

CHEMISTRY THAT MATTERS™

سابک
sabic

THRIVING RESPONSIBLY

EXECUTIVE SUMMARY 2020



OVERVIEW

THIS IS SABIC

<p>32,000+ employees</p>	<p>50 countries of operations with global headquarters in Saudi Arabia</p>	<p>5 key geographies with innovation hubs in the Middle East, the United States, Europe, Southeast Asia, and Northeast Asia</p>	<p>9,946 patent portfolio filings</p>
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SUSTAINABILITY IN OUR VALUE CHAIN

<p>UPSTREAM</p> <p>Lower-carbon or renewable feedstocks</p>	<p>OPERATIONS</p> <p>Resource efficiency and energy-reduction projects; operational excellence</p>	<p>CUSTOMERS</p> <p>Materials that enable lower energy for processing</p>	<p>USE PHASE</p> <p>Energy savings or reduced material to meet consumer needs</p>	<p>END OF LIFE</p> <p>Chemistry to enable recycling; developing technology to promote circular economy</p>
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OUR LEADERSHIP



KHALID HASHIM AL-DABBAGH
Chairman

Resilience was the key to long-term sustainability in 2020. Despite the unprecedented challenge of the global pandemic, stakeholders and investors have a renewed emphasis on environmental, social and governance (ESG) fronts. At SABIC, we strongly believe ESG is an integral part of our business success, sustainability and a license to operate in today's business environment.



YUSEF ABDULLAH AL-BENYAN
Vice Chairman and Chief Executive Officer

ESG has become an increasingly critical part of every business and our newly formed ESG Reporting Steering Committee will further embed these considerations deep into our company and across our most valuable partnerships.

STRATEGY

ALIGNMENT WITH THE SDGS

SABIC supports the global effort to achieve the 17 Sustainable Development Goals (SDGs) that are intended to address the world's shared challenges of poverty, inequality, climate change, environmental degradation, prosperity, and peace and justice. The graphic on the right highlights the 10 SDGs where we focus our efforts and believe we have the biggest opportunity for impact.

17 GOALS TO TRANSFORM OUR WORLD

The SDGs provide us with a lens through which to translate global needs and ambitions into business solutions.

WE ARE DEVELOPING A STRATEGY TO ASSESS LARGE QUANTITIES OF USED MIXED PLASTIC AND PYROLYSIS OIL – THE RAW MATERIALS FOR CERTIFIED CIRCULAR PRODUCTS.

CURRENT AND FUTURE IMPACT

<p>2 ZERO HUNGER</p>	<p>ZERO HUNGER Food packaging; agri-nutrients; CSR focus area of water and sustainable agriculture.</p>
<p>6 CLEAN WATER AND SANITATION</p>	<p>CLEAN WATER AND SANITATION Pipe solutions; water intensity target; CSR focus area of water and sustainable agriculture.</p>
<p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>AFFORDABLE AND CLEAN ENERGY Energy intensity target; renewable feedstocks; clean energy solutions.</p>
<p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>DECENT WORK AND ECONOMIC GROWTH Saudi employment and innovation; sharing expertise; influencing national policy.</p>
<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>INDUSTRY, INNOVATION AND INFRASTRUCTURE Research and development; sharing benefits with local businesses.</p>
<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<p>SUSTAINABLE CITIES AND COMMUNITIES Sustainable solutions for electric vehicles and cities, including building insulation.</p>
<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>RESPONSIBLE CONSUMPTION AND PRODUCTION Natural resource optimization; circular economy opportunities; sustainable procurement.</p>
<p>13 CLIMATE ACTION</p>	<p>CLIMATE ACTION Mitigation of climate change associated risk; leading role in Saudi Arabia.</p>
<p>14 LIFE BELOW WATER</p>	<p>LIFE BELOW WATER Collaborating to help solve marine litter and ocean acidification.</p>
<p>17 PARTNERSHIPS FOR THE GOALS</p>	<p>PARTNERSHIPS FOR THE GOALS Global partnerships for sustainable development</p>

COVID-19 RESPONSE

- At SABIC, we were fortunate that the pandemic did not place major impacts on production and therefore did not severely affect our operations
- As lockdowns began, we developed new ways of working remotely and with flexibility
- Our Global EHSS team created a package of comprehensive guidelines on maintenance, shutdowns, and reopening of facilities.
- COVID-19 crisis underscored the importance of sustainability to our business and reinforced the truth that integrating sustainability into our business model is one of the best ways to build resilience and actively contribute to a just global recovery.

