

# CORPORATE MESSAGING GUIDEBOOK

CORPORATE AFFAIRS  
April 2021

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As one of the largest diversified chemical companies in the world, our innovations are touching peoples' lives in unseen ways and preparing us all for a sustainable and inclusive future.



## BUSINESS STRENGTH



WE ARE A STRONG AND DIVERSIFIED GLOBAL BUSINESS, AN INDUSTRY LEADER TRANSFORMING AND SHAPING THE FUTURE OF THE SECTOR.

With our global scale and presence, SABIC is truly an industry leader, shaping the future of a dynamic and growing chemical sector and delivering 'Chemistry that Matters™'.

As one of the world's largest diversified chemical companies, we have a deep and rich portfolio across petrochemicals, specialties, agri-nutrients and metals, allowing us to anticipate and meet customer demands across industries and geographies.

**With more than 32,000 employees, our global partnerships and presence in more than 50 countries around the world are helping to attract international investments and expertise to the Kingdom.**

From acquisitions to home grown technology and innovation, we continue transform in order to define the future of the industry.

For over 40 years, we have been driven by a burning ambition to define the future of the dynamic chemicals market.

## NEW JOURNEY



SABIC IS THE CHEMICAL ARM OF SAUDI ARAMCO.

As two national champion companies, SABIC and Saudi Aramco are committed to global growth and value creation in the global petrochemicals marketplace.

**We are focused on providing a world-class product and solutions offering to benefit customers and drive value for shareholders.**

## CUSTOMER- FOCUSED INNOVATION



WE ARE A SOLUTIONS-ORIENTED INNOVATOR, DRIVING CHANGE AND ECONOMIC DEVELOPMENT THROUGH COLLABORATION AND RELATIONSHIPS.

As customer needs and demands continue to evolve, we have transformed into a solutions provider that understands the evolving needs of our customers in terms of service, product differentiation and solutions, enabling us to solve the toughest challenges our customers face.

**Our corporate heritage places relationships at the center of our operating model, allowing us to not only understand and anticipate customer needs, but to jointly develop custom solutions that drive value throughout our partners' businesses.**

For over 40 years, we have pioneered a culture of partnerships in our manufacturing and technology & innovation activities.

As a truly global company, with a local manufacturing presence and cultural understanding across approximately 50 countries, we are uniquely positioned to understand market trends and customer needs wherever they may be.

Our global presence continues to grow, with a focus on being closer to our customers. We are constantly expanding our operations to ensure a secure, diversified, and stable supply of products to our customers to enhance their business performance.

Our business is driven by innovation, allowing us to drive differentiated solutions for diverse applications.

## SUSTAINABLE SOLUTIONS



WE ARE A KEY CONTRIBUTOR TO THE FUTURE OF SUSTAINABLE LIVING, TOUCHING PEOPLE'S LIVES IN UNSEEN WAYS AND BUILDING SUSTAINABLE VALUE.

Through our innovations, we are making life better for the billions of people every day who are touched by SABIC products.

As a trusted partner for sustainable and inclusive growth, our solutions are helping to future proof societies in the face of the megatrends that threaten us from a social, economic and environmental perspective.

Born out of a vision to leverage waste products from the oil and gas production process, sustainability is in our DNA, driving value where others see liabilities.

Sustainability is embedded throughout our value chain.

**SABIC has embraced the United Nations Sustainable Development Goals through our own organic efforts to embed environmental, social and economic dimensions of sustainability into our DNA and strategically aligning our business with the SDGs.**

Across our operations, we are driving resource efficiency and energy reduction. In our quest to minimize impacts, we are reducing material losses and infusing the concept of a circular economy, whereby waste and other by-products of manufacturing become valuable production inputs.

# PEOPLE AT THE CENTER



WE ARE ACTIVATING THE POWER OF HUMAN CAPITAL TO ADDRESS SOCIETY’S FUTURE CHALLENGES.

The challenges that we face today and in the future require the right talent to develop solutions. With 32,000 global employees, our focus is on investing in today’s and tomorrow’s talent to help solve society’s challenges and drive sustainable and inclusive development.

Our investments in our teams and talents continually position us as a top employer in our key markets and will allow us to maintain our competitive advantage for years to come.

As we continue to grow, we are not only building leadership for SABIC, we are developing a generation of leaders who are transforming the industry across companies and sectors.

# SAUDI VISION 2030



WE ARE PLAYING A VITAL ROLE AS A KEY ENABLER OF SAUDI VISION 2030, HELPING THE COUNTRY PURSUE ITS GOALS AND MEET ITS OBJECTIVES.

Saudi Vision 2030 represents the most significant shift in the Kingdom’s economic development policy in decades and SABIC is ideally placed and fully committed to helping lead the way to its realization.

