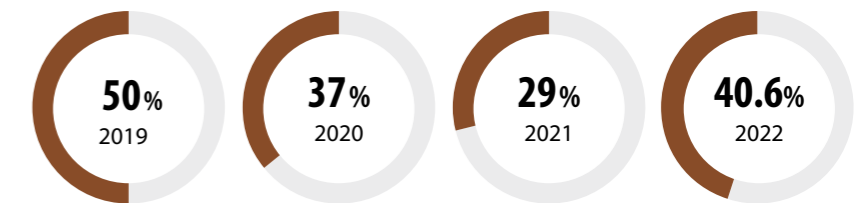
## Local Procurement Spending

At APC, we are committed to promoting local content to increase local supplier participation and drive foreign direct investment in manufacturing and services across Jordan. In 2022, we dedicated JOD 123,738,946 of our procurement budget to local suppliers. This value amounts to 40.6% of the total budget spent on suppliers in 2022, which is a substantial increase of around 12% from the previous year's contribution.

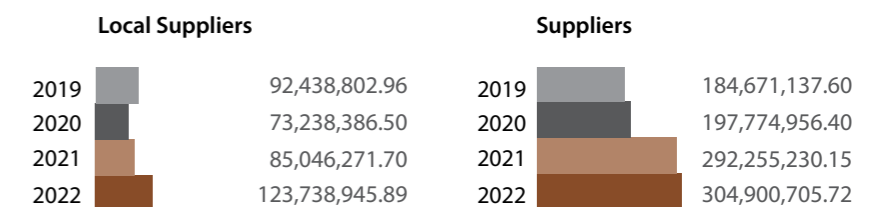
In alignment with APC management's dedication to promoting and supporting local investments and the community through the organization's projects and services, APC was able to redirect almost half of procurement spending to the local economy.

### APC'S SPENDING ON LOCAL SUPPLIERS

(Percentage of the procurement budget for significant locations of operation spent on local suppliers)



### TOTAL PROCUREMENT BUDGET SPENT (JOD)



# OUR RESEARCH, DEVELOPMENT, AND INNOVATION CENTER

At APC, we are committed to promoting scientific research and innovation in the industrial sector of fertilizers and Dead Sea chemicals in Jordan, in line with the company's development goals. The Research, Development, and Innovation (RD&I) Center is a key initiative towards this, with more than 50 engineering offices invited to participate in a design competition in coordination with the Jordanian Engineers Association. The first three winning designs were selected and honored, after which the necessary structural design was finalized to implement the required architectural design.

The main objectives of the Research, Development, and Innovation Center

## DEVELOPING PROCESSES & EFFICIENCY



Improve management of industrial processes for increased efficiency and effectiveness



Explore advanced technical solutions for sustainable energy and water use



Adopt circular economy approach for economic benefits and waste reduction

## DEVELOPING PRODUCTS & ENTERING RELATED INDUSTRIES



Improve current products for increased competitiveness in global markets



Expand mining methods to maximize utilization of all concession areas



Increase added value of products by launching new products related to specialized industries

## RESEARCH & INNOVATION



Raise efficiency of human capital through targeted training and scholarships



Assist in forming strategic partnerships with specialized research centers



Introduce modern technologies for automating processes and integrating artificial intelligence

With completion estimated by the end of 2023, the center will consist of over 6,000 meters squared and include the following sections to facilitate research and development activities:



### BOARD TOWER

Consists of seven floors, and will include two training laboratories, two training halls, the Board Tower library, administrative offices, service rooms, a meeting room, a restaurant, VIP rooms, in addition to the necessary service facilities. The seventh floor will be designated as the Board meeting room with a panoramic view of the factory site.



### THE MAIN BUILDING

Consists of two floors and contains a reception hall, a gallery, and six laboratories (hydraulic laboratory, rock and soil laboratory, physical/ chemical laboratory, audio-visual laboratory, joint laboratory, fertilizer laboratory) in addition to administrative offices and special storage units for chemicals.



### MULTI-PURPOSE EDUCATIONAL HALL

Equipped with the latest audio and video systems. The ceiling of the hall will also be used as a panoramic balcony for the visitors of the center.

The project also includes external coordination works, including the implementation of parking lots for visitors and employees, in addition to agricultural, decorative and asphalt works in line with the existing coordination works, which reflect the civilized and bright image of the Arab Potash Company.



# ENVIRONMENTAL STEWARDSHIP

At APC, we believe that prioritizing the environment is an opportunity to make a positive impact through our business operations. We are committed to evaluating our environmental impact and managing the effects of our operations on the surrounding environment, especially concerning our most significant environmental issues.

By practicing environmental stewardship and responsible resource management across our operations, we strive to meet our environmental goals. Our dedicated teams continuously develop and implement effective management systems for environmental aspects, such as energy, emissions, water, and waste. Additionally, we engage with our customers, employees, and partners to inspire them to adopt sustainable practices.

## HIGHLIGHTS

# Zero

non-compliance incidents in the past 4 years

# 20%

decrease in energy intensity, compared to 2019

# 18%

reduction in emissions intensity, compared to 2019

# 10.4%

water reduction in water withdrawal, compared to 2019

# 7%

increase in waste generation, compared to 2019

# OUR MANAGEMENT FRAMEWORK

GRI 2-23, 2-27

We prioritize environmental stewardship and resource efficiency in APC's potash production operations. Our environmental policy covers, but is not limited to, pollution prevention, water and waste management, and compliance with relevant regulations. We use an Environmental Management System (EMS) to assess our goals, establish targets, and plan actions to meet ISO 14001 standards.

Our EMS covers all our operations and sites, with manuals and procedures guiding our employees on managing environmental performance. Our top management and environmental teams continuously update our guidelines and procedures, with annual audits conducted for compliance with ISO standards. Our effective EMS implementation has led to over four years with zero cases of environmental non-compliance.

# OUR ENVIRONMENTAL ASPIRATIONS

GRI 2-22

As a leading potash producer, APC acknowledges that climate change and water scarcity continue to affect the environment and our operations. We remain committed to minimizing our impact and developing sustainable solutions to become an environmental steward. Our environmental management approach aligns with international and industry-specific environmental standards and guidance while supporting the United Nations Sustainable Development Goals (SDGs). We are continuously working on evaluating and updating our environmental management systems in line with the latest international standards and national requirements.

In line with our commitment to environmental stewardship, APC has made several commitments for 2023, with the aim of optimizing energy

consumption, reducing greenhouse gas (GHG) emissions as well as water consumption and waste generation. Specifically, our plans for 2023 include rehabilitating surface water collection ponds, maintaining and developing current water resources, automating the control of water pumping stations and water management systems. Furthermore, to cope with the future increase in electrical and steam demand arising from future expansions, we have set a budget for obtaining a license for an offsite solar energy solution with National Electricity Power Company (NEPCO) and for exploring the possibility of implementing different photovoltaic (PV) projects within APC areas. We will continue to prioritize sustainability in all our operations and seek innovative solutions to reduce our environmental impact.

# ADDRESSING CLIMATE CHANGE

GRI 2-22, 302-1, 302-3, 302-4, 302-5, 305-1, 305-2, 305-4

As we continue to face the urgent challenge of climate change, we recognize the critical role we play in mitigating its impacts. APC is committed to aligning our operations with global climate change initiatives, including the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement, to limit the rise in global temperature to well below 2°C by the second half of this century.

In the past year, we have continued to take action towards reducing our carbon footprint and promoting sustainable practices across our operations. We are actively monitoring and reporting on our direct and indirect emissions to ensure responsible management of our environmental impact. As we move forward, we will continue to prioritize the reduction of GHG emissions and the transition to a low-carbon economy.

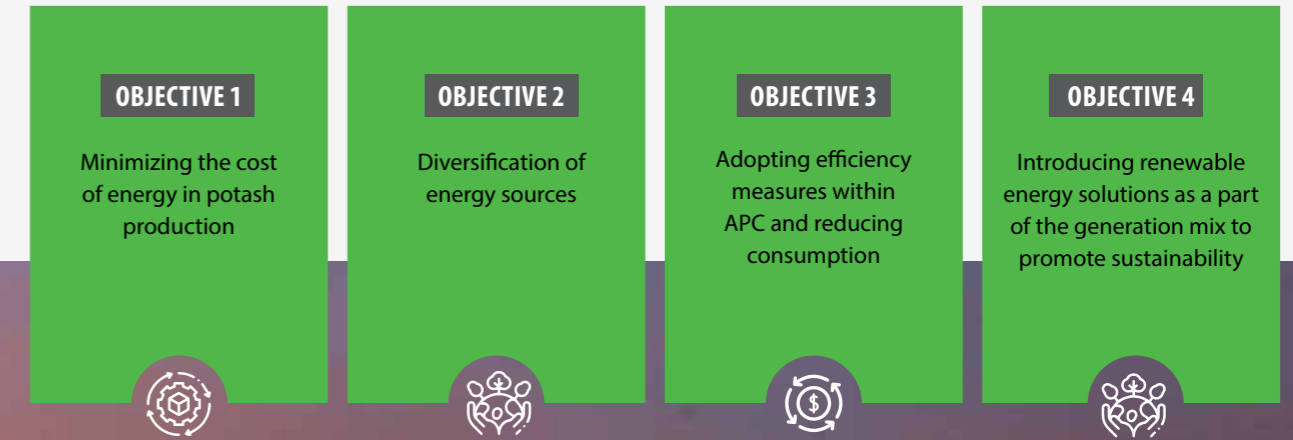
## Energy Strategy

At APC, our Energy Strategy is built on a strong vision and mission that aligns with our commitment to sustainability and cost-effectiveness. Our vision is to become an energy-efficient company that uses cutting-edge sustainable solutions to meet our current and future energy needs. Our mission is to achieve sustainable, diversified, and cost-effective energy supply that ensures the continuity of our

production processes, with a focus on enhancing energy efficiency and reducing consumption.

To achieve this, we have identified four main objectives for our Energy Strategy. Through which we believe that we can achieve the APC Energy Strategy's vision and mission, become a sustainable and energy-efficient company, and contribute to a cleaner and healthier environment.

## OBJECTIVES OF THE ENERGY STRATEGY



The energy strategy is a well-structured and organized plan that aligns each initiative with the four strategic objectives to achieve the overarching mission and vision of the company. All initiatives have been meticulously mapped against the objectives to ensure that each initiative contributes to the overall goals of minimizing energy costs, diversifying energy sources, increasing efficiency, and promoting sustainability. This mapping not only provides a clear

understanding of the purpose of each initiative but also facilitates monitoring and evaluation of progress towards achieving the objectives.

As of the current year, our dedicated efforts to implement the Energy Strategy have resulted in significant progress, with a notable 96% completion of the 2022 plan. Out of a total of 11 initiatives, 2 have already been successfully completed, while 7 others are currently in various stages of

progress. This impressive achievement underscores our unwavering commitment to achieving our energy goals and promoting sustainability and serves as a testament to the hard work and dedication of our employees. With this level of progress, APC is well on its way to becoming a leading energy efficient company that utilizes state-of-the-art sustainable solutions to meet its current and future energy needs.



## Enhancing Energy Efficiency

At APC, we recognize the importance of energy management in reducing our carbon footprint and achieving our sustainability goals. Therefore, we have implemented an Energy Management System (EnMS) aligned with ISO 50001 standard requirements, and we have established an Energy Management Committee that guides our implementation and steers our plans towards energy-efficient and low-carbon operations.

To support our commitment to energy efficiency, we have undertaken several initiatives in 2022. One of our major accomplishments this year is the initiation of a new steam and electricity project, which is currently under design. This project aims to include a new gas turbine, a Heat Recovery Steam Generator (HRSG), a new boiler and a steam turbine which aims to cope with an increase in electrical demand of about 160 MW and an increase in steam demand for the Hot Leach Plant (HLP), due to the expected expansion in APC's operations. The project will contribute to promoting energy efficiency and reducing our carbon footprint across our operations.