TRANSFORMATION AND COLLABORATION

- We have begun the process of formulating a holistic new climate strategy that will put SABIC on the path to carbon neutrality near mid-century.
- We will commit to new science-based targets that align with the global goal to limit warming to well below 2 degrees Celsius above pre-industrial levels.
- We are creating roadmaps for action tailored to the regions where we operate; and we have already begun to implement a robust new governance structure that embeds accountability and transparency into all of our work.
- We are continuing to build climate resilience into our business through projects that reduce the climate impacts of our daily operations.
- TRUCIRCLE™ now comprises two initiatives: portfolio, which includes mechanically recycled products, certified circular products, and certified renewable products; and services, which focuses on designing for recyclability and exciting closed loop initiatives that involve teamwork with partners across our value chain.



DR. BOB MAUGHON
Executive Vice President, Sustainability,
Technology & Innovation

“SABIC has committed to addressing the industry challenges of carbon neutrality and the circular economy through embracing the need for innovation, external collaboration, and new value chain partnerships. In view of the commitment on a path to carbon neutrality, SBTi target-setting is under review. Our success toward this ambition is enabled by the willingness to test new technology solutions, business models, and partnerships, and the integration of ESG principles into every part of our business, functions, and markets.”



We are making materials safer by voluntarily removing and reducing chemicals of concern.

STEP-CHANGE TARGETS

Dimensions	Target	Base year	Target year
Resource efficiency			
Energy intensity GJ/MT sales	25% reduction by 2025	2010	2025
Material Loss intensity MT Material loss/MT sales	50% reduction by 2025	2010	2025
Absolute Waste Reduction	% gap to below 2010 by 2025	2010	2025
Flaring	65% reduction	2010	2025
Water Intensity m3/MT sales	25% reduction	2010	2025
Climate			
Green House Gas Intensity MTCO2/MT sales	25% reduction by 2025	2010	2025
Renewable Energy	4 GW Installed Capacity (12 GW by 2030)		2025
Circular economy			
Sales materials in kton	200 kton circular (Renewable and Recycle) materials		2025
EHSS/Product stewardship			
Fatalities	zero		Yearly
Governance & integrity			
Employee integrity assessment score	50% improvement against benchmark	2010	2026

INNOVATION AND SUSTAINABILITY SOLUTIONS

SABIC’s commitment to innovation drives our progress on the development of sustainable products, operations, and business models. This benefits our business and customers, opens new avenues for collaboration, and helps SABIC contribute to solving society’s most pressing challenges.

2020 HIGHLIGHTS

- Expanded TRUCIRCLE™ to accelerate new solutions, business models, and partnerships that have the potential to grow the circular economy at scale.
- Pioneered the development of the world’s first advanced recycling unit that will manufacture certified circular polymers.
- Created close-loop recycling system for food packaging via value chain collaboration including Tesco and Bradburys Cheese.
- Expanded use of new portfolio sustainability assessment (PSA) to begin setting comprehensive targets for revenue from portfolios with the greatest sustainability benefits.
- Partnered with Saudi Aramco to create world’s first blue ammonia for zero-carbon power generation.
- Received SCS Global Services Responsible Sourcing Certification’s for SABIC’s LNP™ ELCRIN™ iQ proprietary portfolio—marking the first time SABIC has received this certification.

PACKAGING



Preserving product value while minimizing environmental impacts

We have created a solution for a flexible, collapsible water bottle that makes it easier for consumers to carry their own reusable container.

Our unique Nexlene™ LLDPE technology enables the production of flexible bottles with less material, resulting in up to 50% less weight. Compared to alternative products, the SABIC solution has 60% lower GHG emissions and 61% lower energy consumption.

TRANSPORTATION



Enabling a safer, smarter, and more efficient world of transportation

To support aircraft manufacturers’ demand for lighter components, our Specialties business worked with Compsult Inc. to design our COEXM technology, which produces hollow composite sections for applications such as seatback frames. This novel design can significantly reduce processing time, offers weight reduction for lower fuel consumption and emissions, and it meets aircraft seating structural requirements.

MEDICAL DEVICES

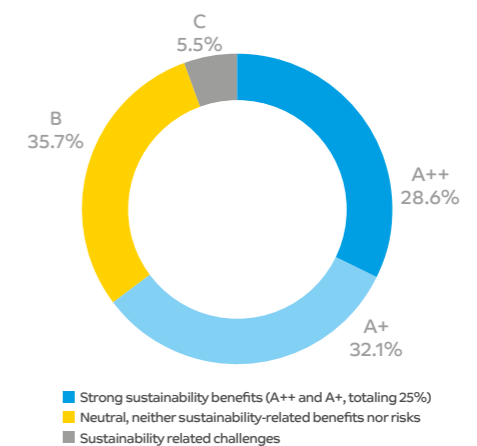


Innovating new materials to enable affordable healthcare

During the pandemic, we increased our production of much-needed materials for products that were in short supply, including personal protective equipment (PPE). SABIC’s PURECARES™ portfolio includes polypropylene products that are used for making disposable medical gowns, masks, and coveralls. These polymers provide excellent breathability and deliver critical properties that support the safety of patients and medical staff.