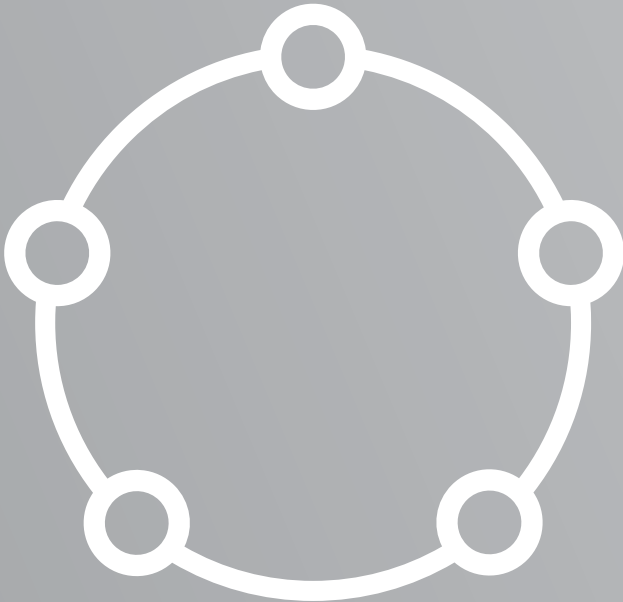
Our NUSANED™ program is a key element of our contribution to the Vision 2030 program promoting growth, diversification and job creation in Saudi Arabia.

Our investments in people and talent development make SABIC an important growth pillar for a dynamic region and an important driver of Saudi Vision 2030.

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A SABIC INITIATIVE FOR VISION 2030

# SIX PILLARS

- Pillar One: Business Strength
- Pillar Two: New Journey
- Pillar Three: Customer-Focused Innovation
- Pillar Four: Sustainable Solutions
- Pillar Five: People at the Center
- Pillar Six: Saudi Vision 2030



01  
PILLAR

BUSINESS  
STRENGTH

WE ARE A STRONG AND DIVERSIFIED GLOBAL BUSINESS, AN INDUSTRY LEADER TRANSFORMING AND SHAPING THE FUTURE OF THE SECTOR.

With our global scale and presence, SABIC is truly an industry leader, shaping the future of a dynamic and growing sector and delivering ‘Chemistry that Matters™’.

- We are one of the world’s largest diversified chemical companies with SAR 117 billion in annual sales revenues and approximately SAR 67 million in net income in 2020.
- With a presence in around 50 countries and sales in over 100 countries worldwide, we are close to our customers, with the ability to anticipate and respond to local needs.

- We manufacture in 68 world-class plants in 20 countries across the Middle East, North and South America, Europe, and Asia.
- In 2020, SABIC delivered 60.8 million tons of product to around 12,000 customers in over 140 countries.

**As one of the world’s largest diversified chemical companies, we have a deep and rich portfolio across petrochemicals, specialties, agri-nutrients and metals, allowing us to anticipate and meet customer demands across industries and geographies.**



- **Petrochemicals:** We make the fundamental building blocks for much of the world that surrounds us – chemicals, polymers and other materials, used in the manufacture of everything from automobiles to healthcare, buildings to household goods, as well as sustainable solutions for the packaging industry
- **Agri-nutrients:** We supply customers throughout the world with a wide variety of fertilizers, from general to highly specialized, to help provide secure, reliable food sources to the world’s growing population.
- **Specialties:** We produce a wide range of specialty materials, from engineering thermoplastic resins to additive manufacturing solutions, playing an instrumental role in our customers’ short and long-term product development cycles
- **Metals:** As a leader in the Gulf region for steel production and manufacturing, we produce high-quality metals, and play a vital role in the construction and industrialization of some of the world’s fastest growing economies.

01  
PILLAR  
continued

With more than 32,000 employees, our global partnerships and presence in more than 50 countries around the world are helping to attract international investments and expertise to the Kingdom.

- One of the most significant global deals of 2020 saw Saudi Aramco acquire a 70 per cent stake in SABIC from the Public Investment Fund (PIF). This landmark alignment brings together world-class portfolios and a global reach, positioning SABIC as the chemicals arm of Saudi Aramco.
- After our majority shareholder, Saudi Aramco, SABIC is the largest publicly listed non-oil company in the Middle East. We are demonstrating the potential that the region holds as an incubator of innovation and as a global industrial leader.

- The success of our brand building efforts was evident as SABIC moved up to become the second most valuable brands in the chemical industry, while retaining its place among the top 500 most valuable global brands. The rankings were published by Brand Finance, an independent brand valuation consultancy.

**From acquisitions to home grown technology and innovation, we continue to transform in order to define the future of the industry.**

- We have demonstrated an ability and appetite to strategically strengthen our business through the acquisition and integration of many successful companies over the past 18 years, including major purchases of DSM Petrochemicals, Huntsman Petrochemicals UK, and GE Plastics and the acquisition of a significant stake in Clariant.

- Our strategy seeks to deliver sustainable profitable growth and create value for our broad stakeholder base including shareholders, customers, employees, regulators, and local communities.
- We aim to accelerate growth both organically and non-organically by being close to regional markets.
- We continue to invest in strategic initiatives to deliver future growth, including the development of a petrochemicals complex in the United States of America with ExxonMobil, and a joint venture to explore coal-to-chemicals technology in China.
- SABIC's share of the expected annual value creation with Saudi Aramco, is predicted to amount to between \$1.5 billion to \$1.8 billion by 2025.