Moreover, we are studying the feasibility of integrating PV systems within APC, as we recognize the potential benefits of renewable energy sources in reducing our dependence on non-renewable energy sources and in reducing our carbon footprint.

For 2023, we have set several commitments to further our energy efficiency goals. We have allocated a

budget for obtaining a license for a 50-Megawatt peak (MWp) wheeling project with NEPCO and are studying the implementation of different PV projects within APC areas of operation.

In addition to these initiatives, we continue to focus on maintaining our existing equipment, such as the GT-Heat Recovery Steam Generator and Steam Turbines, to ensure the availability of steam and electricity with minimal downtime. We are committed to achieving the minimum energy consumption and maintaining gas quantities to reduce our carbon footprint and contribute to the energy transition.

To support the proper implementation of our strategies and initiatives, we prioritize the development of our employees' capacities with regards to energy management. We provide opportunities for our employees to be Certified Energy Management Professionals, undertake ISO 50001 trainings, and gain knowledge on the latest technologies and use of energy-efficient equipment. In 2022, around 14 employees undertook technical energy management trainings.

Overall, we are committed to enhancing our energy efficiency and reducing our carbon footprint through our EnMS, initiatives, and employee development programs. We will continue to monitor our progress towards our goals and adjust our strategies as needed to achieve our sustainability objectives.

20%

decrease in energy intensity



### CASE STUDY

#### Electricity Agreements

APC has established agreements with key energy suppliers to ensure reliable energy supply for its operations. One such agreement is the Gas Sales and Purchase Agreement (GSPA) with Israel Natural Gas Lines (INGL) and Chevron Company.

Under the GSPA, APC and Jordan Bromine Company (JBC) receive a total gas supply of 950 MMBtu/hour for their gas turbines, boilers, and dryers, ensuring the normal operation of these vital assets. This agreement, which began in 2017, is set to last for 15 years until 2032.

Through this agreement, APC is able to secure the necessary energy resources for its operations, ensuring uninterrupted production and reducing the risk of downtime. Moreover, as APC plans to expand its power generation

capacity through a new gas turbine project, it is expected that the reliance on natural gas will increase in the coming years. Thus, the agreement also enables the company to plan for future expansion and capacity growth, providing a solid foundation for sustainable development.

As APC looks to the future, the company is committed to exploring new opportunities for renewable energy integration and reducing its carbon footprint. The company has allocated a budget for studying the implementation of various PV projects within its areas, with the aim of reducing its reliance on non-renewable energy sources. With a commitment to energy efficiency and sustainable development, APC is positioning itself as a leader in the global push for a more sustainable future.

CASE STUDY

Integrating Renewable Energy Systems

APC is constantly looking for ways to enhance its energy efficiency and reduce its carbon footprint. One of the ways that APC is pursuing this goal is by investing in sustainable energy projects. Currently, APC is working on two projects to increase its reliance on sustainable energy, including a 50 MW wheeling project and a feasibility study for various PV projects on its premises.

APC has partnered with KAWAR Energy to develop a 50 MW wheeling project, which will provide the company with sustainable energy while reducing its dependence on non-

renewable energy sources. The project aims to identify a suitable location for the project and obtain APC's consent, conduct necessary studies, prepare a conceptual design, propose a cost estimate, and obtain final licenses and approvals from governmental bodies. The project is expected to be completed by the end of October 2023.

In addition, APC is conducting a feasibility study to implement PV projects on its premises, including Ghor Al-Safi concession area, our Amman headquarter, Aqaba site and accommodation. The study aims to identify suitable locations for PV projects,

conduct necessary studies, prepare a conceptual design, and propose a cost estimate for implementation. By investing in sustainable energy projects, APC is reducing its carbon footprint and enhancing its sustainability efforts. The company is taking proactive steps to meet its increasing electricity demand while reducing its reliance on non-renewable energy sources. The wheeling project and PV projects will provide APC with a sustainable energy source, reducing its dependence on non-renewable energy sources and promoting its commitment to sustainability.



Indicator	Unit	2019	2020	2021	2022
<b>Total Energy Consumption</b>	GJ	8,415,318.80	8,418,647.04	6,723,622.55	7,227,311.90
Natural Gas	GJ	7,068,118.09	7,474,288.78	5,619,301.79	5,872,844.3
Heavy Fuel	GJ	468,554.25	28,026.08	84,880.40	3,559,205.09
Diesel and Gasoline Fuel	GJ	820,854	840,257	943,297	1,100,976
National Electric Power Company - Electricity	GJ	44,144.46	62,437.69	63,542.82	99,338.50
Electricity Distribution Company - Electricity	GJ	13,647.60	13,636.80	12,600.00	15,231.60
KCl Production	Metric Tonnes	2,486,540.00	2,620,000.00	2,563,000.00	<b>2,684,000.00</b>
Energy Intensity	GJ/ Metric Tonnes KCl	3.38	3.21	2.62	2.69

While APC's energy consumption in 2022 increased compared to the previous year, it remained lower than the values reported in 2020 and 2019. We closely monitor our performance metric of energy intensity, which in 2022 stood at 2.69 GJ of energy per metric ton of KCl production.

We currently source electricity from two national providers - NEPCO for our refineries and EDCO for facilities located in the Aqaba site. In 2022, our electricity purchases from NEPCO and EDCO increased by 56% and 21%, respectively, compared to 2021. We recognize that this increase is not in line with our sustainability goals, and

we are actively exploring options to increase the reliability of our electricity generation and reduce the reliance on imported electricity as much as possible for our operations.

For natural gas, although there has been a slight increase of less than 5% in our consumption compared to 2021, we have made significant progress in reducing our overall usage. The installation of the HRSG has played a crucial role in achieving this, as it recovers excess heat and makes it available for reuse. We have also continuously improved our operational efficiency, which has further contributed to our reduced

natural gas consumption. We remain committed to identifying and implementing additional strategies to minimize our environmental impact while maintaining our operational performance.

At APC, we are committed to deploying renewable energy sources to power our operations and reduce our carbon footprint. We are exploring various renewable energy options such as solar energy to transition to a more sustainable energy mix. Our goal is to reduce our reliance on fossil fuels and contribute to a cleaner and more sustainable future.

## Reducing Our Emissions

We are determined to identify and continuously assess the impact of our operations to appropriately develop mitigation plans to reduce emissions. The efforts we have taken to reduce APC's energy consumption also impact our carbon footprint and help reduce our overall emissions.

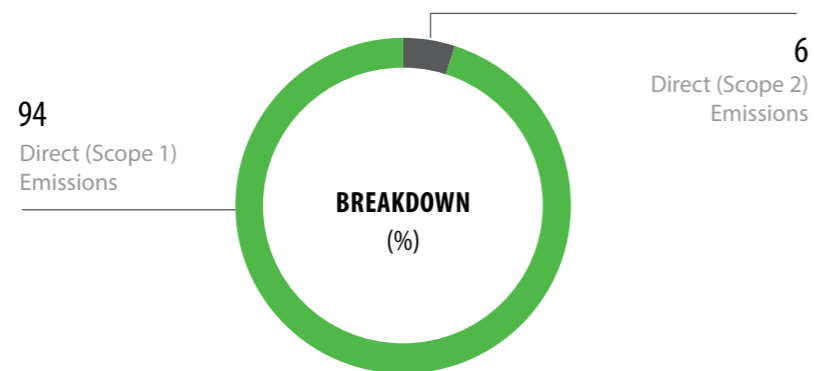
APC's monitoring and reporting framework for emissions has been developed based on international standards for emissions calculations such as the Intergovernmental Panel on Climate Change (IPCC) and the US Environmental Protection Agency (EPA). In 2022, we continued to deploy our standardized calculation templates and tools to capture, monitor and report our carbon emission inventory from our emissions. This has not only supported us in aligning with the leading practices, but it also ensured that our energy consumption and generated carbon emissions are reported in line with the GHG Protocol's principles for GHG accounting. The framework assesses our scope 1 and scope 2 emissions from all direct

sources of our facilities and indirect emissions from purchased electricity. Moreover, we engage on annual basis with the Royal Scientific Society (RSS) to measure gas emissions from our plants and vehicles and ensure compliance with environmental rules and regulations.

In 2022, it was expected that the total emissions from our direct and indirect operations would increase due to the astounding increase in production of potash, which was a new record for APC. Consequently, total emissions

in comparison to 2021 are higher by 15.7% and emission intensity rose by 4.7%. Our indirect emissions (emissions resulting from electricity consumption) saw the greatest jump, of 50.6%.

Notwithstanding the increase in emissions in comparison to the previous year, we were still able to achieve emissions significantly lower than those of the baseline year, 2019. In effect, total emissions are approximately 7% lower and emission intensity is more than 18% lower than 2019 values.



Indicator	Unit	2019	2020	2021	2022
<b>GHG Emissions Scope 1 &amp; Scope 2</b>	tCO <sub>2</sub> eq	459,835.49	451,754.36	369,979.95	405,460.7
Direct (Scope 1) Emissions	tCO <sub>2</sub> eq	448,437.61	436,750.78	354,975.68	382,864.9
Indirect (Scope 2) Emissions	tCO <sub>2</sub> eq	11,397.88	15,003.58	15,004.28	22,595.8
Emissions Intensity	kg CO <sub>2</sub> eq/ metric tonnes KCl	184.93	172.43	144.35	151.07

# CONSERVING NATURAL RESOURCES

GRI 2-22, 303-1, 303-2, 303-3, 303-4, 303-5, 304-1, 306-1, 306-3, 306-4, 306-5

In our business operations, managing our water resources sustainably is critical for our continuity and for minimizing our impact on the environment and local community. With limited water resources in our area, improper water management would not only affect our operations but also the local ecosystem and community. We recognize the importance of conserving natural resources, including water, as well as reducing waste and supporting recycling efforts to promote a circular economy.

Our environmental management policy serves as the foundation of our water strategy, which assesses our current water usage and consumption

and implements strategic initiatives to manage our resources efficiently. Our initiatives focus on securing a reliable water supply, ensuring water availability for the community, and maintaining our operations in a cost-effective manner. We recognize that conserving natural resources is not limited to water, it also encompasses the proper handling of waste generated at our sites, driving reductions in resource usage, and supporting recycling efforts towards circular economy.

We are proud to report significant achievements in 2022, wherein we increased our water storage capacity, installed reverse osmosis units in township and housing assets, and

developed underground wells, surface water collection systems, and automated water stations control and management systems. Furthermore, we installed a wastewater treatment unit in our APC plants and have successfully exploited treated water in our plants. These achievements have not only helped us to improve our operations but have also positively impacted our local environment and community. APC has been recognized by the IFA, earning second place for the prestigious 2022 Green Leaf Award for excellence in safety, health, and environmental performance, in the phosphate/potash producer category, in particular, the judges noted APC's water conservation innovations.

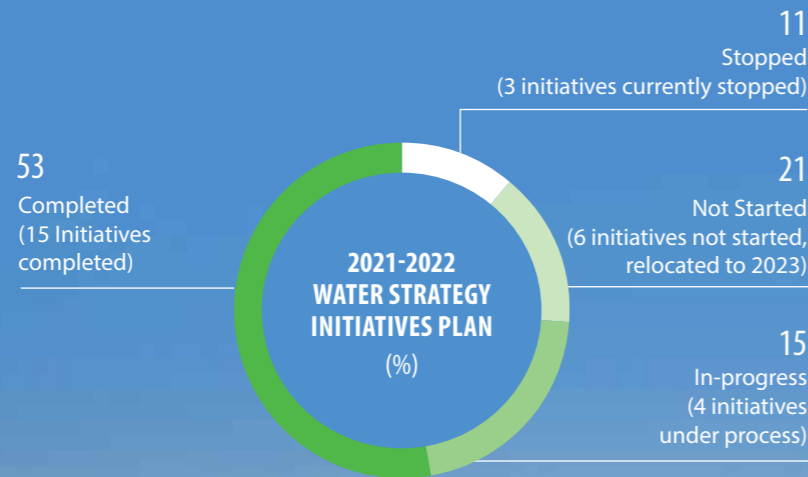


## Addressing Water Scarcity

In 2022, we continued to deploy APC's Water Strategy which guided our internal studies, assessments, and benchmarking with industry peers and supported us in identifying appropriate initiatives and opportunities that assist us in managing our water use and consumption. The strategy complements our strategic direction and has translated our ambitions into statements for our vision, mission and objectives that specifically address water security challenges.

