CHEMISTRY THAT MATTERS™

SABIC Reporting Criteria for Non-Financial Key Performance Indicators 2024

REPORTING BOUNDARIES AND DATA METHODOLOGY

GHG REPORTING BOUNDARIES

To determine reporting boundaries for environment-related non-financial key performance indicators (KPIs) related to greenhouse gas (GHG) emissions and the supply chain, SABIC has developed internal guidelines inspired by the definitions in The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004).

SABIC applies an operational control approach to establish its reporting boundaries for environment-related non-financial metrics. The company has considered only its subsidiaries, joint ventures, and joint operations to assess whether it has operational control and should therefore be included in its reporting boundaries. We believe this method is appropriate, as SABIC has operational control over certain entities. Where SABIC directly or indirectly controls and directs the day-to-day management and operations of an entity, whether by contract or otherwise, we report data on a 100% basis, irrespective of our actual equity share. Interests in joint ventures and joint operations where we do not have operational control are excluded from environment-related non-financial metrics.

As a result of the redefined GHG boundaries, in 2024 we updated our reporting to reflect 100% of SAMAC's KPIs and 0% of Gulf Coast Growth Ventures' (GCGV) KPIs for the current year's integrated reporting. Previously, both were reported at 50% for GHG KPIs. We believe this update aligns more closely with operational control definitions under GHG reporting standards.

SABIC has an Operations Management System (OMS) and related management procedures designed to provide a full manufacturing life-cycle approach covering environment and human health (EHSS), people management, asset management, and performance management, with the goal of achieving safe, reliable, and cost-effective operations. SABIC also has Service Level Agreements (SLAs) with certain entities that utilize its centralized operations functions, which include, but are not limited to, employee services, engineering and project management, procurement, facility management, and manufacturing services. SABIC considers entities that follow its operations management procedures and utilize its centralized operations functions to meet the definition of operational control.

SOCIAL AND SAFETY REPORTING BOUNDARIES

SABIC has also assessed its reporting boundaries for other non-financial KPIs related to social and safety metrics, including workforce, environment, health, safety, and security (EHSS), and ethics and integrity. Similar to the considerations for operational control, the entities are subject to the same safety protocols through SABIC's Operations Management System (OMS) and utilize its employee workforce through Service Level Agreements (SLAs). Therefore, SABIC considers entities that follow its safety protocols and utilize its employee workforce to be included within its reporting boundaries for social and safety KPIs.

Following these boundaries, the same reporting entities included for GHG reporting apply to social and safety KPIs:

- 100% value: group companies/subsidiaries
- 100% value: integral joint ventures (Kemya, Sharq, and Yanpet)
- 100% value: certain joint operations (SAMAC)
- 0% value: all other joint ventures and joint operations

BASE YEAR

The first step in tracking emissions is selecting a base year. The base year for SABIC's GHG, energy, material loss, and water reporting is 2010. The reporting boundary for the base year is aligned with the latest corporate structure at the time of the reporting exercise, following the GHG Protocol's guidance.

Note 1: Base year emissions will not be recalculated if the company acquires (or insources) operations that did not exist in the base year. Recalculation of historic data may occur only back to the year when the acquired company existed. The same applies if the company divests (or outsources) operations that did not exist in the base year.

Note 2: If any one of the factors (energy, GHG, water, or material loss) exceeds the 2% threshold in absolute values, base year data will be updated for all factors using the base year correction list from energy and sustainability. Additionally, all years following the baseline year may be recalculated.

DE MINIMIS, RECALCULATION, AND RESTATEMENT POLICY

As SABIC's GHG emissions inventory matures, the basis for excluding smaller contributors will shift from assumptions to calculations that justify exclusion. For example, a source such as a fire water pump is expected to be insignificant, and the data required to justify that assumption is typically not readily available. Therefore, in the initial years of SABIC's GHG inventory, key assumptions were made regarding the materiality of certain source types to prioritize collecting accurate data for all material sources.

Excluded sources must remain below the 1% de minimis threshold for that specific source. Collectively, all de minimis sources must be below 2% of the global GHG emissions inventory.

SABIC's non-financial key performance indicators (KPIs) may need to be restated due to:

- Change in measurement basis
- Structural changes in operations (including acquisitions and divestments)
- Improvements in calculation methodology or data accuracy (including corrections of historical errors)
- Material changes to non-financial reporting requirements (including conversion factors)

The quantitative test applies a 2% significance threshold. This threshold is assessed on an aggregated basis across all changes to the inventory, including structural boundary changes, calculation method improvements, and modifications to non-financial reporting requirements.

For structural changes:

- SABIC assesses the quantitative impact to determine whether restatement is necessary.
- If the 2% threshold is exceeded, SABIC restates its baseline year and any intervening years.
- For acquisitions that do not meet the significance criteria, new sources of emissions are only accounted for in the year of acquisition and no later than one year after acquiring operational control.
- For divestments that do not meet the significance criteria, emissions from the divested entity are removed from the inventory starting from the year of divestment.

ENVIRONMENTAL KPIs

GHG EMISSIONS

The broad approach to calculating GHG emissions, which applies to SABIC's material emission sources, involves multiplying activity data by the emission factor:
GHG emissions = Activity data × Emission factor.