**For over 40 years, we have been driven by a burning ambition to define the future of the dynamic chemicals market.**

- Our innovation never ceases. Every year we introduce approximately 150 new products to the market. Our diversified base and broad access to raw materials strongly positions us to help our customers and partners navigate the shifting and unpredictable global macroeconomic environment.
- Our diverse footprint across industries as varied as agriculture, building and construction, water management, personal care, packaging, electronics, healthcare, medical devices, clean energy and transportation position us well in high-growth and future-looking sectors.
- We have increased flexibility and competitiveness through our access to diversified and globally competitive feedstock and through our focus on energy and feedstock optimization.

02  
PILLAR

NEW JOURNEY

SABIC IS THE CHEMICAL ARM OF SAUDI ARAMCO.

As two national champion companies, SABIC and Saudi Aramco are committed to global growth and value creation in the global petrochemicals marketplace.

- We are focused on opportunities for strategic alignment and selective synergies in six key workstream areas including procurement, supply chain, stream integration, sales and marketing, operations and maintenance.
- As SABIC is the chemicals arm of Saudi Aramco, its strategy is being aligned with Aramco’s strategy for the mutual benefit of both companies and their respective shareholders.
- In June 2020, a Corporate Collaboration and Integration Committee was established to make recommendations on collaboration and synergy matters expected to create value for SABIC in particular and for the Aramco group as a whole.



- As announced at SABIC’s FY 2020 results on January 31, 2021, SABIC’s targeted share in value creation and synergy is expected to amount to annual value of US\$ 1.5 billion to US\$ 1.8 billion, which SABIC expects to achieve by 2025.
- Our product and sustainable solutions portfolio is naturally complementary to that of Saudi Aramco, and we are committed to capitalizing upon the opportunity this creates to deliver market innovation and drive added value for our customers and stakeholders globally.

**We are focused on providing a world-class product and solutions offering to benefit customers and drive value for shareholders.**

- We are committed to driving operational efficiencies to add value to both companies and create value for all shareholders, while ensuring that customers benefit from an optimized product and solutions offering.

03  
PILLAR

CUSTOMER-FOCUSED  
INNOVATION

WE ARE A SOLUTIONS-ORIENTED INNOVATOR, DRIVING CHANGE AND ECONOMIC DEVELOPMENT THROUGH COLLABORATION AND RELATIONSHIPS.

As customer needs and demands continue to evolve, we have transformed into a solutions provider that understands the evolving needs of our customers in terms of service, product differentiation and solutions , enabling us to solve the toughest challenges our customers face.

- From making cars and planes more fuel efficient to helping conserve water, we find solutions to the challenges of today to help our customers achieve their ambitions and build a better tomorrow.
- SABIC is collaborating with partners to help solve the challenges of an increasingly urbanized population. This includes partnering with a leading filter company on water desalination and purification, collaborating with agricultural businesses and governments to produce bigger harvests with less water and working across industries to create materials that reduce energy use and waste, while improving performance.
- Our TRUCIRCLE™ program of circular solutions in 2020 saw large scale production of our certified circular products, providing a significant sustainability shift for the industry toward a circular economy.



- SABIC is working with global food companies to reduce food wastage by developing innovative plastic packaging, keeping food fresher for longer, even in extreme climates, while extending its shelf life.
- In 2020:
  - We supported aircraft manufacturers’ demand for lighter components. Our specialties business worked with Compsult Inc. to design our COEXM technology, producing 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 meets aircraft seating structural requirements.
  - SABIC technology is also being used in bicycle transportation. To replace steel alternatives, we developed a new polypropylene-compound bicycle basket, which requires less material, less energy, and less water in the production process.
  - Under our TRUCIRCLE™ platform, SABIC launched a new LNP™ portfolio using ISCC Plus-certified bio polycarbonate feedstocks. With a target for commercialization in 2021, this portfolio has the potential for application in diverse industries, including consumer electronics, electrical, healthcare, cosmetics, and automotive.

03  
PILLAR  
continued

- To support the demand for larger, lighter, stronger, and recyclable wind turbine parts, SABIC created a thermoplastic PET foam that has become a material of choice for the cores that are key components of composite wind blades.
- In 2020, we created a close-loop recycling system for food packaging via value chain collaboration including Tesco and Bradburys Cheese.
- We developed a new policy on sourcing sustainable palm oil and created a system to ensure supplier compliance.

**Our cultural heritage places relationships at the center of our operating model, allowing us to not only understand and anticipate customer needs, but to jointly develop custom solutions that drive value throughout our partners' businesses.**

- SABIC polymers seek to help food and drink producers meet their goals, while still providing sustainable benefits like light-weighting, helping reduce waste.

- Our material, design and technical expertise helps transportation manufacturers meet ever-rising safety, sustainability, design and performance challenges, while driving innovation to new levels.
- Our materials are the foundation for the next generation of electronic devices, with thermoplastic resins helping manufacturers make products in a cost-effective manner, improve plastic recyclability, lower emissions, and work toward closing the loop on used plastic.
- Our materials enable architects and builders to satisfy public demand for environmentally responsible structures while providing design freedom.
- Our innovative agri-nutrients are designed to be used on specific crops in specific geographies, allowing farmers to use less fertilizer, while at the same time producing more food.