Our water strategy is activated through our water department that is responsible for implementing our water-related initiatives, monitoring water resources and securing uninterrupted water supplies to meet our production needs.

The APC Water Strategy is a comprehensive plan comprising of 51 initiatives designed to minimize water consumption and maximize its efficient usage. These initiatives are set to be accomplished by 2025. By 2022, 28 of these initiatives were planned to be implemented. We are proud to report that we have made significant progress towards our goals, achieving a 97% completion rate against our overall plan for 2021-2022 with 27 initiatives launched.



### PROJECTS COMPLETED IN THE WATER SHORTAGE CRISIS

<p><b>WADI BIN HAMMAD PROJECT</b></p> <p>Extension and operation of new 14 water drainage pipes in Wadi Bin Hammad to drawing runoff water in Wadi Bin Hammad to Ain Maghara Station.</p> <p><b>Added 250 m<sup>3</sup>/h</b></p>	<p><b>TA#6 - AL HADITHA BOREHOLE</b></p> <p>The well was operated in an emergency manner using a generator until the completion of the remaining government issues to deliver electricity from EDCO.</p> <p><b>Added 80 m<sup>3</sup>/h</b></p>	<p><b>UPGRADE AIN MAGHARA STATION PUMPS</b></p> <p>New pumps arrived and ongoing to be installed to raise Ain Maghara line pumping capacity.</p> <p>To accommodate new quantities of water from Wadi Bin Hammad project.</p> <p><b>Raise the line capacity from 200 to 400m<sup>3</sup>/h</b></p>
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To date, we have successfully completed 15 initiatives as part of our ongoing efforts to optimize our operations. We have also reallocated 6 initiatives to next year's budget in order to better utilize our resources. Currently, 4 initiatives are in progress, and we expect to complete them in a timely manner. However, we have decided to stop 3 initiatives due to the results of the feasibility and technical studies as well as the change in business conditions and directions of the organization to explore more useful alternatives. We remain committed to continuously assessing and refining our initiatives to ensure that they align with our goals and values.

This year, we achieved a slight reduction in our total water withdrawal from all areas. The mix of water resources we relied on for our operations were altered in 2022, resulting in a higher use of groundwater and surface water while consumption of municipal water reduced. In effect, APC withdrew 53.8% groundwater, 35.9% municipal water, and 10.3% surface water. Groundwater is abstracted from 6 main areas with a total of 21 wells, which we continuously monitor to ensure compliance with water abstraction levels permitted by governing bodies. Our reliance on groundwater resources poses a risk due to the low rainfall levels in Jordan and the depletion of groundwater in wells.

While we are continually assessing the current and potential challenges for meeting our water demand to identify and implement sustainable solutions, we have also made significant strides in our water management efforts. One of the main achievements in this space was the increase in APC's water storage capacity, which will allow us to maintain operations while mitigating water-related risks.

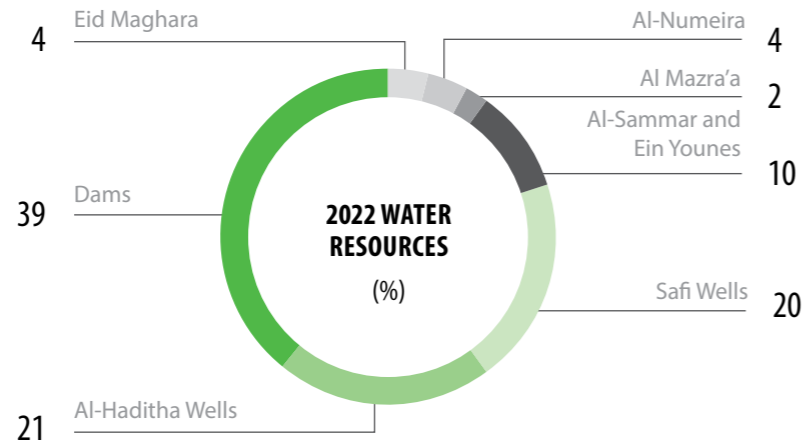
Another significant accomplishment was the installation of new Reverse Osmosis Units in APC Township and Hussein Housing, which will improve the quality of water provided to residents. These units use advanced technology to remove impurities and provide safe and clean drinking water.

APC also invested in the development of underground wells, which will help in reducing reliance on other groundwater sources. This initiative will also contribute to the preservation of natural resources and protect the local ecosystem. In addition to underground wells, we have also developed a surface water collection system and are currently working on increasing the water harvesting capacity, which will allow us to exploit this important resource. This initiative will help reduce APC's reliance on underground water by diversifying our sources to ensure a more sustainable water supply and resilience in our operations.

To improve our water management practices, we have automated APC's water stations' control and management systems. This innovation will enable real-time monitoring and control of water usage and other operational parameters, which will help optimize the company's water consumption and reduce waste.

Finally, we have installed a wastewater treatment unit in our plants, which will enable the use of treated water in our production processes. This will contribute to the preservation of natural resources, reduce water usage, and support a circular economy approach to water management.

At APC, we regularly monitor oil and grease concentrations of brine produced as by-product, before returning it to the Dead Sea to ensure it is within acceptable limits. To date, we have not recorded any incidents of non-compliance.



Indicator	GRI Indicator	Unit	2022	Percentage
<b>Total water withdrawn by type</b>	303-3	m <sup>3</sup>	13,022,483	100%
Ground water	303-3	m <sup>3</sup>	7,018,325	53.8%
Third-party water (Municipal water supplies or other public or private water utilities)	303-3	m <sup>3</sup>	4,679,703	35.9%
Surface water, including water from wetlands, rivers, lakes, and oceans	303-3	m <sup>3</sup>	1,324,455	10.3%

Indicator	GRI Indicator	Unit	2019	2020	2021	2022
<b>Total water withdrawal from all areas (including Dead Sea Water)</b>	303-3	m <sup>3</sup>	357,537,403	326,485,582	321,689,404	320,547,483
Total water consumption from all areas	303-5	m <sup>3</sup>	11,720,403	12,563,582	12,350,404	12,921,993
Total water discharge	303-4	m <sup>3</sup>	230,544,667	209,281,333	214,459,602	205,016,667
Specific water consumption	303-5	m <sup>3</sup> /metric tonnes	4.71	4.80	4.82	4.81



**CASE STUDY**

**Surface Water Collection (Wadi Bin Hammad Project)**

The Surface Water Collection (Wadi Bin Hammad Project) was initiated as an urgent response to the water supply crisis in 2021. The project involved the development of the Wadi Bin Hammad water source, which would be shared with the Jordan Valley Authority to provide water to farmers and residents in the area. To make the best use of surface water in the wadi, the project increased the number of water drainage lines from 6 to 14.

The project was crucial for APC due to the 60% decrease in rainfall in 2021, resulting in the drying up of Jordan's 14 dam reservoirs. As a result,

APC was facing a water crisis and needed to collect and supply water to its plants to ensure production continuity. APC aimed to exploit the surface water source after farmers to reduce the usage of underground wells and preserve them.

To implement the project, a contractor was hired to extend the pipeline to complete the project as soon as possible. The length of each line was 6 km, and the total length for the entire project was 84 km. Despite the difficult working environment, the first stage of the project was completed within 14 working days.

The project's achievements include adding 250 m<sup>3</sup>/hour, which equals 150,000 m<sup>3</sup>/month, ensuring the sustainability of the project. The project also helps local farmers by providing irrigation water in case of flooding in the wadi and raising the turbidity of the wadi water. During the project's implementation, the team faced challenges due to the difficult geographical nature of the Wadi. To overcome this, residents of nearby areas were hired for their knowledge of the area to help accomplish the objectives as soon as possible.

## Managing Waste

Effective management of waste from our operations is critical to minimize our environmental impact. At APC, we follow a waste management process guided by our environmental policy which emphasizes the importance of reducing waste sent to landfills and prioritizes the principles of Eliminate, Reduce, Reuse, and Recycle wherever possible.

To ensure that we comply with legal requirements and follow best practices across all our sites, we have implemented a set of instructions and standard operating procedures for waste management. These procedures cover the handling of various types of waste, including oils, medical waste, chemicals, batteries, domestic, industrial and radioactive waste, and provide guidelines for appropriate collection and disposal methods. Our procedures and guidance documents, such as the Managing and Monitoring the Safe Handling of Chemicals guideline, are developed in line with ISO 14001 and are subject to scheduled external audits to maintain compliance.

We maintain open communication and cooperation with regulatory authorities to ensure that all activities related to waste management comply with local regulations. The Ministry of Environment is responsible for regulating the safe disposal of chemicals and hazardous waste, and we work closely with the Ministry to ensure that all unused chemicals are disposed of appropriately. For radioactive waste, we coordinate with the Jordanian Atomic Energy Commission, the authorized party responsible for managing the disposal of such waste. In order to comply with the latest local regulations, it is our practice to return all newly purchased radioactive sources to the country of manufacture when they reach the end of their service life, based on the supplier's agreement.

Our commitment to responsible waste management aligns with our broader sustainability efforts, and we continuously seek opportunities to improve our waste management practices and minimize our environmental footprint.

### APC'S WASTE MANAGEMENT INSTRUCTIONS



As part of the waste management within our facilities and office spaces, we follow the 5S housekeeping management system which promotes the elimination of waste in our facilities and improves the overall order and cleanliness of our premises. The 5S is a Japanese management technique implemented through five stages of sorting, setting in order, shining, standardizing, and sustaining the cleanliness of our facilities. We have also established a housekeeping committee consisting of 17 employees

from various departments, that is responsible for the implementation of the system across our operations. The committee has become part of APC's innovations and continuous improvement committee which is a catalyst for driving several working teams to achieve the desired targets. The committee also provides regular awareness sessions on the 5S systems, while identifying and monitoring initiatives that support its implementation.

### THE 5S SYSTEM

A Common Step in Lean Deployments to Drive Change



Indicator	GRI Indicator	Unit	2019	2020	2021	2022
Waste generated	306-3	Metric tonnes	4,462.5	4,462.5	3,337	4,772.7
Total weight of hazardous waste generated	306-3	Metric tonnes	142.5	142.5	277	271.6
Total weight of non-hazardous waste generated	306-3	Metric tonnes	4,320	4,320	3,060	4,500.6
Total weight of waste directed to disposal	306-5	Metric tonnes	4,462.5	4,462.5	3,614	4,772.7

In 2022, total waste generated was 4,772 metric tonnes, an increase from previous years due to increased production levels. Non-hazardous waste constituted around 94% of the waste produced and was sent to the landfill based on the instructions of the Ministry of Environment, while hazardous waste was handled based on its type. Medical waste was disposed of by incineration, whereas metal and wood, oil, tires, batteries, and battery acids were sold to legally certified contractors for proper disposal or further recycling processes.

Furthermore, this year, we provided donations of scrap materials to the local community and government institutions for a total value of 21,640.28 JOD.

Salt and brine are by-products of our potash production activities that are produced in large quantities across our operations. In 2022, we conducted a study to verify the impact of brine on the neighboring community, examining the quality and efficiency of storage, and recovering a larger amount of brine for reuse in production.

Moreover, a new scrap yard was used to improve the sorting and management of industrial waste. APC also conducted a study to verify the impact of brine on the neighboring community, examining the quality and efficiency of storage, and recovering a larger amount of brine for reuse in production.

## Protecting Biodiversity

Our environmental management extends to ensure the impacts of our operations do not affect the surrounding ecosystem. Our operations are in close proximity to the Mujib Biosphere Reserve, which covers an area of 212 km<sup>2</sup>. The reserve surrounds Wadi Mujib, a canyon that cuts through the highlands and drains into the Dead Sea. Ecological surveys indicate that the reserve contains over 550 species of plants, 8 species of carnivores, and numerous species of resident and migratory birds.