We also produced thermoplastics solutions, including our LEXAN™ sheet and film, to provide high-impact strength, optical quality, scratch and chemical resistance, and flexibility for medical face shields and goggles. These properties can help reduce exposure of medical staff to viruses and bacteria.

PRELIMINARY PORTFOLIO SUSTAINABILITY ASSESSMENT RESULTS FOR FLEXIBLE PACKAGING



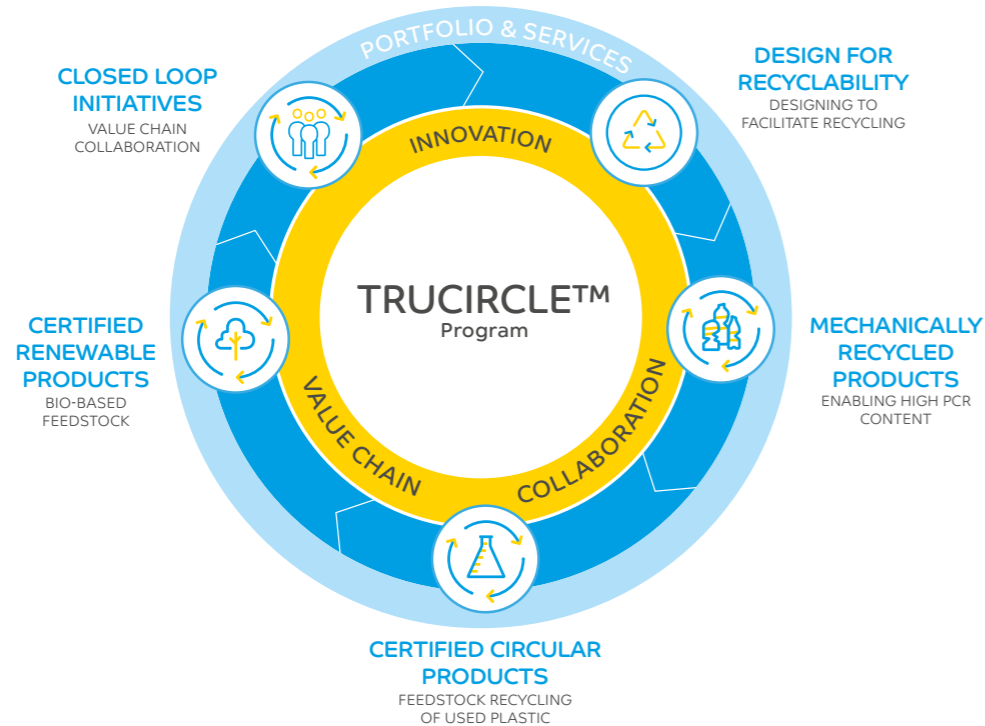
PERFORMANCE METRICS

TOTAL ACTIVE PATENT PORTFOLIO	NEW PRIORITY PATENT APPLICATIONS IN 2020	TOTAL SUSTAINABILITY SOLUTIONS
9,946 ¹	218	93 ²

¹ In addition to the economic factors, COVID-19 affected our output of inventions and improvements to our technologies, and we ended 2020 with an active patent portfolio of about 10,000 cases, representing a decrease over last year. With the filing of 218 new original patent applications in 2020, SABIC continues to take a more critical view of the added-value contributions of the intellectual property (IP) estate and new filings. Our new focus on supporting commercial objectives allowed us to undertake strategic patent support to the business on a global basis. We continued with our strategic decision to file patents on projects of higher return value, especially those that are business critical and in advanced stages. We are using our IP estate to support a significant increase of our licensing of SABIC technologies. Each sustainability solution includes many products. For example, in 2020 we qualified our TRUCIRCLE™ portfolio of certified circular polymers and certified renewables, under which we offer all our fossil-based polyolefins products with renewable and circular feedstocks.

² Each sustainability solution includes many products. For example, in 2020 we qualified TRUCIRCLE™ portfolio of certified circular polymers and certified renewables, under which we offer all of our fossil-based polyolefins products with renewable and circular feedstocks.

CIRCULAR ECONOMY



PORTFOLIO



SERVICES



CLIMATE, ENERGY, AND RESOURCE EFFICIENCY

SABIC recognizes the profound effects of climate change and the equally profound opportunity for business to take a leading role in carving the path toward a low-carbon economy. We take this responsibility seriously, which is why we embed sustainability at the core of our work.