Activity data is expressed in various units and, for SABIC, most commonly represents the quantity of each fuel type combusted. It can also describe other aspects of activity, such as the quantity of electricity consumed (for imported electricity) or values such as the number of valves (e.g., for calculating fugitive emissions).

For fuel combustion, the key data point collected is the quantity of fuel used. Preferably, fuel quantity data by type is measured in physical units (e.g., through a flow meter). If the quantity is expressed in terms of energy content, the lower heating value (LHV) is required to convert it into mass units. If the quantity is expressed in volume, the fuel's density is also needed. Ideally, these values are determined by the fuel supplier or through measurements and testing. If unavailable, default fuel heat content values may be applied.

Emission factors represent the level of GHG emissions (in tons) per unit of activity data. When using the fuel analysis approach, emission factors can be calculated directly from fuel composition data or taken from default values in the literature. The different approaches are as follows:

- **Tier 1 method:** Requires facility-specific data, such as the composition of the fuel combusted at a facility or the specific technologies used. Tier 1 information may be available from suppliers or Material Safety Data Sheets for purchased fuels.
- **Tier 2 method:** Utilizes more generic data, such as typical industrial practices within a specific country. Tier 2 data may be available from national statistical agencies or industry associations.
- **Tier 3 method:** Uses a default global emission factor from a recognized source.

Carbon dioxide emissions are presented in tons of CO_2 (tCO_2). Other GHG emissions can be converted into tons of CO_2 equivalent (tCO_2e) using the Global Warming Potential values from IPCC AR6.

SCOPE 1: DIRECT EMISSIONS

Direct emissions originate from sources within assets under SABIC's reporting boundary. These include the following emission sources.

Mobile sources: Combustion of fossil fuels in vehicles refueled on-site and in mobile equipment, such as electricity generators operated on SABIC property.

Origin of emissions	Combustion of fossil fuels in vehicles or mobile power generators owned or controlled (e.g., long-term lease) by SABIC.
GHG	CO_2, CH_4, N_2O
Activity to be collected	Quantity of each fuel type in either volume (Nm^3) or mass (t) units, based on fuel receipts/invoices. If expressed in volume, the fuel's density is also required.
Calculation methodology	GHG emissions = Fuel consumption × Emission Factor (CO_2, N_2O, and CH_4 in tCO_2e).
Emission factor	Fuel-specific emission factors are available for CO_2, CH_4, and N_2O emissions (Tier 2 if Tier 1 information is unavailable).
Global Warming Potential (GWP)	IPCC default GWP ratings for each gas.

Fugitives – F-Gases: Fugitive emissions from F-gases are associated with refrigerant equipment within each affiliate's or site's inventory boundary. These emissions result from leakages and may occur during servicing.

Origin of emissions	Emissions occur when GHGs escape into the atmosphere due to equipment leakages and losses.
GHG	HFCs, SF_6, and derivatives (or check detailed material composition).
Activity to be collected	Refrigerant usage and/or annual replacement data, based on maintenance records.
Calculation methodology	GHG emissions (in tCO_2e) = Quantity of F-gas × GWP.
Emission factor	Depends on the type of GHG.
Global Warming Potential (GWP)	IPCC default GWP ratings for each gas.

Flaring: routine, safety, and non-routine flaring.

Origin of emissions	Combustion of unwanted gases in stationary installations within the inventory boundary, including gas for flare pilot burners and sweeping gas.
GHG	CO_2, CH_4, N_2O
Activity to be collected	Quantity of each gas type in either volume (Nm^3) or mass (t) units, measured through meters at each flaring point. If expressed in volume, gas density is also required.
Calculation methodology	CO_2 emissions = Σ {(Quantity of flared gas × Emission Factor × GWP) + (Quantity of pilot gas × Emission Factor × GWP)}
Emission factor	Fuel-specific CO_2 emission factors based on gas composition. As with Stationary Combustion – Energy, for CH_4 and N_2O, conservative IPCC default values are used. For gaseous materials (e.g., pilot gas or waste gas), the IPCC default values for natural gas apply.
Categorization of flaring	Flaring is classified into three categories: routine flaring, safety flaring, and non-routine flaring. **1. Routine Flaring** Flaring during normal operations when no on-site utilization or rerouting of the energy source is possible. Routine flaring does not include safety flaring, even when continuous. Examples: • Flaring from continuous vent/process purges (e.g., polymer vents, top gas) • Flaring from storage tanks • Flaring from water treatment facilities • Flaring from regeneration **2. Safety Flaring** Flaring to maintain safe facility operations. Examples: • Gas from an accident or incident that jeopardizes facility safety • Blow-down gas following emergency shutdown to prevent over-pressurization • Gas required to maintain the flare system in a safe and ready condition (sweep gas, purge gas, assist gas, fuel gas) • Gas required for a flare's pilot flame • Gas produced during safety-related operations, such as safety testing, leak testing, or emergency shutdown testing • Gas added to ensure proper dispersion and combustion **3. Non-Routine Flaring** All flaring that does not fall under routine or safety flaring. This can be planned or unplanned. Examples: • Temporary (partial) failure of equipment handling gas/materials/products, requiring repair or replacement (e.g., compressors, pipelines, instrumentation, controls) • Temporary failure of a customer's facilities preventing product/material/gas receipt • Initial plant startup before steady operating conditions are reached or before gas compressors are commissioned • Startup following facility shutdowns • Scheduled preventive maintenance and inspections • Construction activities (e.g., tie-ins, operating condition changes, plant modifications) • Process upsets causing parameters to fall outside allowable operating/design limits, requiring flaring to stabilize the process

Processes: emissions occurring at each process

- **Stationary combustion – energy:** Combustion of fossil fuels in stationary installations for the purpose of generating heat and/or steam for use within manufacturing units.