APC is in close collaboration with the Royal Society for the Conservation of Nature (RSCN) to safeguard the protected areas. We closely monitor the by-products of our operations and ensure that the brine returned to the dead sea complies with the acceptable limits regarding oil and grease. Additionally, we plan to continue raising our people's awareness with regards to environmental management and biodiversity protection to ensure we align our work with our corporate commitments.

# PEOPLE CENTRICITY

At APC, we value our employees as the backbone of our organization and the driving force behind our success. We recognize that a healthy, safe, empowered, and engaged workforce is critical to enhancing our sustainability performance and promoting a culture of progress.

Our commitment to social responsibility extends throughout our operations, with a focus on creating a workplace culture that prioritizes safety, inclusivity, and continuous development. We also strive to make a positive impact on the communities surrounding our operations.

In keeping with our Code of Conduct, we are dedicated to building an inclusive environment where our employees feel secure, motivated, and fulfilled. We are committed to ethical business practices, open communication with labor relations, investing in employee skill development, and engaging with the local communities in which we operate.

By doing so, we seek to channel our mutual efforts and aspirations towards achieving one common mission: Creating value for our shareholders, customers, employees, and other stakeholders through transforming Dead Sea minerals into a wide spread of high-quality, innovative, and sustainable products.



## HIGHLIGHTS

### Health & Safety

**22%**

increased in safety awareness discussions conducted  
2021: 130 total

**25%**

decreased in Lost Time Injury rate compared to 2020

**100%**

coverage of all employees and workers under APC's OHSMS

**312** <sup>↑13%</sup>

total of assessments and inspections for safety performance managed

**9,100** <sup>↑80%</sup>

safety awareness courses delivered to contractors in 2022

### Our People

**2,125**

employees are beneficiaries of APC's housing loans

**Zero**

discrimination incidents recorded in 2022

**2,700+ training participants & 1,900+ employees** participating in internal trainings by APC)

**18,000+**

hours of training delivered in 2022

**Production Bonus and Safety Incentives**

added as part of our employee benefits added

### Our Communities

**7 million JOD**

invested in CSR initiatives

**70 million JOD**

invested over the course of the past 6 years

**4**

specialized local community trainings delivered to 136 participants

**225**

individuals participated in APC's local community training programs

**Completed the model farm**

in our Ghor Al-Safi site, in conjunction with local farmers

# OUR COMMITMENT TO HEALTH AND SAFETY

At APC, health and safety are a top priority in all our operations. Our management approach is focused on ensuring a safe working environment that protects our people, assets, and the environment. Our tireless efforts have resulted in achieving certification in various management systems such as ISO 45001, 14001, 9001, and 50001. We work closely with our business partners, contractors, and service providers to ensure health, safety, and environment (HSE) considerations are incorporated in our daily activities. Our risk management approach has been enhanced with effective controls put in place before jobs and tasks.

We place great emphasis on safety and have implemented an Occupational Health and Safety Management System (OHSMS) to promote a culture of safety across the organization. This system was strategically developed to ensure the health and safety of our people, proactively control risks, and respond efficiently to emergency situations. Our OHSMS is designed in accordance with industry-leading standards and principles and is a major driver of performance that has been endorsed by the top management of APC.

GRI 2-8, GRI 2-23, GRI 3-3, GRI 403-1, GRI 403-8

## HIGHLIGHTS

**130**

total of safety awareness conversations conducted

**9,100**

employees and workers were covered by the OHSMS system in 2022

**312**

total of assessments and inspections for the safe performance of business

**25%**

decreased Lost Time Injury rate compared to 2020

**330**

total of heavy machinery inspected by contractors in line with APC's established safety standards

**9,100**

safety awareness courses delivered for contractor workers in 2022

**2022 IFA Industry Stewardship Champion**

label maintained for fifth consecutive year

Ensuring that the OHSMS is properly maintained and implemented by all workers falls under the purview of the Safety and Environment directorate. Our OHSMS covers all APC sites across Ghor Al-Safi, Al Aqaba, and Amman, including traffic and road safety factors between our Ghor Al-Safi and Al Aqaba sites. We follow an iterative strategy of Plan-Do-Check-Act to ensure continuous improvement and have successfully executed our OHSMS for

the past six years. Kindly refer to APC's 2021 Sustainability Report for more information on our OHSMS.

In 2022, APC experienced a substantial increase in the number of workers who were covered by the company's OHSMS. This was primarily due to the expansion of various projects across APC sites that required additional manpower to ensure their successful completion. These projects

included the Research, Development, and Innovation building, the HLP compaction unit project, and the Dike-19 Project, among others, as well as several smaller-scale initiatives. The surge in worker coverage is a testament to APC's commitment to the health and safety of its employees and contractors, as well as its dedication to delivering high-quality projects that are completed on time and within budget.

OHSMS Coverage	2019	2020	2021	2022
Number of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system	6,247	5,401	5,791	9,183
Identify the percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system	100%	100%	100%	100%

## Certifications



We prioritize the maintenance of our OHSMS in accordance with ISO 45001:2018 requirements, as well

as national laws and regulations in Jordan. To ensure compliance, we undergo regular audits by independent third parties, and are proud to have maintained our ISO 45001 certification for occupational health and safety management in 2022. Our commitment to safety extends beyond this certification, as our OHSMS also conforms to other leading health and safety standards, including Occupational Safety and Health Administration (OSHA), British Standards (BS), National Fire Protection Association (NFPA), and Underwriters Laboratories (UL), among others.

We are pleased to report that our commitment to health and safety has earned us multiple accolades in recent years. We've maintained our 2022 IFA Industry Stewardship Champion label for five consecutive years, and were honored to have earned second place in the prestigious 2022 Green Leaf Award for excellence in safety, health, and environmental performance in the phosphate/potash producer category. These recognitions are a testament to the collective efforts of our management and stakeholders to enforce and comply with leading health and safety measures across all of APC's operations.

## Managing Health and Safety Risks

GRI 3-3, GRI 403-2

At APC, we prioritize the health and safety of our employees by integrating them into our risk management and emergency response procedures. Our approach to risk management involves identifying, assessing, managing, and monitoring risk scenarios that may arise during operations using our risk management system. To ensure consistency in our risk assessments, we utilize a Risk Assessment Matrix, which provides a standardized format for recording hazard, risk, likelihood, severity, risk rating, control measures, and the residual risk rating.



Our holistic approach to risk management includes incorporating HSE risks into our Corporate Risk Register, and we have designated risk champions from different teams responsible for managing and reducing risks to a level that is "As Low as Reasonably Achievable." We require contractors to provide a method statement for task risk assessments (TRA) before project start-ups to ensure safe activities are followed. We continuously assess the quality of these activities and provide suitable training

and knowledge in related operations, as well as quality supervision at work. This ensures that our risk management practices are of the highest quality and are consistently adhered to.

We aim to enhance the resilience of our organization by utilizing and improving our health and safety risk management tools. Our adoption of technologies such as Hazards Identification (HAZID),

Risk Assessment (RA), and Incident Investigation allows us to manage risks in a transparent and open manner. These technologies help us identify areas that require improvements and corrective measures that can be implemented across all our locations to reduce risks. Risk owners are assigned the responsibility of overseeing the implementation of identified measures within the specified timelines.

### OUR TEN LIFE SAVING RULES

-  **Comply to the use or work permits prior to performing any task**
-  **Hot work protection instruction**
-  **Isolate and close all energy sources**
-  **Vehicles, mobile equipment, and road safety instructions**
-  **Bypass safety controls during operation**
-  **Safe lifting operations instructions**
-  **Safe working at heights instructions**
-  **Keep out of line of fire by avoiding moving, rotating, compressed, or falling items**
-  **Safe working in confined space instructions**
-  **Instructions on toxic/flammable gases**

### MANAGING HEALTH AND SAFETY RISKS

The following steps have been established to guide our employees on how to react in situations that they believe could cause injury or lead to health and safety risks. In addition to cultivating and upgrading our safety culture on a regular basis, we have established these steps to guide our employees. In accordance with our Rules for Saving a Life, the following steps have been emphasized:

- STEP 1** **Employees and contractors/visitors are obligated** to report any hazard, regardless of how serious it is, to their immediate supervisor, who is then responsible for ensuring that the necessary safety precautions are taken.
- STEP 2** **It is the responsibility of supervisors** to have direct communication with the parties involved in order to conduct corrective steps or issue a safety work request.
- STEP 3** **In the event of an emergency,** the Safety and Environment Directorate will be responsible for responding to any reported emergency through civil defense and/or APC staff.
- STEP 4** **The management team** is committed to ensure a management system in place to control risks and is also responsible for supporting innovative strategies with regard to occupational health and safety by utilizing a variety of communication channels, including verbal conversations, meetings, toolbox lectures, and suggestion boxes.

To control recurring or severe risk incidents, targeted adjustments have been completed in accordance with our Occupational Health and Safety Incident Investigation Policy. Our root cause analysis investigation software, TapRoot, allowed us to investigate the underlying factors that led to recurrent and severe incidents. Through it, we able to proactively identify preventive actions of possible incidents with a high degree of severity, as well as avert recurrences, accidents, and injuries. The software was also beneficial in alleviating any concerns which our employees may have experienced regarding the safety of the workplace, ultimately contributing to an enhancement in the health and safety efficiency of the company.





The safety inspection section of the Directorate conducts routine and ad hoc safety inspections to maintain a safe working environment across all work locations and activities. In 2022, the inspections covered potential risks including guards, walkways, working platforms, protective barriers, and electrical hazards. We prioritized high-risk activities such as working in confined spaces, working at heights, and performing hot works. Out of 288 planned inspections, 207 were completed (72% of the total), providing a comprehensive assessment of compliance levels throughout the sites.

## Emergency Preparedness

GRI 3-3, GRI 403-3

To bolster our process safety management and emergency response, we have implemented various processes and systems. Our Potash Civil Defense Center cooperation agreement with the Civil Defense Directorate has been renewed for the fourth year, allowing us to maintain a high level of preparedness in case of an emergency. This initiative enhances our specialist firefighting services, prompt relief, and effective transportation response. We also conducted an overhaul and retrofit of our fire prevention system to meet future expansion requirements and comply with regional and national standards. Additionally, completing various activities in 2022 served as vital components of our emergency preparedness strategy.

### EMERGENCY PREPAREDNESS INITIATIVES

-  Ensuring that the APC fire suppression systems are functioning optimally by conducting scheduled inspections and maintenance work.
-  Improving emergency and fire safety responses within APC premises by providing firefighting systems and emergency equipment, such as mobile safety shower units, emergency road signs, etc.
-  Implementing various measures to prevent and manage fire hazards, including adopting state of art fire installations and equipment, acquiring civil defense approvals on deployed systems, conducting regular testing of fire networks, and providing safety rescue equipment for different potential scenarios.
-  Ensuring that emergency plans are updated and carrying out four emergency exercises with civil defense personnel in 2022 to ensure effective response to any emergencies.

## Ensuring People’s Well-being

GRI 3-3, GRI 403-2, GRI 403-3, GRI 403-9

We pride ourselves on placing the utmost importance on the welfare and prosperity of our valued employees. We have a deep-rooted belief that a healthy, secure, and positive working environment is fundamental to our success as a responsible corporate entity. To that end, we have ingrained health, safety, and well-being into the fabric of our organizational culture, ensuring that these values are present in all aspects of our operations. As our operations grow in complexity, we remain steadfast in our commitment to delivering efficient and effective OHSMS that promotes continuous enhancement of our health and safety performance. Our Occupational Health Program, which we implemented in 2021, has been a resounding success in nurturing a broader understanding of well-being among our employees, complementing our existing practices and programs.

At APC, we prioritize worker involvement in safety management. Our Incident Investigation Committee, formed in part by workers, identifies and corrects direct and root causes of incidents. The Committee also evaluates and assesses PPE and risks based on their on-site experience.