SABIC CLIMATE ROADMAP

- SABIC is building climate roadmaps for different regions of our business and setting the stage to develop science-based targets for our company.
- These roadmaps cover our manufacturing sites and take into account improvement opportunities from operational efficiency, carbon capture, circularity, bio-based feedstocks, and renewable energy.
- Our next step will be to integrate our work on science-based targets into our climate roadmaps to set targets and develop plans to achieve reductions in Scope 1, 2, and 3 emissions.

KEY RESULTS

- Maintained an overall B rating in the CDP 2020 survey, positioning SABIC as one of the best performers in the Middle East.
- Strengthened our climate strategy and governance, including through the creation of two new structures responsible for meeting regulation, guiding strategy, and ensuring transparency.
- Increased the integrity of our Scope 3 emissions reporting by creating an internal standard for data collection.
- Saved 134,000 tCO₂e_q through a vent recovery system that reduced flaring in the production of polyethylene at our Sharq affiliate.
- Saved approximately 40,000 m³ of water and 108,000 GJ of energy through an optimization project at our Petrokemya site that reduces steam venting by about 5 tons per hour.
- Saved 306,000 m³ of water by discontinuing the use of a boiler and increasing steam production from the ammonia plant at our SABIC Agri-Nutrients Company site.

CLIMATE RISK AND RESILIENCE

- Renewable energy is our main tool to reduce SABIC's Scope 2 emissions, which comprise roughly one third of our total emissions.
- SABIC has long-term targets to use 4 gigawatts of renewable energy by 2025 and 12 gigawatts by 2030.
- Our expansion of renewables aligns with Saudi Arabia's vision for the country to be 50% powered by renewable energy by 2030.

CLIMATE DISCLOSURES

- SABIC maintained our overall B rating and continued our efforts with the CDP Supply Chain Program, through which we help our suppliers disclose their emissions.
- In 2020 we undertook a TCFD-readiness assessment to understand the feasibility and implications of reporting against TCFD recommendations.
- We have continued to use the EcoVadis sustainability ratings platform, earning a score of 80/100 for environmental and climate disclosure.

KEY METRICS AND TRENDS

These metrics provide the changes in performance compared to 2010 for GHG emissions, energy use, freshwater use, material loss, and flaring reduction. Total CO₂ utilization is the absolute usage in 2020. The intensities are based on units per metric ton of external production sales.

GREENHOUSE-GAS INTENSITY REDUCTION	ENERGY INTENSITY REDUCTION	WATER INTENSITY REDUCTION	
15.5%	10.5%	14.2%	
MATERIAL LOSS INTENSITY REDUCTION	FLARING (TON CO ₂ -EQ)	FLARING EMISSION REDUCTION(%)	TOTAL CO ₂ UTILIZATION (MILLION METRIC TONS)
46.3%	1,636,899	56%*	3.72*

* Assured by KPMG

EHSS AND PRODUCT SAFETY

Protecting environmental and human health, safety, and security (EHSS) is at the heart of our business. From educating our stakeholders, to creating sustainable product life cycles, to promoting health and safety in the communities where we live and work, SABIC strives to create a culture of stewardship in everything we do.

2020 HIGHLIGHTS

- SABIC's EHSS incident rate (SHER) decreased by 26% due to reduction in ABC injury, environmental, and process safety incidents
- Created a Safer Chemistry program to make materials safer by replacing chemicals of concern with those of a smaller hazard footprint
- Rolled out a mandatory cyber-security training to raise awareness on phishing schemes
- Developed and launched EHSS Maturity, an overarching performance monitoring system using KPIs to generate Maturity Indexes
- Hosted four sessions of SABIC's EHSS Town Hall in 2020, with more than 5,000 participants and 34 incidents shared year to date since the program was launched

SAFE, SUSTAINABLE CHEMISTRY IS CRITICALLY IMPORTANT TO SABIC AND OUR STAKEHOLDERS, AS WELL AS TO GOVERNMENTS, NGOS, AND COMMUNITIES ACROSS THE GLOBE.

ENHANCED PRODUCT STEWARDSHIP ELEMENTS IN VALUE CHAIN COMMUNICATION

In 2020, we authored more than 80,000 safety data sheets across our business units in over 40 languages and responded to 12,559 customer inquiries related to regulatory, hazard, and compliance topics—a 16% increase from 2019. We also added a COVID-19 standard declaration in response to customer questions about the safety of our products and packaging, and included important information on virus transmission from the World Health Organization and U.S. Centers for Disease Control and Prevention.

EHSS FACTS AND FIGURES FOR 2020

ENGAGEMENT AND SUPPORT

- Visits to local regulatory agencies to update legal and other requirements
- Conducted three Americas warehouse and repackaging site assessments for vendor qualification
- Developed virtual site assessment protocol utilizing video to conduct two warehouse assessments in North America
- At American Chemical Council's request, participated in the Chemical Facility Safety Initiative (CFSI) working group to review and revise ACC supplier assessment protocols



Hazard identification and risk management are critical to keeping our operations safe.