- As a strategic material solutions provider to the hygiene sector, SABIC is working with its customers to create hygiene products by offering a broad portfolio of polymers for nonwovens, film, and laminates.
- As a strategic material solutions provider to the hygiene sector, SABIC is working with its customers to create hygiene products by offering a broad portfolio of polymers for nonwovens, film and laminate.
  - In 2020 we supported the Saudi Ministry of Health with ethanol supplies for hand sanitizer and disinfectant producers; supplied Mindray Medical International Limited, one of China's leading medical equipment manufacturers, with the materials to produce vital ventilators for two new Wuhan hospitals; and launched the SABIC Purecares™ personal hygiene portfolio, aiding the rapid development of an affordable, reusable COVID-19 mask.

**For over 40 years, we have pioneered a culture of partnerships in our manufacturing, research and development activities.**

- Since the establishment of our first joint ventures with Exxon and Shell, our collaborative approach has guided our work with our customers, partners and suppliers.
- Partnerships are the cornerstone of our business growth model and we have established joint ventures with leading global companies, including Celanese, Clariant, ExxonMobil, Mitsubishi, Total, Eni and Sinopec to name a few.

**As a truly global company, with a local manufacturing presence and cultural understanding across approximately 50 countries, we are uniquely positioned to understand market trends and customer needs wherever they may be.**

## 03 PILLAR continued

- Our 68 manufacturing sites across 50 countries of operation allow us to quickly respond to local market conditions and to be a strong partner on the ground for our customers.
- Our establishment of an asset footprint in the US, the expansion of our presence in Asia and Europe, and the strength of our presence in Saudi Arabia allow us to be on the ground for our customers where and when they need us.
- We continue to invest, supporting our growth in China, where our presence includes over 1,500 employees; a state-of-art SABIC Technology Center in Shanghai; three plants in Shanghai, Guangzhou and Chongqing; a joint-venture world-class petrochemical complex SINOPEC SABIC Tianjin Petrochemical Co. Ltd. (SSTPC); and operations in 14 cities across Greater China.

**Our global presence continues to grow, with a focus on being closer to our customers. We are constantly expanding our operations to ensure a secure, diversified, and stable supply of products to our customers to enhance their business performance.**

- SABIC's telecommunication and information technology partnerships in China are using SABIC's STAMAX™ resin to create a high quality, high efficiency antenna cover for its 5G network base station.
- SABIC has been developing solutions to help automakers optimize the battery packs of electric vehicles (EV). These efforts led in 2020 to a ground-breaking use of thermoplastic for the battery cover of a plug-in hybrid EV. SABIC's emerging portfolio of materials for EV applications – and related expertise – is positioning us as an emerging leader in serving this rapidly growing space.
- SABIC is the first producer of bio-MTBE in Europe (in addition to fossil MTBE – methyl tertiary butyl ether), a fuel additive widely used to reduce emissions. SABIC's unique material is made from bio-methanol produced from biogas sourced from manure, sewage sludge and organic municipal waste.

- SABIC's new generation of ultra-melt-strength polypropylene provides an unprecedented level of light-weighting for high-temperature foam applications in the automotive and construction sectors, and its lifestyle impacts are lower than any high-density polyethylene alternatives. Its weight savings can reduce environmental impacts by 40 percent – with further fuel savings benefits in automotive applications.
- SABIC continues developing new differentiated products and fertilizer grades. Urea calcium sulfate (UCS), a unique fertilizer containing nitrogen and sulfur, made from locally sourced urea and gypsum, is a world's first.
- Our slow release fertilizers help farmers get more out of nutrients, when they're most needed in the growing cycle. This innovation is set to increase global harvests by as much as 30% by 2025.

- SABIC's STADECK heavy duty panel offers significant weight-saving advantages across a range of construction applications and building techniques – the product is 60 percent lighter and potentially recyclable at end of life.

**Our business is driven by innovation, allowing us to deliver differentiated solutions for diverse applications.**

- Over the past five years, we have invested \$2.3 billion in technology and innovation to stay ahead of the market.
- SABIC Corporate Technology and Innovation is comprised of over 1,605 employees working on various research projects at 20 centers around the world, with a patent portfolio of 9,946.
- We were honored with having three SABIC innovative solutions selected as finalists for 2021 Edison Best New Products Awards.

04  
PILLAR

SUSTAINABLE  
SOLUTIONS

WE ARE A KEY CONTRIBUTOR TO THE FUTURE OF SUSTAINABLE LIVING, TOUCHING PEOPLE’S LIVES IN UNSEEN WAYS AND BUILDING SUSTAINABLE VALUE.

Through our innovations, we are making life better for the billions of people every day who are touched by SABIC products.