Workers participate in establishing measures to control and mitigate risks through safety suggestion boxes located at all APC locations. We encourage workers to report any safety hazards, unsafe conditions, or suggested improvements to the Safety and Environment Directorate.



### APC’S OCCUPATIONAL HEALTH PROGRAM

Our Occupational Health Program is structured around four management pillars: recognition, evaluation, prevention, and control of hazards and other negative environmental factors.

We endorse and implement a variety of initiatives and measures in line with the APC Occupational Health Program:

- Identification and assessment of potential health risks from workplace hazards
- Inspection of workplace practices affecting workers’ health
- Feasibility assessments for machinery, equipment, and substances
- Work improvement programs with team participation
- Collaboration with relevant departments for testing and evaluating health and safety measures
- Recommendations for occupational health, safety, hygiene, ergonomics, and personal protective equipment (PPE) use
- Contribution to post-injury rehabilitation and monitoring work-related health issues
- On-site first aid and emergency treatments, medical analysis and assessment of occupational accidents and diseases
- Regular medical checkups for employees exposed to occupational health risks
- Around-the-clock medical facilities for routine and emergency assistance
- Alignment with best practices for healthy work environment
- Customized training in occupational health and safety

Furthermore, we inspect our contractors’ heavy machinery to ensure compliance with APC safety standards before use in any of our sites. In 2022, we inspected a total of 330 heavy machinery for compliance with our established standards for safety.

Over the course of 2022, one work-related fatality occurred. APC deeply regrets this tragedy and has investigated the incident following the Incident Investigation Procedure to ensure the lessons learned were communicated and that improvement programs were put in place including and not limited to awareness training for staff, improvement to machinery safety systems (specially forklifts), and improvement programs specific to road safety.

APC recoded a Lost Time Injury rate of 0.48 high-consequence work-related injuries per 200,000 hours worked, which is an improvement of 25% compared to 2020. While the rate of recordable work-related injuries increased in 2022, most incidents did not result in severe outcomes. We associate the increased recorded injuries with the increase in working hours and production expansion. Incident investigations and corrective actions have been taken to prevent further occurrences.

HEALTH AND SAFETY PERFORMANCE	2019		2020		2021		2022	
	Employees	Workers	Employees	Workers	Employees	Workers	Employees	Workers
Number of fatalities as a result of work-related injury	0	0	0	0	0	0	1	0
Number of high-consequence work-related injuries (excluding fatalities)	6	29	12	24	6	23	10	17
Rate of high-consequence work-related injuries (excluding fatalities) (per 200,000 hours) - Employees	0.3		0.64		0.31		0.48	
Number of recordable work-related injuries	26	29	23	24	24	23	26	26
Rate of recordable work-related injuries (per 200,000 hours) - Employees	1.30		1.22		1.24		1.33	



## Road Safety

GRI 3-3

We continue to make progress towards our commitment to ensuring our people's safety and reducing traffic accidents by our fleet of trucks.

In 2022, we provided employees and workers with the critical HSE competency uplift through various targeted training programs. In addition, a traffic management study was carried out to provide engineering solutions to manage traffic safety hazards that may lead to fatalities, injuries or losses of assets/business opportunities. The study is expected to be finalized in Q1 2023, after which implementation will take place. Forklift and heavy machinery safety minimum safety

features have also been developed and communicated to stakeholders in the company, such as warning alarms, blue ray (laser spotters), cameras, and sensors.

The dedicated collaboration between our truck drivers and safety teams supported us in improving our performance. In 2022, we recorded five incident(s), two of which were due to uncontrolled conditions, whereas one incident was reported in 2021. We are working towards conducting separate risk assessments for the roads connecting our Ghor Al-Safi and Aqaba sites.

In 2023, we look forward to continuing the implementation of the traffic management program, including road signage, speed monitoring and controls, to enhance traffic safety. Additionally, we are introducing an HSE software program to manage e-learning, reporting near misses and incidents, risk assessments, and follow-ups of recommendations and corrective/preventive actions. While the software is under evaluation this year, implementation is expected to take place in 2023. We have also assessed emergency scenarios and are studying the introduction of more equipment to enhance our response and rescue capabilities in collaboration with our partner, the Civil Defense team.

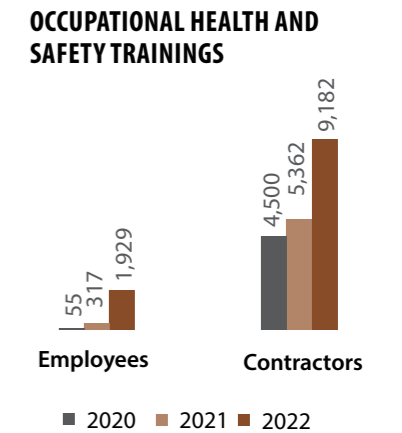
## Training

GRI 3-3, GRI 403-5, GRI 404-2

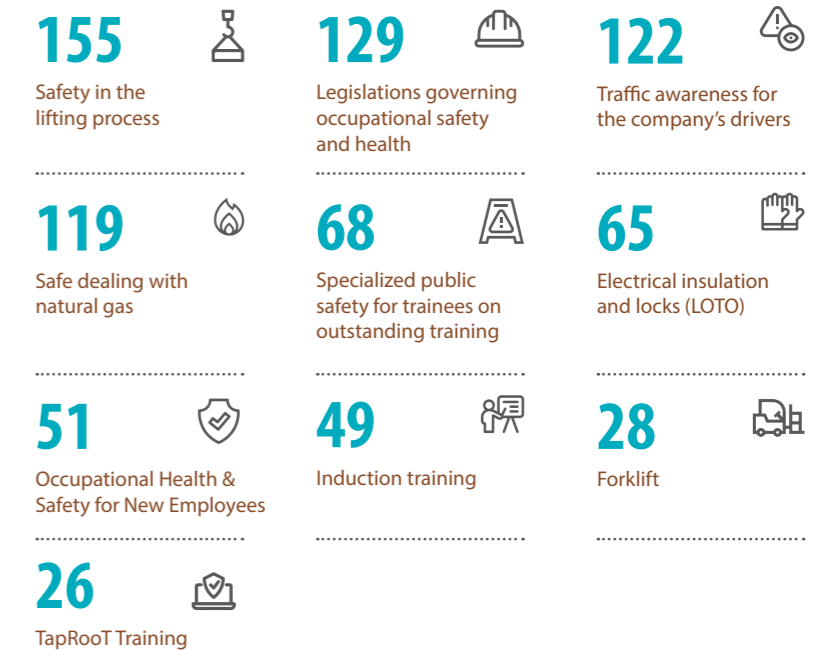
Aimed at building a leading performance in the context of health and safety, we sustain our commitment by actively supporting our employees' growth and upskilling them through awareness and training sessions. The training we provide builds on our employees' existing knowledge and skills and increases their capacity for decision-making on topics related to health and safety.

We diligently seek to implement a growth mindset across our divisions and sites while learning from our previous experiences. In coordination with the Directorate of Safety and Environment, we set up a comprehensive training plan that is built on implementing best practices and creating safer working environments for employees in 2022. We analyzed and assessed the needs of different departments across APC and designed customized training courses that are tailored to upskill the capabilities of our employees and workers. During the year, we conducted 40 trainings and internal sessions related to health and safety for a total of 1,929 employees.

We aspire to establish a leading performance in promoting safe practices. One of the ways we do this is by ensuring that our contractors are involved in our proactive safety management, and that they possess the necessary skills and knowledge to perform their work safely. More than 9,182 contractor workers received safety awareness courses in 2022, which was an increase of approximately 70% compared to the 2021 figures.



### SNAPSHOT OF INTERNAL HEALTH AND SAFETY TRAININGS



317

Total internal courses

## Safety Programs & Campaigns

GRI 2-26, GRI 3-3, GRI 403-4







Our commitment to safety and environment is demonstrated through our principles of continual improvement, enforced by APC's Directorate of Safety and Environment. We monitor the effectiveness of our OHSMS using more than 10 leading and operational indicators that are reviewed daily, weekly, and monthly. To align with our safety objectives, we conduct various safety programs, such as workplace inspections, toolbox talks, risk workshops, safety awareness, and risk-based internal audits. These programs are optimized to ensure personnel are accountable for managing safety-related issues, preventing accidents and injuries.

In 2022, we further committed to improving our health and safety performance. More than 40% of all training activities were HSE-related courses, with a massive training campaign on HSE conducted. We also take responsibility for our people's health and safety by providing a generous health insurance program that benefits all current employees, retirees, and beneficiaries of deceased employees. We cover all financial costs and implications related to medical services required by our employees.

At APC, we value comfortable working conditions for our employees and contractors. Over the years, we have implemented several initiatives to improve working conditions and safety. Our dedication to safety and environment extends beyond principles, as we live by the values we promote across our business.



### The main duties of our Occupational Health and Safety Department:

-  Ensure full compliance with the legal requirements of the Jordanian Labor Law.
-  Maintaining an effective incentive program for occupational safety and health.
-  Manage the safety and protective equipment warehouse to provide appropriate PPE to all company employees.
-  Ensure that incidents and related investigations are reported.
-  Raising safety awareness for our employees and conducting safety training.
-  Provide statistical databases for occupational health and safety performance, analyzing data and issuing regular reports.

# OUR PEOPLE

GRI 3-3

At APC, we believe that our employees are the backbone of our success. Our corporate strategy reflects our unwavering commitment to providing an engaging work environment that fosters professional development, enhances our work culture, and empowers our local talent. Our leadership team has consistently prioritized our people, recognizing their integral role in our business operations and overall success.

Despite the challenges of the past year, our workforce has demonstrated remarkable resilience and adaptability. Thanks to their decades of experience and dedication, our team was able to maintain seamless operations across all our sites. We are proud of each and every employee at APC who contributed to our success as a business through their unwavering commitment and dedication.

Moving forward, we remain committed to investing in our employees and providing them with the resources they need to grow and thrive within our organization. We will continue to prioritize their needs and provide a supportive work environment that empowers them to achieve their full potential.

## HIGHLIGHTS

- Zero** discrimination incidents recorded in 2022
- 75%** our female employee retention increased compared to 2021
- 25%** training participants, including 1900+ employees participating in internal trainings by APC
- 340** training sessions delivered and facilitated, covering more than 130 topics relevant to APC's operations
- 7.11** average training hours achieved per female employee
- 10.71** average training hours achieved per male employee
- 18,000+** hours of training received by employees in 2022, which was an increase of 82% compared to 2021
- 127+** internal learning and development programs developed and conducted by APC
- 413** total certifications have been obtained by our employees
- 2,125** employees reached a total number of beneficiaries for the housing loans
- 2,700+** training participants, including 1900+ employees participating in internal trainings by APC

**Production Bonus and Safety Incentives** added as part of our employee benefits



## Managing Employees

We place a high value on developing a high-performing culture amongst our people. Our approach is to engage our workforce through learning and capacity building, empowering them to deliver their best while planning for their development and succession. This is reflected in our talent management strategy, which is designed to attract and develop talent in line with our strategic goals and ambitions.

Our workforce plan, developed with the support of our talent management team, focuses on identifying the right people for the right job and ensuring that they are motivated towards learning, with plans in place for continual development in line with their competencies. This has enabled us to identify our business needs, assess the skills required, and develop our talent pool in line with our vision for operational excellence.

In addition, we have established a specific strategy for driving our employees' progress along their career paths in a structured and transparent manner. We aspire to apply our learnings from employee engagement to review and reinvent aspects of our talent management, aligning our strategies and procedures to leading practices.



Our Code of Business Ethics (CoBE) plays a crucial role in maintaining transparency, integrity, and ethical business standards in everything we do as an organization. We ensure that all new hires are aware of the CoBE, and it is distributed across the organization on an annual basis. It highlights our commitment to the environment, health and safety, and government regulations, while also emphasizing our intolerance for any form of harassment and setting out the requirements for employee interactions with respect, courtesy, consideration, and professionalism.