PRODUCT RISK DISCOVERY AND MANAGEMENT PROCESSES



Develop chemicals and technologies to enhance the re-use of products



Develop portfolio of chemicals with favorable sustainability features



Portfolio management and innovations based on chemicals safety

CIRCULAR CHEMISTRY

- Design for recyclability
- Mechanically recycled polymer
- Certified circular polymer
- Certified bio-renewable polymer

SUSTAINABLE SOLUTIONS

- Increase resource efficiency
- Reduce CO₂ emissions
- Improve energy efficiency

SAFER CHEMISTRY

- Phase-out substances of concern
- Hazard Reduction solutions for existing industry challenges

Sustainable chemistry is built on a foundation of Sound Chemicals Management (as currently practiced through Product Stewardship principles and processes)



We know that a strong product stewardship culture requires a workforce that understands and values key product safety principles.

CASE STUDY TRUCIRCLE™

By helping shape the regulatory landscape for recycled plastic, clarifying the use of recycled plastics in critical applications, and providing regulatory expertise to foster market acceptance of TRUCIRCLE™ materials, our team plays a critical role in bringing this product line to life. SABIC has actively advocated for this initiative in Europe, North America, and the Middle East through industry trade associations. Our Product Stewardship team in the Asia Pacific region has worked closely with the Chinese CNPCA to develop new, safer recycling standards in China that will support the effort, and our team in India has successfully completed multiple safety-evaluation programs in 2020 to meet compliance and safety-assessment obligations of SABIC products before they reach their intended markets.

KEY METRICS

EHSS RATE

26%

decrease

EHSS ABSOLUTE RATE

0.42*

CUSTOMER PRODUCT INQUIRIES ANSWERED

12,559

* Assured by KPMG

GLOBAL CRISIS MANAGEMENT

CRISIS MANAGEMENT TEAM
MIDDLE EAST & AFRICA

CRISIS MANAGEMENT TEAM
AMERICAS

CRISIS MANAGEMENT TEAM
EUROPE

CRISIS MANAGEMENT TEAM
ASIA PACIFIC

LOCAL CRISIS MANAGEMENT TEAMS

LOCAL CRISIS MANAGEMENT TEAMS

LOCAL CRISIS MANAGEMENT TEAMS

LOCAL CRISIS MANAGEMENT TEAMS

All Crisis Management teams to monitor COVID-19:
- Impact on employees
- Impact on site operations
- Business continuity
- National guidelines

ENGAGEMENT AND COLLABORATION

SABIC's operations span 50 countries. We prioritize continuous engagement and collaboration with key stakeholders wherever we do business, and we are committed to bringing benefit to the people, communities, and industries we touch as we work together to create Chemistry that Matters™.

HUMAN CAPITAL

The people who make up our workforce are critical to our success, and they directly affect our ability to grow and flourish as a business.

2020 HIGHLIGHTS

The adaptability and resilience of our people during this challenging year was a true highlight for SABIC. More than ever, we strove to put people at the heart of everything we do and to prioritize the health and safety of our people and their communities. We enhanced our Digital Learning Experience to help SABIC employees adapt to remote learning and increase our virtual instructor-led trainings. We also launched HR ONE, a one-stop shop for employee attraction, retention, and development to continue to be the employer of choice in our industry.

COVID-19 PULSE SURVEY

Our 2020 employee survey focused on SABIC's company-wide response to COVID-19. The anonymous, confidential survey was conducted in May by an external service-provider and consisted of 25 questions across seven topics.



EMPLOYEES UTILIZED DIGITAL LEARNING EXPERIENCE

16,158

VIRTUAL CLASSROOM HOURS

417,676

VIRTUAL CLASSROOMS

657

COURSE COMPLETIONS

13,703

BOOKS REFERENCED

2,094

AUDIO BOOKS REFERENCED

1,465

VIDEOS REFERENCED

142,304



Our human resources model is structured to drive engagement.

CONTINUING THE DIALOGUE

CEO TOWN HALL 2020

In 2020, we continued the conversation between our global employees and SABIC leadership through our Annual Global CEO Dialogue Town Hall, at our global headquarters in Riyadh, Saudi Arabia.

PERFORMANCE MANAGEMENT

All of SABIC's professional population including executives, participate in a globally defined and managed performance annual review, receiving a performance rating and follow-up discussion. In 2020 this equated to 16,284 employees (49.8%). For the current talent review process performance cycle, in addition to the annual review, 78% of eligible employees also completed a midyear review, which encouraged employees to revisit their annual performance objectives.