- Sustainability is embedded in our value chain through:
  - **Upstream:** via lower carbon or renewable feedstocks
  - **Operations:** resource efficiency and energy-reduction projects
  - **Customers:** materials that enable lower energy for processing
  - **Use phase:** energy savings or reduced material to meet consumer needs
  - **End of Life:** Chemistry to enable recycling; developing technology to promote circular economy
- Our approach to sustainability aligns firmly with the United Nations Sustainable Development Goals and our strategy is closely linked to the goals where we can have the greatest impact.
- SABIC is driving to transform the value chain and move from a linear to a circular economy and finally close the loop on used plastic.
- Our TRUCIRCLE portfolio and services collectively showcase our circular innovations and help manufacturers produce more sustainable products.

- Our TRUCIRCLE portfolio includes:
  - Certified circular products, made through feedstock recycling of difficult to recycle plastic waste.
  - Mechanically recycled products to improve recyclability and end-use properties.
  - Certified renewable products from second generation bio-based feedstock.
  - Design for recyclability for products that have better recyclability characteristics.
- We have built on TRUCIRCLE’s early success and expanded our use of circular solutions beyond food and personal product packaging into new segments and markets, including through feedstock recycling in chemicals.
  - We also evolved the initiative to encompass not just circular product portfolios but circular services that cultivate new sustainable business models and partnerships.
- In 2020, SABIC partnered with Plastic Energy to build the world’s first commercial unit to produce certified circular polymers made from the upcycling of mixed and used plastics.
- Through our Safer Chemistry program, a new pillar in SABIC’s Sustainable Chemistry offering, we are making materials safer by voluntarily removing and reducing chemicals of concern, and replacing these with chemicals that have a smaller hazard footprint.

As a trusted partner for sustainable and inclusive growth, our solutions are helping to future proof societies in the face of the megatrends that threaten us from a social, economic and environmental perspective.

- Our products help provide plentiful, healthy and safe food for billions of people; help reduce the carbon footprint of people’s daily activities; and use scarce resources across the world more efficiently.
- In 2020, we are proud to have launched our ESG Reporting Steering Committee, overseeing the integration of key ESG factors into our business strategies and ensuring that we follow transparent, robust, complete and value-driven ESG reporting.

04  
PILLAR  
continued

- The success of our Environmental, Social and Governance (ESG) performance has gained international recognition.
  - SABIC was ranked as the top-ranked Chemical company in 2020 JVs Governance Benchmark.
  - Capital Finance International has recognized us as the Best ESG Responsible Petrochemical Company in Middle East/Africa for 2020.
  - We have also received a platinum medal for sustainability from EcoVadis, a leader in evaluating the sustainable performance of businesses around the world.
  - Our polycarbonate facility in Cartagena, Spain, is set to become the world's first large scale chemical production site running entirely on renewable power, following the signing of a major agreement with the Spanish energy leader, Iberdrola. Once the solar plant comes online in 2024, our customers will have access to polycarbonate solutions produced with 100% renewable power.
  - We aim to have 4GW of installed wind or solar energy for our sites globally by 2025, 12GW by 2030.
  - Solar panels at our India and Thailand sites have cut greenhouse gas emissions by more than 200 metric tons in 2020.
  - Our Home of Innovation in Riyadh, Saudi Arabia, has been completely solar powered since 2015.
- SABIC has embraced the United Nations Sustainable Development Goals through our own organic efforts to embed environmental, social and economic dimensions of sustainability into our DNA and strategically aligning our business with the SDGs.**
- We have developed a Sustainability Roadmap aligned to the SDGs and which outlines ambitious targets relating to resource efficiency, climate change, the circular economy, food security, sustainable infrastructure, and preservation of the environment.

- The SDGs that SABIC has selected are focused on four key priority areas: Health & Wellness, Science & Technology Education, Environmental Protection, and Water & Sustainable Agriculture and are linked to SABIC's strategic priorities for sustainability and materiality. They span our entire value chain – from making our production operations and product portfolio more sustainable, to developing sustainable solutions for products that have reached their end-of-life
- We collaborated in with the Saudia Arabian Ministry of Environment, Water and Agriculture to fund and build the National Research and Development Center for Sustainable Agriculture (Estidamah) in 2008.
- Through Estidamah, we are part of a growing agricultural alliance which combines the expertise from academia, agribusiness and local growers to drive food security and water efficiency.
- Estidamah has demonstrated how it is possible to grow a kilo of tomatoes using only seven liters of water – as opposed to 345 liters in open fields and 200 liters under greenhouse conditions.

Food and Water

- A key aspect of our sustainability is to reduce water use everywhere we operate, particularly where supplies are stressed. In 2020, the Benoi site reduced water consumption by 46.2% through maximizing the use of recycled water for container washing. Close monitoring and daily water meter reading was implemented to avoid unforeseen leakages at the process areas.
- Estidamah offers advice and assistance to regional greenhouse farmers, as well as launching a vertical farming partnership program to stakeholders and potential investors.