To further support the implementation of our CoBE, we encourage all employees and service providers to promptly report any violations to our policies. We have processes in place, such as our whistleblower and HR complaints policies, for employees to anonymously report violations. All reports we receive through these channels are assessed, and any identified violations are investigated thoroughly, with resulting actions addressed effectively. In 2022, we had no such cases reported, and we continued to align with our policies and CoBE.

EMPLOYMENT AT APC	2019	2020	2021	2022
Total number of employees by gender	1,753	1,743	1,704	1,660
Gender				
Female	58	58	57	59
Male	1,695	1,685	1,647	1,601
Employment contract				
Permanent	1,532	1,544	1,546	1,536
Temporary	221	199	158	124
Employment type				
Full-time	1,753	1,743	1,704	1,660
Part-time	0	0	0	0
Full time regular	1,096	1,076	1,049	1,010
Shift basis	657	667	655	650

## Attracting New and Cultivating our Existing Talents

GRI 2-7, GRI 3-3, GRI 401-1

Our approach to cultivating talent within our workforce relies on attracting and retaining our people. We do this by investing in building their experience, cultivating their skills, and engaging them through our capacity-building programs. We also strive to set effective succession management processes in place to safeguard the internal transfer of knowledge and ensure the long-term achievement of our strategy.

We encourage our employees to continually seek opportunities for growth, learning, and development to cultivate a feeling of fulfillment and to ensure that they align with their planned career goals. Our HR and training departments have set rigorous customized programs to promote individual and organizational effectiveness, and thus deliver on our corporate commitments.

In 2022, we made the strategic decision to focus on optimizing our existing workforce, rather than rapidly expanding it. This decision was informed by a variety of factors, including the current needs of our business, our long-term objectives and strategic plans, and the nature and qualifications of available job openings. By prioritizing the optimization of our existing workforce, we were able to better utilize the talent and resources we already had, which ultimately led to improved productivity and efficiency across the company.

Furthermore, we also placed a strong emphasis on employee development and training during this year. By investing in the professional growth and development of our current employees, we were able to help them acquire new skills and competencies, which not only improved their individual performance but also the overall performance of the company.



This focus on employee development also contributed to a lower turnover rate, as employees felt valued and invested in by the company.

In 2022, APC welcomed 26 new employees in diverse roles, 54% of whom are under 30 years old. This is a positive development for our organization, as we strive to increase the representation of young professionals in our workforce. By attracting and retaining young talent, we can foster a culture of innovation and fresh perspectives, which can help us stay competitive and adapt to changing market demands.

Overall, while there were fewer new employee hires in 2022, this was a strategic decision that allowed us to optimize our existing workforce and invest in the development of our current employees. This approach has proven successful, and we will continue to evaluate our employment needs on an ongoing basis to ensure we are utilizing our resources effectively.

NEW EMPLOYEES HIRED IN 2022 PER ROLE	NUMBER
Director	1
Manager	1
Superintendent	2
Supervisor	5
Engineer	1
Translator	8
Junior Operator	5
Junior Technician	1
Coordinator	1
Trainer	1

NUMBER OF NEW HIRES	2019	2020	2021	2022
Total number of new hires	107	65	69	26
Age group				
Under 30 years old	87	51	60	14
30-50 years old	17	12	9	7
Over 50 years old	3	2	-	5
Gender				
Female	7	4	3	3
Male	100	61	66	23

EMPLOYEES LEAVING EMPLOYMENT	2019	2020	2021	2022
Total number of employees leaving employment	151	85	112	72
Age group				
Under 30 years old	0	0	2	1
30-50 years old	81	26	35	25
Over 50 years old	70	54	75	46
Gender				
Female	5	5	4	1
Male	146	80	108	71

In 2022, our organization was able to retain a higher number of employees and saw a reduction in the number of employees who left APC. This can largely be attributed to our unwavering focus on maintaining a strong reputation and fostering a workplace culture that is based on principles of justice, equality, and equal opportunities. Our continued commitment to these values has allowed us to attract and retain a highly talented workforce.

Through our human capital strategy, we have created a workplace culture that values diversity and inclusivity. We believe that creating an environment where all employees feel respected and valued for their unique perspectives and experiences is crucial to promoting employee engagement and retention. We are proud to have fostered a work environment where our employees can thrive, and where their contributions are recognized and rewarded.

Additionally, we have implemented robust retention strategies, such as competitive compensation packages,

performance-based incentives, and other employee benefits, to ensure that our employees remain motivated and engaged. These strategies have helped us maintain a highly skilled workforce dedicated to achieving our strategic goals and objectives.

We will continue to prioritize our values and invest in our employees' growth and development to ensure that we maintain a strong and talented workforce that can drive our organization's success well into the future.

## Talent Management

GRI 2-7, GRI 3-3, GRI 405-1, GRI 405-2, GRI 406-1

We have a rigorous recruitment process that is based on selecting the best-suited candidates for the roles we offer, considering their qualifications and professional experience. Our HR department manages all recruitment processes, engaging with the available talent pool to source the right candidates for APC. We use comprehensive job descriptions and assessment processes to identify the necessary skills and qualifications for each position.

To showcase our organization's performance to the public and potential future employees, we communicate our workforce's achievements and our vision for our people through various channels. We believe this approach provides insight to potential candidates on what it is like to work for APC and join our mission.

We prioritize on-the-job training, job rotation, promotions, and skill development to share knowledge and enhance our workforce's skills. Our HR teams continuously strive to improve individual and departmental performance by aligning employees' objectives with APC's objectives. This approach helps us to improve our overall performance, maintain high levels of employee satisfaction, and attract the best talent in the industry.

We prioritize non-discrimination in our commitment to our workforce. We make sure that all of our employees have equal opportunities for learning, capacity building, and career development, regardless of their race, gender, origin, disability, age, or religion. Our internal processes strictly align with the CoBE, which prohibits any discriminatory actions.

PERCENTAGE OF EMPLOYEES PER EMPLOYEE CATEGORY	2019	2020	2021	2022
<b>Female</b>				
Senior management	0	0	0	0
Middle management	0.3	0.3	0.4	0.4
Staff	3	3	3	3
<b>Male</b>				
Senior management	0.2	0.2	0.23	0.3
Middle management	10.1	10.1	7.22	7.28
Staff	86.4	86.4	89.15	92.42

PERCENTAGE OF INDIVIDUALS WITHIN THE ORGANIZATION'S LEADERSHIP	2019	2020	2021	2022
<b>Age group</b>				
Under 30 years old	12	13.25	15.2	0.2
30-50 years old	66	63.85	60.6	37
Over 50 years old	22	22.9	24	62.8
<b>Gender</b>				
Female	3	3.3	3.3	4.5
Male	97	96.7	96.7	95.5
<b>By Nationality</b>				
Jordanian	99.7	99.7	99.8	100
Non-Jordanian	0.3	0.3	0.2	0

RATIO OF COMPENSATION OF CEO TO EMPLOYEES	UNIT	2022
CEO to median employee compensation	Ratio	1:17.82

RATIO OF THE BASIC SALARY AND REMUNERATION OF WOMEN TO MEN FOR EACH EMPLOYEE CATEGORY	UNIT	2019	2020	2021	2022
Senior management	Ratio	1:1	1:1	1:1	1:1
Middle management	Ratio	1:1	1:1	1:1	1:1
Staff	Ratio	1:1	1:1	1:1	1:1

## Supporting Education and Development

At APC, we value training and education as a vital investment in our workforce. We prioritize internal and external training, education, and capacity-building curriculums to address our long-term need for a growing and competent workforce.

### HIGHLIGHTS

10.5

average hours per employee; Staff received the most hours of training

2,700+

training participants attended over 300 training courses

120

internal training sessions delivered and facilitated covering topics relevant to APC's operations

413

of our employees have obtained certifications through dedicated training programs by 2022

18,500

total trainings hours delivered to APC employees with an average of 8 hours of training per employee

7.11

average training hours achieved per female employee

10.71

average training hours achieved per male employee



**OUR PROGRESS AND AMBITIONS**

**LEARNING AND DEVELOPMENT**

Throughout 2022, we exceeded our targets, with over 2000 training participations and an overall training effectiveness rate exceeding 80%.

Our learning and development process is monitored using specific targets and KPIs to ensure the effective transfer of knowledge and the efficient employment of our trainers. We achieve our capacity development goals by aligning our programs with our human capital strategy and business needs, defining the right capabilities, experience profiles, and focus areas to build our employees' capacities.

In 2022, we achieved several milestones in training and education.

We conducted a comprehensive internal training needs assessment, which informed a plan covering technical and leadership competencies, caliber trainees, and local community trainees. Our internal training program, APC TEACHS APC, continued with a strong focus on building and transferring technical competencies and knowledge. We also enhanced on-job coaching and continued training for the local community with a corporate social responsibility (CSR) concept.

In 2023, we aim to build on our successes and continue to improve our training and education programs. We have already made significant progress by approving the HR Capital policy and activating the competency framework for both training and performance management.

This framework will allow us to align our training and development programs with the needs of our business and help us define the right capabilities, experience profiles, and focus areas to build our employee's capacities.

**QUANTITATIVE**

We plan to exceed 100 training and education activities with 1,500 participants. This target will ensure that we continue to offer a wide range of training and development opportunities to our employees.



**APC 2023 TARGETS FOR TRAINING AND EDUCATION PROGRAMS**

**QUALITATIVE**

Our aim is to maintain our training effectiveness at a level of 80% or higher. This target will ensure that our training and education programs are meeting the needs of our employees and contributing to the success of our business.

**LEADERSHIP PROGRAMS**

To ensure continued effectiveness, we conduct regular reviews and evaluations of all delivered training, assess training needs, and gather feedback from our employees.

APC's leadership program for 2022 was designed to provide employees with comprehensive training on operational and administrative issues, aimed at upskilling them to become more effective leaders. The program consisted of two parts:

- Part one was designed and delivered by selected APC specialists to provide comprehensive training on operational and administrative issues, included in employees' induction process, followed by a knowledge test.

- Part two was conducted by an external training establishment to enhance workforce skills. The program was postponed and rescheduled for 2023 due to unforeseen circumstances.

In addition, APC recognizes the value of retirees who possess specialized technical skills and experience. Our CEO has initiated a program that offers these retirees the opportunity to provide training to our employees, and they are suitably compensated for their work. This year, the focus of the training was on forklift driving and competency.

**CASE STUDY**

**Local Community Training and Learning**

In 2022, the Local Community Training and Learning program at APC was the highlight of the company's commitment to supporting the communities in which we operate. The program included diverse trainings for junior engineers, jobseekers, vocational and university students. The program provided participants with the necessary skills to compete for job vacancies at APC or others. The program is critical to APC as it enhances the competencies and knowledge of the participants, making them more suitable for available vacancies. This, in turn, reduces manpower costs and improves productivity, benefiting both the participants and APC.

successful and effective hiring which led to a decrease in unemployment levels within the community.

To ensure the effectiveness of the program and achieve its aims, APC's training staff provided strict follow-up support to the participants. The training staff monitored the participants' progress and performance, ensuring that they receive the necessary support and guidance to excel in their respective programs.

Overall, APC's local community training and learning program is proof of the company's commitment to enhancing our local community while fulfilling our workforce requirements. The program has made a significant impact on the lives of the participants and the local community, promoting skills development, and improving employment prospects.

The primary goal of the program was to select suitable candidates for job vacancies and support the local community by increasing the pool of skilled candidates. The program's achievements include more

**SUCCESSION PLANNING**

We manage career endings resulting from retirement or termination by partnering with retirees who possess expertise and competencies in certain areas to train our employees.

Maintaining a robust pipeline of talent is a top priority at APC, and we continuously develop and implement effective processes and systems for succession planning to ensure leadership continuity. Our internal

talent identification program identifies high-potential employees based on their achievements and aspirations, and we provide them with generous support to prepare them for future leadership roles.

**COMPETENCY FRAMEWORK**

In 2022, 100 subjects were identified through the Training Needs Identification and our trainings were revised accordingly.