EMPLOYER AWARDS

SABIC was recognized as the "Top Employer Asia Pacific" for the eighth consecutive year. We also received the Top Employer Institute's "Top Employer 2021" award in five of our key Asian markets: China for the 11th year, and India, Japan, Singapore, and South Korea for the past eight years.

SABIC IS DEEPLY COMMITTED TO CULTIVATING A CULTURE OF DIVERSITY, INCLUSION AND COLLABORATION ACROSS OUR WORKFORCE AND BUSINESS.

PERFORMANCE METRICS

<p>EMPLOYEES GLOBALLY</p> <p>32,000+</p>	<p>WORKFORCE DISTRIBUTION</p> <p>64.2% Middle East & Africa 15.5% Europe 8.9% Asia 11.4% Americas</p>	<p>WOMEN IN THE WORKFORCE</p> <p>7.4% of total workforce</p>
<p>SABIC SCHOLARSHIP PROGRAM</p> <p>400+ Male & Female Students</p>	<p>GLOBAL ASSIGNMENTS</p> <p>200+</p>	<p>SABIC LEADERSHIP LEARNING</p> <p>330+ Participants</p>
<p>LEARNING AND DEVELOPMENT PROGRAMS</p> <p>650+</p>	<p>TRAINING PROGRAM PARTICIPANTS</p> <p>15,000+</p>	<p>NEW HIRES</p> <p>1,009</p>
<p>TURNOVER</p> <p>4.6% of total workforce</p>	<p>AVERAGE HOURS OF TRAINING PER EMPLOYEE</p> <p>10.5</p>	

SOCIAL IMPACT AND COMMUNITY RELATIONSHIPS

We invest in future generations through a range of global Corporate Social Responsibility (CSR) initiatives which play a key role in making life better for millions of people every day.

Our CSR efforts to overcome COVID-19 pandemic demonstrated collaborative efforts with government authorities and NGOs that benefited people in SABIC communities globally. We leveraged our technology, skills and strategic partnerships to meet immediate needs caused by the pandemic, from addressing health and safety, to providing food and supplies to those in need. Throughout this challenging time, SABIC maintained our key CSR initiatives and priority focus areas: Science & Technology Education, Environmental Protection, Water & Sustainable Agriculture, and Health & Wellness in the communities in which we live, improving the lives of millions of people every day.

ENVIRONMENTAL PROTECTION

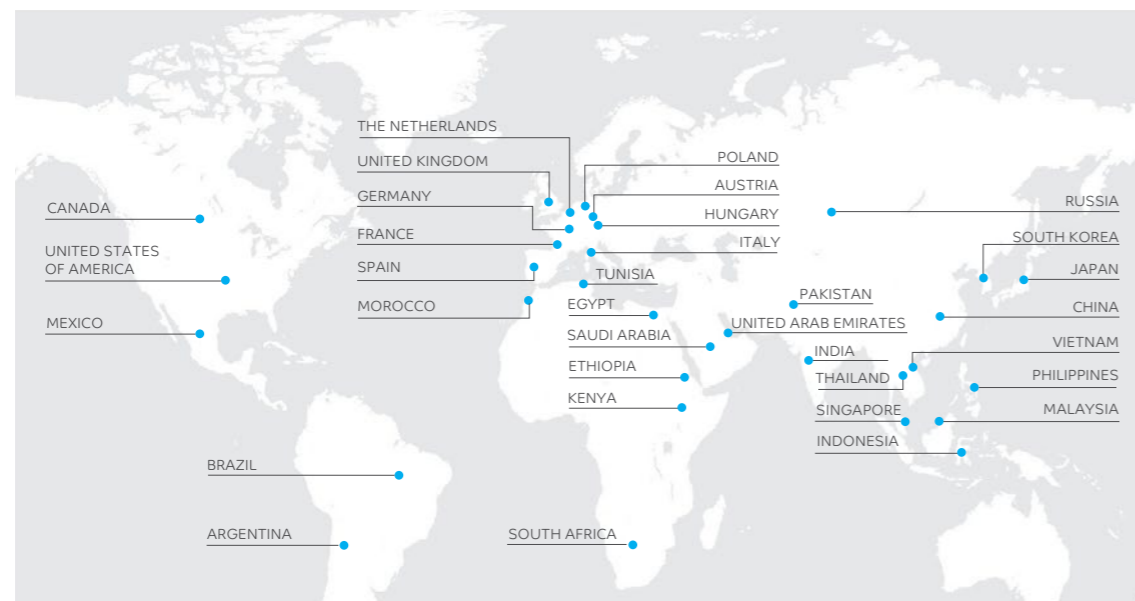
In 2020, we continued our global environmental protection initiative in nine countries: Singapore, Indonesia, Thailand, Japan, South Korea, Germany, UK, Spain, and The Netherlands. Virtual programs focused on plastic waste, recycling, and climate change, and hands-on workshops taught participants to make their products, such as eco-friendly cleansers and hand sanitizers.