04  
PILLAR  
continued

- Replacing ductile iron pipes that can corrode and leak with SABIC’s revolutionary products ranging from pumps to faucets and pipes, help manufacturers become more efficient, decrease system cost, manage corrosion and ensure regulatory compliance, while providing safe drinking water worldwide.
- Our collaboration with Villagepump BV, a development company for patented water purification products, enabled the development of a revolutionary filtration pump using our proprietary materials, making safer drinking water more readily available worldwide, helping reduce the spread of disease.
- We are working with global food companies to reduce food waste with innovative plastic packaging that helps extend its shelf life, even in extreme climates. This innovative technology allows higher levels of pasteurization and keeps food fresher for longer.
- In collaboration with The Estée Lauder Companies (ELC) and its packaging manufacturer Albéa, SABIC created the first premium brand packaging tube made with certified circular polyolefins for the beauty company’s Origins brand.
- Together with Europe’s largest retail store operator, we launched a pilot project to create vegetable bags using certified circular polyethylene to make plastic packaging as recyclable as possible by 2025, reducing overall plastic consumption by 20%.

Packaging

- Whether it is synthetic closures, food, personal-product or protective packaging, our products enable our customers to manufacture the highest-quality applications without compromising consumer safety or environmental and sustainability goals.
- SABIC has collaborated with Tesco and others in our value chain —Plastic Energy, Sealed Air, and Bradburys Cheese — to create a closed-loop recycling system. Through these value chain collaborations, we are working to recycle plastic back into high-quality applications and help prevent valuable used plastics from becoming waste.

Energy Efficiency

- Our advanced materials are enabling new solutions in solar power. Through collaboration with alternative energy companies, we’re supporting the building of solar products that can survive on water, gathering more energy for longer without using valuable land resources.
- We have developed a number of innovative materials to help the construction industry build energy and resource efficient homes.
- We are making the cars, trains and planes that transport us lighter and more efficient, while increasing safety.
- This initiative on-boarded 10 new participating local and global companies in 2020 – all original equipment manufacturers that fall under the National Industrial Strategy (NIS) sectors.
- Our Home of Innovation in Riyadh, Saudi Arabia, has been completely solar-powered since 2015.
- The Demonstration House, a component of SABIC’s Home of Innovation™ program, is the first Leadership in Energy & Environmental Design (LEED) Platinum-rated home in the Middle East and is designed to achieve a net zero energy balance using renewable energy.

Urbanization

- In collaboration with a leading filter company, SABIC is providing material solutions to the desalination and water purification industry.
- SABIC has created the vision of the future with its Home of Innovation™ – a facility that brings together the best minds and organizations to promote the development of the downstream industry in the region.

**Born out of a vision to leverage waste products from the oil production process, sustainability is in our roots, driving value where others see liabilities.**

- SABIC began in 1976 with an initiative to develop valuable uses for the waste gases that were being flared as a by-product of oil production.

04  
PILLAR  
continued

- From these origins, we continue to reinvent and lead in the area of sustainability, through innovations such as the world’s first high-quality recycling processes for mixed plastic waste to develop new feedstock.

Sustainability is embedded throughout our value chain.

- In our upstream operations, we seek out lower carbon and renewable feedstocks to produce our products.
- We received the Excellence Award for Sustainability in the Innovation and Sustainability 2020 Excellence Awards and Forum for Corporate Social Responsibility, hosted by China’s Shanghai Daily, in recognition of our dedication to sustainable development and poverty alleviation.
- In 2020, we successfully transitioned the Americas region to a Distribution Center Model with a fully rearranged network, reducing distance travelled and consequently a reduction in CO2 emissions.

Across our operations, we are driving resource efficiency and energy reduction. In our quest to minimize impacts, we are reducing material losses and infusing the concept of a circular economy, whereby waste and other by-products of manufacturing become valuable production inputs.

- In comparison to 2010 we reduced:
  - Greenhouse gas intensity by 15.5%
  - Energy intensity by 10.5%
  - Water intensity by 14.2%
  - Material loss intensity by 46.3%
  - Flaring emissions by 56%
- In 2020:
  - We saved 306,000 m³ of water by discontinuing the use of a boiler and increasing steam production from the ammonia plant at our SABIC Agrinutrients Company site.

- We reduced our GHG intensity through a reduction in flaring in the production of polyethylene at our Sharq affiliate. We have applied a vent recovery system to capture nitrogen and ethylene, which were previously sent to the flare. This results in a savings of 134,000 tons of Carbon Dioxide equivalent (tCO<sub>2</sub>eq).
- An upgrade of the evaporator column at our UNITED plant reduced steam consumption and saved 100,000 GJ of energy annually.
- A change to the evaporator at our SHARQ plant to reduce refluxes is lowering water consumption and saved 50,000 GJ of energy.
- As the result of a mega-project at our SAFCO site, we discontinued the use of one boiler by significantly increasing steam production from the ammonia plant. This saved cost, reduced energy, and saved 306,000 m³ of water.
- In 2020, our global energy intensity, measured in gigajoules (GJ) of energy used per metric ton (t) of product sales, was lowered 16.34 GJ per ton from 16.52 GJ/t in 2018. This marks a 1.1 percent decrease from 2019 and a 10.5 percent reduction from our 2010 baseline.
- Our materials allow our customers to lower their energy use and to develop more sustainable products in their sectors. Through our operations, we are putting actions to our words, with a commitment to reduce our energy, greenhouse gas and water use by 25% by 2025 compared to 2010.
- Solar panels at our India and Thailand sites have cut greenhouse gas emissions by more than 200 metric tons in 2020.
- We operate the world’s largest CO2 recovery and purification plant, turning purified CO2 into fertilizers and other chemical products. The plant can purify around 1,500 tons of raw CO2 daily, and we project it will save as much as 500,000 tons per year when at full capacity.
- In 2020, we strengthened our climate strategy and governance, including through the creation of two new structures responsible for meeting regulation, guiding strategy, and ensuring transparency.