To ensure the effective implementation of our competency framework, we have revised the Training Needs Identification Form and the Appraising Form based on competencies. In addition, we implemented a training program on

the competency framework for the management team. These steps will ensure that our employees receive the training they need to succeed in their roles and contribute to the growth of our business.



**Training courses for APC employees during 2021**

ACTIVITY	NO. OF ACTIVITIES	NO. OF PARTICIPANTS	NO. OF SUBJECTS
Total	348	2,716	130
Internal Training	127	1,929	42
Training in Jordan	46	168	45
Research Projects for Graduate Students	7	7	7
Local Community Training	4	136	13
Caliber Training	-	111	22
Field Exams and Interviews	160	217	-
Other Activities (Field Visits)	4	148	1

**Average hours of training that APC's employees have undertaken by gender**

	2019	2020	2021	2022
Total training hours	10,218	1,752	10,118	18,499
Average rate	6 hrs / employee	1 hr / employee	6 hr / employee	8 hrs / employee
Gender				
Female	306 hrs	42 hours	306 hours	441 hours
Average rate	5.3 hours / female	0.72 hour / female	5.4 hour / female	7.11 hour / female
Male	9,912 hours	1,710 hours	9,812 hours	18,058 hours
Average rate	5.65 hours / male	0.98 hour / male	5.9 hour / male	10.71 hour / male

In 2022, APC significantly increased its focus on employee training, delivering 18,499 training hours, an 83% increase from the previous year. A total of 2,716 individuals benefited from these training courses, almost double the number of participants in the previous year. Out of the 2,716 individuals, 1,929 participated in 127 internal training activities. This highlights

APC's commitment to investing in its workforce and providing them with opportunities to enhance their skills and capabilities. We are proud to have witnessed a significant increase in the average training hours for both men and women of the APC workforce this year, and we strive towards bridging the gap between training hours received.

Additionally, we are delighted to announce that, as of this year, 413 of our employees have obtained certifications through our dedicated training programs, highlighting our dedication to professional development and career growth for our valued team members.



In order to assess the effectiveness of our training programs and ensure that they are meeting the needs of our workforce, we conducted a thorough evaluation in 2022. The evaluation was designed to gather feedback from participants and measure their level of satisfaction with the training courses they attended. After careful analysis of the data collected, we are proud to report that the overall result of the evaluation was an impressive 84%. This is a testament to our commitment to providing high-quality training that is not only informative and engaging, but also effective in developing the skills and knowledge of our employees. We will continue to use these results

to improve and refine our training programs, with the ultimate goal of empowering our workforce to reach their full potential.

APC's dedication to providing high-quality training and development opportunities to its employees is reflected in the significant increase in training hours per staff in 2022. This increase, which is 2.5 times greater than the number of hours provided in the previous year, is a result of our commitment to prioritize technical and safety training, as identified through our Training Needs Identification tools, and due to the high number of new hires.

While the total and average number of training hours for senior and middle management decreased compared to the previous year, this is partly due to the shift in training priorities and focus on technical and safety training. Additionally, the time invested in developing the leadership training program was a contributing factor to the reduction in training hours for management. However, we are pleased to announce that the leadership training program will resume in 2023, providing valuable learning opportunities to our management teams.

EMPLOYEE CATEGORY	2019	2020	2021	2022
Senior management	-	-	30 hrs	9 hours
Average rate	-	-	7.5 hrs / person	1.8 hours / person
Middle management	1,513 hrs	253 hrs	3,211 hrs	1,364 hours
Average rate	7.6 hrs / person	1.28 hrs / person	25.5 hrs / person	11.65 hours / person
Staff	1,474 hrs	1,025 hrs	6,877 hrs	17,126 hours
Average rate	0.95 hrs / person	0.66 hrs / person	4.3 hrs / person	10.53 hours / person

CASE STUDY

### Dedicated Training Center

APC has established a dedicated training center that supports our employees in identifying training needs and tackling health and safety concerns through capacity building. The center is primarily responsible for the following activities:

- Mapping the training needs of our employees and workers against the competencies relevant to their roles
- Developing specialized training programs including training material and collaterals for training participants
- Conducting sessions and delivering training across all divisions

### Knowledge-Transfer Sessions

We value the expertise of our seasoned employees and recognize the importance of knowledge sharing within our organization. To leverage this invaluable resource, we created employee-led training programs that aimed to engage and align our workforce with the institutional knowledge at APC.

Our programs are designed to promote professional development and enhance the understanding and implementation of our corporate management systems, processes, and procedures. This includes tapping into our pool of retirees to develop and deliver technical training programs, which not only helps us utilize our resources and talent effectively but also rewards them for their efforts with monetary incentives.

We also invest in capacity-building through our subject matter experts and specialists, allowing capable employees to take up additional responsibilities as internal trainers and earn recognition for their contributions. Moreover, we extend our efforts beyond our organization and collaborate with other sectors in Jordan, sharing the specialist knowledge and high-caliber skillset of our employees.

To build a robust talent pipeline, we engage with key universities and institutes, aiming to identify and develop top talent in our fields of work. We believe that our employee-led training programs will not only enhance our organizational capabilities but also contribute to the overall growth and development of the community.

## Enhancing Workforce Performance

To maintain our position as a competitive and effective organization, we have taken extensive measures to enhance the performance of our employees. Our focus on employee performance management involves a range of tools and guidance materials that support our employees throughout their career journeys.

At the heart of our employee performance management process is the collaborative effort between employees and their supervisors or managers. Together, they plan for growth and development by setting clear objectives in alignment with their job roles and focus areas. This ensures that our employees have a roadmap for success and are equipped with the necessary skills and competencies to achieve their goals.

Our supervisors provide the necessary coaching, support, and guidance to ensure that our employees progress steadily towards their objectives. This approach has yielded significant results, with all our employees



undergoing a formal process of performance reviews this year. Our HR department played a pivotal role in ensuring that our employees were able to define clear development plans in collaboration with their supervisors. In addition, our HR team conducted regular discussions with employees throughout the feedback cycle, enabling them to provide timely feedback and guidance. The results of the annual appraisal sessions were then communicated to our employees in a formal manner, and action plans

were developed where necessary to enhance their performance.

Through our well-defined processes, we have ensured that our employees are well-informed and equipped to meet the requirements and expectations of their roles. Our commitment to employee performance management has not only resulted in improved employee productivity but has also contributed to the overall success of our organization.

## Nationalization

GRI 3-3, GRI 404-2, GRI 413-1



APC is dedicated to promoting diversity and supporting the growth of Jordan's economy through our knowledge-sharing and contributions to local talent development. We are committed to seeking out opportunities to develop a more competent and capable Jordanian workforce that can support our local economy. Our nationalization approach is built on a comprehensive talent management plan designed to activate local talent, allowing them to innovate in their current roles and potentially create more job opportunities.

To achieve our nationalization objectives, we have established a range of initiatives that prioritize the development of local talent through internships and scholarship programs. Through these initiatives, we are committed to supporting the development of a skilled and capable Jordanian workforce that can drive economic growth and contribute to the overall success of the country.

For more information on APC's nationalization initiatives, kindly refer to the APC 2021 Sustainability Report.

## Enhancing Employee Satisfaction

GRI 2-16, GRI 2-30, GRI 401-2, GRI 401-3, GRI 402-1

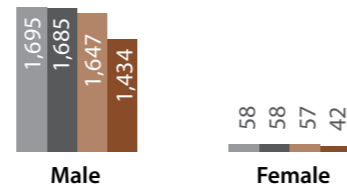
We are dedicated to ensuring the satisfaction and retention of our employees, recognizing their indispensable role in driving our success. Our ultimate objective is to attract and retain top talent in the industry by offering roles that align with their skills and ambitions, both now and in the future.

We understand that offering a comprehensive benefits package is just one piece of the puzzle, so we strive to go above and beyond in ensuring employee satisfaction and retention. To this end, we always provide a one-week notice period to employees and their representatives prior to any significant operational changes that may affect them. All of our employees are covered by employee labor union agreements as of 2022, which helps us ensure that our workforce is protected, and their rights are respected.

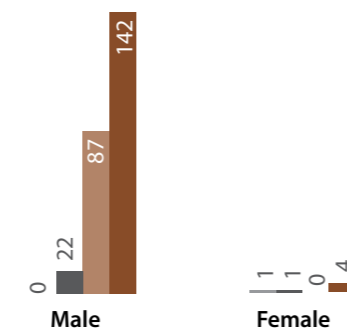
Furthermore, we are fully compliant with Jordan's Labor Law, which grants parental leave to our employees. Women at APC can benefit from 10 weeks of maternity leave, while male employees are entitled to three days of paternity leave. In the current year, we have provided 146 of our employees with all the necessary support to take advantage of their parental allowances and thrive in their professional endeavors. At APC, we define employees who are entitled to parental leaves as those who are legally eligible to take time off work to care for a new child as part of the benefits provided to our employees.

We firmly believe that investing in our employees is investing in the future of our organization, and we remain committed to ensuring their satisfaction and retention.

### NUMBER OF EMPLOYEES ENTITLED TO PARENTAL LEAVES



### NUMBER OF EMPLOYEES WHO TOOK PARENTAL LEAVES



■ 2019 ■ 2020 ■ 2021 ■ 2022

### CASE STUDY

#### Employee Housing Loans

The employee housing loans fund was established in 1992 to grant employees loans with a maximum limit of 50,000 JOD free of interest. These loans are repayable in monthly instalments deducted from the employee's monthly salary over a period of a maximum of 25 years. The total number of

beneficiaries from these loans reached 2,125 employees, and the total amount of loans granted increased by about 1.7 million in the year 2022, bringing the total amount of loans granted to about 68 million at the end of the year 2022.



## OUR LOCAL COMMUNITIES

GRI 3-3, GRI 413-1



APC is a firm believer that companies can only thrive by supporting their local communities, promoting continued growth and development. We are driven by His Majesty King Abdullah II's vision of prioritizing a better life for all Jordanians, and as a responsible business, we aim to substantially improve the standard of living in the Jordanian communities through our operations.

We recognize that our operations have a far-reaching impact on society, therefore, we are committed to managing our business processes in a way that delivers positive outcomes to our local communities. Our Corporate Social Responsibility (CSR) program is a cornerstone of our contribution to our community's welfare and the overall performance of our organization.

Through our CSR program, we invest in initiatives that address existing needs in local communities, such as health challenges, youth unemployment, and improvements in education systems. We aspire to play a part in promoting sustainable solutions and prioritizing the interests of our communities.

### Contributing to Local Communities

At APC, we believe in the importance of investing in community relations and making a positive social impact through our CSR initiatives and programs. Our goal is to address the pressing needs of local communities in Jordan, such as health challenges during the pandemic, youth unemployment, and improving the education system. By supporting sustainable solutions and prioritizing the interests of our communities, we aim to make a meaningful difference in people's lives.

Our commitment to our local communities goes beyond merely complying with national laws and regulations. We strive to provide comprehensive support to improve the living conditions of our fellow Jordanians and enhance their quality of life.

### HIGHLIGHTS

**7 million JOD**  
invested in CSR initiatives

**15**  
times increased to our investments in water and environment preservation

**4**  
local community trainings delivered for 136 participants

As part of our efforts to support the Jordanian economy and local communities, we create job opportunities, promote business growth, and invest in upskilling local talent. Over the past six years, we have invested more than 70 million JOD in community development programs through our CSR program. In 2022 alone, our total contribution to community investments in our sectors of interest amounted to around 7 million JOD.

SECTOR	2019	2020	2021	2022
Total (JOD)	11,263,660	30,038,559	5,000,000	6,999,200
Education	2,757,937	2,121,087	2,022,500	1,461,442
Social development	4,666,800	1,976,715	1,124,500	1,672,813
Official organizations	1,633,230	191,600	1,300,000	1,394,954
Water and environment	55,225	558,000	50,000	731,763
Health	1,132,600	4,828,842	300,000	184,469
Sports	392,500	130,000	35,000	348,650
Worship houses	305,904	156,225	10,000	942,834
Cultural activities	147,000	66,090	124,000	174,275
Trade unions	172,464	10,000	34,000	88,000
"Himmat Watan" fund	-	20,000,000	0	0



CASE STUDY

Model Agricultural Farm

APC has been working on establishing a model farm in our Ghor Al-Safi site to demonstrate innovative and sustainable solutions for farming. The farm has piloted new solutions and technologies in order to share knowledge about leading practices with the farmers and agricultural entities in Jordan and the region.