WATER AND SUSTAINABLE AGRICULTURE

We continue our efforts to help end hunger, achieve food security, and improve nutrition by promoting and supporting sanitation management and sustainable agriculture. We continued our three SABIC Agricultural Field Schools at Al Madinah and Al Ula in 2020 to provide a forum for collaboration and knowledge-sharing between farmers, scientists, and researchers working to improve agricultural production and efficiency.



Our Global Back to School Initiative reached 13 countries in 2020.



Our Global Corporate Social Responsibility activities address specific community needs in each country.



Saudi Minister of Health Tawfiq Al-Rabiah (left) and SABIC Vice Chairman and CEO Yousef Al-Benyan at the launch of SABIC's Thank You Initiative in Saudi Arabia in partnership with the Ministry of Health.

SCIENCE & TECHNOLOGY EDUCATION

SABIC believes in promoting lifelong learning and quality education for all. Our goal is to foster innovation, particularly through STEM (science, technology, engineering, and mathematics) education; strengthen talent development; and which benefited 120,000 students for exciting careers. We continued our Global Back to School Initiative, dents in 13 countries. This program is tailored to regional needs and provides students with supplies and programs to support their learning.

CASE STUDY

INITIAL RESPONSE TO COVID-19 OUTBREAK IN CHINA

During the initial outbreak of COVID-19, SABIC promptly responded to the Chinese government's efforts in the addressing the outbreak, by helping to produce sanitizers, healthcare products and medical equipment. We provided much-needed raw materials required to manufacture these critical items, which in turn benefitted more than 1.5 million people. At the height of the coronavirus outbreak in China, SABIC contributed US\$ 1.1 million to the Hubei Charity Federation to provide medical supplies and support to frontline medical workers across four hospitals in the Hubei province.

THROUGHOUT THE YEAR, WE REMAINED FOCUSED ON PROTECTING THE HEALTH AND WELLNESS OF OUR EMPLOYEES AND COMMUNITIES, SUPPORTING THE BUSINESS REQUIREMENTS OF OUR CUSTOMERS, AND COLLABORATING WITH GOVERNMENT AND NGO PARTNERS AROUND THE WORLD.



274

global programs



US\$ 39.6 M

invested



34

countries reached

SUSTAINABLE SUPPLY CHAINS

Prioritizing environmental and social responsibility in our supply chain brings value to the people and communities we serve, and it is also good for our business: It challenges us to reduce costs, improve efficiencies, and perform better as a company.

In 2020, we added a sustainability assessment to the Safety and Quality Assessment (SQAS) and encouraged our maritime logistics service providers (LPS) to make voluntary self-inspection part of their internal assessment. We also collaborated with European Chemical Industry Council (CEFIC) on a questionnaire to help LPSs monitor their environment, social, and governance (ESG) performance, and we are taking steps to include Operation Clean Sweep in our LPS selection and assessment criteria.

CHEMICAL DISTRIBUTION INSTITUTE

In 2020, 23 of the 32 terminals (72%) completed their CDI-T inspection report with a sustainability addendum. The COVID-19 pandemic limited the number of onsite audits, as inspectors could not travel and many sites were not able to accommodate inspectors. Despite these restrictions, 22 out of 32 terminals showed a full report before the end of the year.

CASE STUDY ECOVADIS RATING

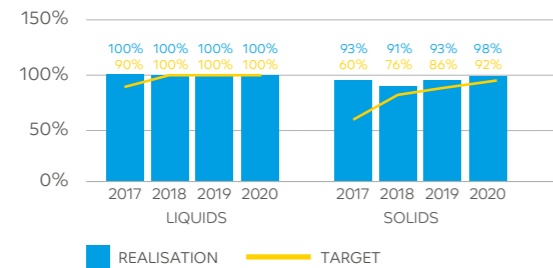
SABIC is proud to have received a Platinum medal for sustainability—the highest EcoVadis distinction—which is awarded to companies that score in the top 1% for their sustainability practices. We will continue to focus on improving and demonstrating our commitment to sustainability through progress and transparency in all ESG areas.