04  
PILLAR  
continued

We are dedicated to making a difference in the communities where our employees live and work.

- Our CSR programs focus on the four priority areas of Science and Technology Education; Environmental Protection; Health and Wellness; and Water and Sustainable Agriculture.
- These help contribute to Saudi Vision 2030 and 10 of the United Nations Sustainable Development Goals.
- In 2020, we invested over US\$ 39.6 million in 274 Global CSR programs, including 212 programs to mitigate the impact of COVID-19, reaching around 35 million people in 34 countries.
- SABIC received a platinum medal for sustainability from EcoVadis, a leader in evaluating the sustainable performance of businesses around the world. As the highest possible distinction, the platinum medal is only awarded to companies that score in the top 1% for sustainability practices.
- SABIC served as a strategic partner to the Ministry of Human Resources and Social Development (MHRSD) in creating a national CSR strategy that aims to engage Saudi Arabia's public, private, and non-profit sectors in our Nation's CSR plans and programs.
- SABIC was the only chemical company in 2019 to win the Public Welfare Practice Contribution Award from Yicai Group in China, which recognized SABIC's long-term practices and outstanding contributions in the field of CSR.
- SABIC won the Communities and Reputation Award in the United Kingdom at the 2019 NEPIC Industry Awards having demonstrated an outstanding campaign supporting communities across all aspects of social responsibility.

At SABIC, we aim to be a global leader in the sustainable supply chain for chemicals. Prioritizing environmental and social responsibility in our supply chain brings value to the people and communities we touch, and it is also good for our business.

- This year, we created Operation Clean Sweep templates to include in our Safety and Quality Assessments (SQAS), making it easier to collect data on our goal to keep plastics from waste streams and waterways.
- Regarding our Supply Chain Incident Reporting, SABIC takes incidents very seriously. We have set an ambitious, multiyear target of a 10% improvement in number of incidents over the average of the past three years, or a 10% improvement over the previous year's target, whichever is lower.
- SABIC received a B rating on our CDP Supplier Engagement Rating Report in 2020

COVID-19

- SABIC is collaborating closely with global communities and governments to support healthcare institutions and safety initiatives across SABIC regions to help reduce the spread of COVID-19 and minimize the pandemic's impact on people, communities, and economies. In 2020, efforts included:
  - SABIC PMMA, designed to reduce the spread of the virus, developing new customer collaborations in UAE and Turkey to produce plastic barriers
  - Our sales team in KAS also arranged for 2.25 metric tons of TEA-99 per month to produce sanitizers
  - Supplied 25–50 metric tons of material to Morocco's Ministry of Health for producing non-medical-grade face masks
  - Supported hospitals in Jordan, Iraq, and China with ~50 metric tons of PET BC210 products every month

05  
PILLAR

PEOPLE AT  
THE CENTER

WE ARE ACTIVATING THE POWER OF HUMAN CAPITAL  
TO ADDRESS SOCIETY’S FUTURE CHALLENGES.

The challenges that we face today and, in the future, require the right talent to develop solutions. With over 32,000 global employees, our focus is on investing in today’s and tomorrow’s talent to help solve society’s challenges and drive sustainable and inclusive development.

- We have a strong and diverse global workforce, with 64.2% of our employees based in the Middle East and Africa, 15.5% in Europe, 11.4% in the Americas and 8.9% in Asia.
- In numbers this translates to 20,703 employees in MEAF, 5,005 in Europe, 3,674 in the Americas and 2,854 in Asia.

Our investments in our teams and talents continually position us as a top employer in our key markets and will allow us to maintain our competitive advantage for years to come.

- 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 remains among the top 700 of more than 15,000 European companies listed in the Financial Times diversity index.
- Our Early Career Program (ECP) initiative gives new SABIC hires who are recent university graduates an accelerated learning experience through functional rotations of six months to develop their expertise and network – and ultimately prepares them for a successful career at SABIC.



- In 2020, 2,095 students benefited from the SABIC Scholarship Program.
- In 2020, the SABIC Academy saw 2,638 employee participants devote 91,725.5 learning hours to 144 classes.
- Beyond our employees, we are focused on growing and nurturing future leaders who will help solve tomorrow’s challenges. As part of the SABIC Leadership Way, we conducted 89 workshops in 2020, with a total of 2,363 participants.
- We have partnerships with more than 40 global universities, including strategic partnerships with five Saudi universities, to drive research and develop the next generation of researchers and scientists.