In 2022, we successfully conducted promotional engagements and agricultural educational activities are set to expand across more geographic locations, targeting new agricultural challenges and impacts on the environment.

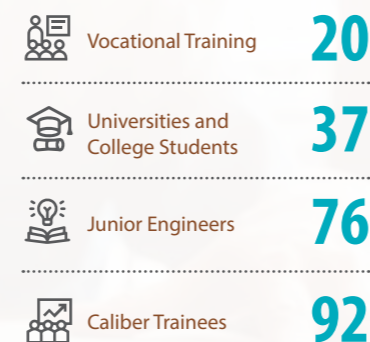
CASE STUDY

Local Community Training

In line with our commitment to CSR, APC organized four training programs in 2022 that aimed at supporting the local community by providing the necessary technical and experiential learning opportunities to succeed in the labor market. This not only benefits the trainees but also the country, as it helps to foster a skilled workforce that can drive economic development. Moreover, the training programs

can build strong candidates for future job openings at APC or elsewhere, which can help to reduce unemployment and promote sustainable economic growth. At APC, we believe that investing in the development of local talent is not only a social responsibility but also a sound business strategy that contributes to the long-term success of our company and the communities in which we operate.

NUMBER OF PARTICIPANTS BY TRAINING PROGRAM



Involving the Local Communities

GRI 3-3, GRI 413-1

APC is committed to forging meaningful partnerships with local communities, by fostering an open dialogue and building trust through transparent communication. We believe in promoting sustainable outcomes, equitable decision-making, and enhancing the quality of life in the areas we operate in. To this end, we regularly conduct awareness and knowledge-sharing sessions for our stakeholders, such as the local farmers, demonstrating our commitment to their development and welfare.

In 2022, we successfully delivered four training sessions for the local

community, with a record of 136 participants. We also engaged with our customers and end-users through various programs and activities promoting the responsible and scientifically sound application of our products. Our team actively participated in forums and conversations with our customers, sharing insights and adding value to their approaches.

Furthermore, we collaborate with regional authorities to ensure that our communities remain safe, sustainable, and prosperous.



# APPENDICES

## GRI Content Index

<b>STATEMENT OF USE</b>	Arab Potash Company has reported the information cited in this GRI content index for the period January 1, 2022 to December 31, 2022 with reference to the GRI Standards.
<b>GRI 1 USED</b>	GRI 1: Foundation 2021

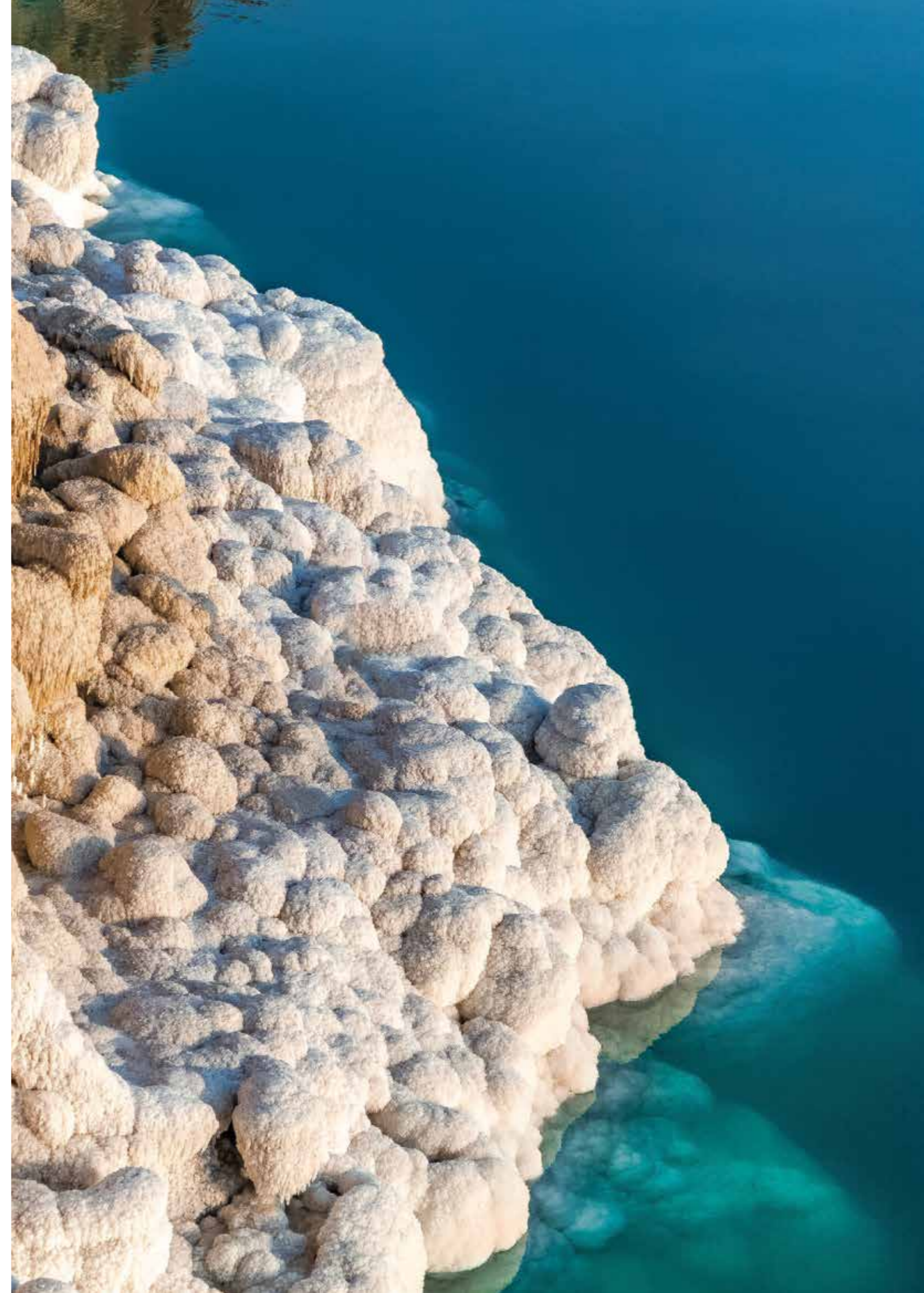
GRI STANDARD	DISCLOSURE	LOCATION	
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details		
	2-2 Entities included in the organization's sustainability reporting		
	2-3 Reporting period, frequency and contact point		
	2-4 Restatements of information		
	2-6 Activities, value chain and other business relationships		
	2-7 Employees		
	2-8 Workers who are not employees		
	2-9 Governance structure and composition		
	2-10 Nomination and selection of the highest governance body		
	2-11 Chair of the highest governance body		
	2-12 Role of the highest governance body in overseeing the management of impacts		
	2-13 Delegation of responsibility for managing impacts		
	2-14 Role of the highest governance body in sustainability reporting		
	2-16 Communication of critical concerns		
	2-17 Collective knowledge of the highest governance body		
	2-20 Process to determine remuneration		
	2-22 Statement on sustainable development strategy		
	2-23 Policy commitments		
	2-26 Mechanisms for seeking advice and raising concerns		
	2-27 Compliance with laws and regulations		
	2-28 Membership associations		
	2-29 Approach to stakeholder engagement		
	2-30 Collective bargaining agreements		
	<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	
		3-2 List of material topics	
		3-3 Management of material topics	
	<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	
	203-2 Significant indirect economic impacts	
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	
<b>GRI 207: Tax 2019</b>	207-2 Tax governance, control, and risk management	
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	
	302-3 Energy intensity	
	302-4 Reduction of energy consumption	
	302-5 Reductions in energy requirements of products and services	
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	
	303-2 Management of water discharge-related impacts	
	303-4 Water discharge	
	303-5 Water consumption	
<b>GRI 304: Biodiversity 2016</b>	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	
	305-2 Energy indirect (Scope 2) GHG emissions	
	305-4 GHG emissions intensity	
	305-5 Reduction of GHG emissions	
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	
	306-3 Waste generated	
	306-4 Waste diverted from disposal	
	306-5 Waste directed to disposal	
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	
	401-3 Parental leave	
<b>GRI 402: Labor/Management Relations 2016</b>	402-1 Minimum notice periods regarding operational changes	
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	
	403-2 Hazard identification, risk assessment, and incident investigation	
	403-3 Occupational health services	
	403-4 Worker participation, consultation, and communication on occupational health and safety	
	403-5 Worker training on occupational health and safety	
	403-6 Promotion of worker health	
	403-8 Workers covered by an occupational health and safety management system	
	403-9 Work-related injuries	

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	
	404-2 Programs for upgrading employee skills and transition assistance programs	
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	
	405-2 Ratio of basic salary and remuneration of women to men	
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	
	413-2 Operations with significant actual and potential negative impacts on local communities	

## Acronyms

<b>AFA</b>	Arab Fertilizer Association	<b>JQM</b>	Jordanian Quality Mark Certificate
<b>APC</b>	Arab Potash Company	<b>KPIs</b>	Key Performance Indicators
<b>ASE</b>	Amman Stock Exchange	<b>m</b>	Meters
<b>BS</b>	British Standards	<b>MWp</b>	Megawatt peak
<b>CCP</b>	Cold Crystallization Plant	<b>NEPCO</b>	National Electricity Power Company
<b>CIS</b>	Commonwealth of Independent States	<b>NFPA</b>	National Fire Protection Association
<b>COBE</b>	Code of Business Ethics	<b>NJFC</b>	Nippon-Jordan Fertilizers Company
<b>CSR</b>	Corporate Social Responsibility	<b>OHSMS</b>	Occupational Health and Safety Management System
<b>EDCO</b>	Electricity Distribution Company	<b>OSHA</b>	Occupational Safety and Health Administration
<b>EMS</b>	Environmental Management System	<b>PPE</b>	Personal Protective Equipment
<b>EnMS</b>	Energy Management System	<b>PV</b>	Photovoltaic
<b>EPA US</b>	Environmental Protection Agency	<b>RA</b>	Risk Assessment
<b>ERM</b>	Enterprise Risk Management	<b>RD&amp;I</b>	Research, Development, and Innovation
<b>GHG</b>	Greenhouse Gas	<b>ROA</b>	Return on Assets
<b>GSPA</b>	Gas Sales and Purchase Agreement	<b>ROE</b>	Return on Equity
<b>HAZID</b>	Hazards Identification	<b>RSCN</b>	Royal Society for the Conservation of Nature
<b>HLP</b>	Hot Leach Plant	<b>RSS</b>	Royal Scientific Society
<b>HRSRG</b>	Heat Recovery Steam Generator	<b>SASB</b>	Sustainability Accounting Standards Board
<b>HSE</b>	Health, Safety, and Environment	<b>SGS</b>	Société Générale de Surveillance
<b>IFA</b>	International Fertilizer Association	<b>TRA</b>	Task Risk Assessments
<b>INGL</b>	Israel Natural Gas Lines	<b>UL</b>	Underwriters Laboratories
<b>IPCC</b>	Intergovernmental Panel on Climate Change	<b>UN SDGs</b>	United Nations Sustainable Development Goals
<b>JVA</b>	Jordan Valley Authority	<b>UNFCC</b>	United Nations Framework Convention on Climate Change
<b>JBC</b>	Jordan Bromine Company		
<b>JIPC</b>	Jordan Industrial Ports Company		
<b>JOD</b>	Jordanian Dinars		





البوتاس العربية  
Arab Potash

P.O. Box 1470, Amman - 11118 Jordan  
T: +962 6 5200520 • F: +962 6 5624441  
E: [sustainability@ArabPotash.com](mailto:sustainability@ArabPotash.com)  
[www.arabpotash.com](http://www.arabpotash.com)