SAFETY AND QUALITY ASSESSMENT SYSTEM

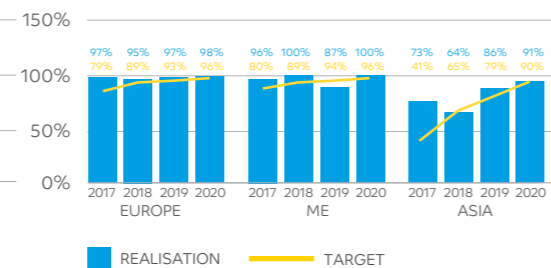
This year, the European Chemical Industry Council (CEFIC) launched seven topic-specific templates to overlay the SQAS reports for road haulers. These include behavior-based safety (BBS), bulk liquids, bulk solids, dangerous goods, life-saving rules, packaged goods, and sustainability (which focuses on environmental risk management, employee training, reporting and trends, and social responsibility).

KEY METRICS AND TRENDS

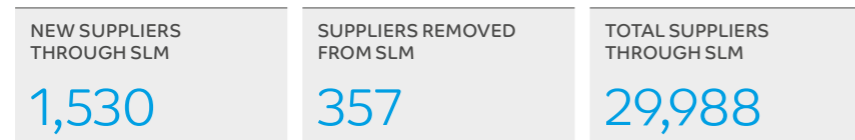
SQAS FOR TOTAL LIQUIDS AND SOLIDS



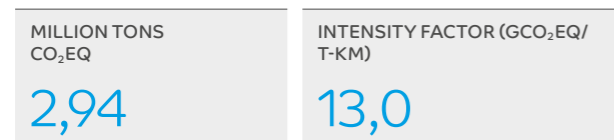
SQAS BY REGION FOR LIQUIDS AND SOLIDS



KEY METRICS AND ANNUAL TRENDS



KEY METRICS AND ANNUAL TRENDS-TRANSPORTATION CARBON FOOTPRINT



PERFORMANCE SUMMARY

Most material key performance indicators	Unit	2016	2017	2018	2019	2020
Resource Efficiency						
Energy intensity	GJ/t product sales	17*	17*	17*	17*	16.3*
Water intensity	m ³ /t product sales	2.6*	2.7*	2.6*	2.6*	2.5*
Material-loss intensity	t/t product sales	0.072*	0.078*	0.070*	0.070*	0.065*
Flaring reduction since 2010 ¹	Percent	55*	43*	43*	48*	56*
CO ₂ utilization	Million tons	3.6*	3.5*	4.0*	3.6 ³	3.7*
NEW: Absolute waste reduction	Percent	29% as compared 2010				
Climate						
Greenhouse-gas emission intensity	tCO ₂ eq/t product sales	1.24*	1.23*	1.22*	1.17*	1.14*
NEW: Renewable Energy	GW	will report in 2021				
ADDITIONAL ESG METRICS						
Ethics + Integrity						
Compliance concerns raised	Number	94*	114*	152*	157*	90*
Incidents closed	Number	94*	97*	119*	135*	69*
Violations found (addressed)	Number	52*	58*	42*	41*	30*
Training completion ²	Percent	99*	99*	99*	99*	99*
Innovation and sustainability solutions						
Total Patent Portfolio	Number	12,191	11,534	11,738	12,540	9,946
Sustainability Solutions	Cumulative number	78	82	82	88	93
Environment, Health, Safety, and Security						
NEW: Employee Integrity	Number	n/a	n/a	n/a	152	157
EHSS rate ⁴	Incidents/200,000 hours worked	0.63*	0.50*	0.43*	0.57*	0.42*
Total recordable incident rate	Incidents/200,000 hours worked	0.14*	0.12*	0.14*	0.14*	0.10*
Occupational illness rate	Illnesses/200,000 hours worked	0.002*	0.014*	0.003*	0.008*	0.003*
Fatalities	Number	14*	1*	0*	0*	3*
API 754 PSE Tier 1	Incidents	7		7	25	10*
Hazardous substances released	Metric tons (MT)	61*	105*	89*	224*	14.3*
Human Capital Development						
Women in the workplace	Percent of workforce	7.7	7.2	7.3	7.5	7.4
Learning programs	Participants	31,062	24,944	22,222	15,388	15,462
Social Impacts						
Community giving	Million US\$	46.4	57.5	36.7	15.6	39.6
Supply Chain						
Safety and Quality Assessment System - Liquids	Percent of suppliers	100	100	100	100	100
Safety and Quality Assessment System - Solids	Percent of suppliers	69	93	91	93	98

* Assured by KPMG.
² Adjusted for comparison purposes.
¹ Flaring reduction calculations are based on reduction of greenhouse-gas emissions.
³ Compliance data are reported for the 23,500 employees of Saudi Basic Industries Corporation and its wholly-owned affiliates, but not for employees of SABIC's non-wholly owned manufacturing joint ventures (or affiliates) in the Kingdom of Saudi Arabia. Note this is a severity-weighted rating.
⁴ 2019 CO₂-Utilization numbers were recalculated and adjusted for comparison purposes.
⁵ This is severity weighted rating

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