As we continue to grow as a business, we are not only building leadership for SABIC, we are developing a generation of leaders who are transforming the industry across companies and sectors.

- Our leadership development process is aligned with our SABIC Leadership Way Program and stresses early identification of leadership potential within the organization.

- The SABIC Leadership Program for government officials, created in 2016 to share our expertise with government, continued this year despite the pressures of the pandemic, supporting the professional development of more than 250 leaders working in KSA governmental ministries and centers.
- All SABIC professionals, 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, or 49.8%.
- SABIC Young Leadership Council (SYLC) harnesses the broad diversity of our workforce to inclusively drive strategic and transformational change throughout our global organization.
- In 2020, a hundred young “influencers” were selected from over 400 of our employees worldwide to join the SABIC Young Leadership Council (SYLC) in developing bold new “step change” ideas to enhance our workplace and our business.

06  
PILLAR

SAUDI VISION  
2030

WE ARE PLAYING A VITAL ROLE AS A KEY ENABLER OF SAUDI VISION 2030, HELPING THE COUNTRY PURSUE ITS GOALS AND MEET ITS OBJECTIVES.

Saudi Vision 2030 represents the most significant shift in the Kingdom’s economic development policy in decades. SABIC is ideally placed and fully committed to helping lead the way to its realization.

- Our support of Vision 2030 is focused on developing programs that support local content creation, by leveraging our core strengths in technology, Intellectual Property and procurement, as well as our assets and commercial relationships.
- SABIC’s local sales volume has grown by 8% in 2020 compared to 2019.
- Under our Tamayouz program, we have supported local factories in overcoming their operational challenges and in driving excellence in their operations. We are in the process of scaling up the program to cover all factories in Saudi Arabia in cooperation with the Ministry of Industry.



- Vision 2030 has identified used plastic as an issue to tackle. To support the government’s 2035 goals and execute this vision, we are implementing our TRUCIRCLE™ pillars in Saudi Arabia.
  - NUSANED is helping to advance the industrial sector by sponsoring competitive industrial ventures and a providing direct and indirect support through strategic partners.
- Our NUSANED™ program is a key element of our contribution to the Vision 2030 program promoting growth, diversification and job creation in Saudi Arabia.**
- NUSANED is SABIC’s first integrated Localization Engine - promoting the localization of materials and services, creating downstream business opportunities and developing a capable workforce through training.
  - NUSANED aims to turn Saudi Arabia into a regional export hub as new industries develop.
  - In 2020, NUSANED received 696 investor registration requests taking the number of total applications received since its inception in 2018 to 1,604.

06  
PILLAR  
continued

- NUSANED is on track to boosting the contribution of the private sector to the Kingdom’s Gross Domestic Product (GDP) by about US \$4.2 billion, generate over 9,500 jobs for citizens and increase the value of exports to non-oil GDP by 2.4 million tons.
  - Key highlights of **NUSANED Investment** throughout 2020 included:
    - Signing an agreement with Abdulaziz & Brothers Company (A&BC) regarding a Personal Protective Equipment (PPE) manufacturing facility of.
    - Signing a deal with Suhul Alkhalej, for the manufacture wood-plastic composites.
    - Closing a JV transaction with SCHMID Group focusing on manufacturing and technology development in the field of Vanadium Redox Flow Batteries (VRFB).
    - Signing an investment deal with DarTec Engineering Consulting.
- Our investments in people and talent development make SABIC an important growth pillar for a dynamic region and an important driver of Vision 2030.**
- We are focused on using our experience and expertise to build human resources capabilities in Saudi Arabia.
    - The SABIC Leadership Program (SLP) enables us to collaborate with the government in developing human resource capabilities and building leadership skills to meet future challenges.

- Through the SABIC External Learning Program, we work with governmental and educational entities to help prepare a diverse pool of Saudi youth and leaders for the new economy.

**SABIC continues to leverage the resources, skills and commitment of our employees to meet the ambitious objectives embodied in Vision 2030 and help build a more prosperous and sustainable future for our nation.**

- We promote human resources best practices in Saudi Arabia and prepare young Saudis for the Kingdom and regional labor market by expanding their skills to help achieve their potential.

**SABIC is leveraging the power of partnerships to achieve the objectives of Saudi Vision 2030**

- SABIC and King Abdulaziz City for Science and Technology (KACST) signed a Joint Development Agreement (JDA) to develop high performance and lightweight materials for advanced applications. These high-performance materials will be developed entirely in Saudi Arabia to serve the Kingdom’s downstream needs.
- SABIC and the Ministry of Health (MoH) have signed an agreement to support the localization of medical industries, help find innovative treatment solutions, and develop new technologies.

# CHEMISTRY THAT MATTERS™

This is our purpose. It is the reason and guide for everything we do.

Chemistry is more than the science and substance of our success.  
It is how we work, to build long lasting relationships of trust.

What matters is making a meaningful impact for the customers  
and communities we partner with, so that we succeed and grow together.