Origin of emissions	Combustion of fossil fuels in stationary installations within the inventory boundary for the purpose of generating heat and/or steam for use within manufacturing units.
GHG	CO_2, CH_4, N_2O
Activity to be collected	Quantity of each fuel type in either volume (Nm^3) or mass (t) units. If expressed in volume, the fuel's density is also required. Fuel composition data is obtained through supplier invoices. Due to the insignificant impact or low contribution to total footprint inventory, a yearly fixed figure may be used for reporting CH_4 and N_2O from standard combustion products. Existing templates automatically calculate these amounts. New or revised templates may use fixed (theoretical) values instead of performing these calculations.
Calculation methodology	GHG emissions = Fuel consumption × Emission Factor (CO_2, CH_4, N_2O) × GWP
Emission factor	Fuel-specific CO_2 emission factors are based on the fuel's composition. • For fuels such as distillation residues, where no plant-specific fuel composition data is available, an IPCC default emission factor for the appropriate fuel may be used. • For CH_4 and N_2O emission factors, conservative IPCC default values are applied based on the specific fuel being combusted. • For gaseous fuels (e.g., mixed fuel gases), the IPCC default values for natural gas apply. • For liquid fuels (e.g., fuel oil), the IPCC default for residual fuel oil is used.
Global Warming Potential (GWP)	IPCC default GWP ratings for each gas.

- **Stationary combustion – non-energy:** Combustion of materials in stationary installations within the inventory boundary that are **not** for the purpose of generating heat and/or steam. At many sites, this includes the incineration of unwanted material, flaring, and other processes.

Origin of emissions	Combustion of materials in stationary installations within the inventory boundary that are not for the purpose of generating heat and/or steam. At many sites, this includes the incineration of unwanted material. This category also includes furnace decoking.
GHG	CO_2, CH_4, N_2O
Activity to be collected	Quantity of each material type in either volume (Nm^3) or mass (t) units. If expressed in volume, the material's density is also required. Data is collected using flow meters installed at each release point. For furnace decoking, the following data must be collected: • Number of furnaces • Decoking events per year • Quantity of CO_2 released per event
Calculation methodology	GHG emissions = Total Equivalent CO_2 released
Emission factor	Fuel-specific CO_2 emission factors are based on the material's composition. • For fuels such as distillation residues, where no plant-specific fuel composition data is available, an IPCC default emission factor for the appropriate fuel is used. • As with Stationary Combustion – Energy, for CH_4 and N_2O emission factors, conservative IPCC default values are used for the specific material being combusted. • For gaseous materials (e.g., fuel gas), the IPCC default values for natural gas apply. • For liquid materials (e.g., waste oil), the IPCC default for residual fuel oil is used.
Global Warming Potential (GWP)	IPCC default GWP ratings for each gas.

Venting: Releases of GHGs resulting from normal operations, maintenance, and turnaround activities, as well as emergency and other non-routine events.

Origin of emissions	Releases of GHGs resulting from normal operations, maintenance and turnaround activities, emergency, and other non-routine events.
GHG	CO_2, CH_4, N_2O
Activity to be collected	Quantity of gas vented in either volume (Nm^3) or mass (t) units, based on flow meters installed at each release point. • If expressed in volume, the gas's density is also required. • Gas concentration in % is required.
Calculation methodology	GHG emissions = Quantity of gas vented × Gas concentration (%) × GWP
Emission factor	N/A
Global Warming Potential (GWP)	IPCC default GWP ratings for each gas.

- **Non-combustion – process emissions:** Sources that produce emissions due to chemical transformation or processing steps other than combustion.

Origin of emissions	Emissions resulting from chemical transformation or processing steps.
GHG	CO_2 or CH_4
Activity to be collected	Data collection varies depending on the specific process. Typically, it includes: • Hourly flow rate of gas released • Composition of the gas (% CO_2 or % CH_4) • Annual operating hours
Calculation methodology	GHG emissions = Quantity of gas × Gas composition × GWP • The quantity of gas is calculated based on the hourly flow rate and the number of operational hours per year.
Emission factor	N/A
Global Warming Potential (GWP)	IPCC default GWP ratings for each gas.

INDIRECT (SCOPE 2) EMISSIONS

Emissions from the generation of purchased or acquired energy that are not under SABIC's control, including electricity, steam, or heat/cold.

- **Electricity:** Combustion of fossil fuels in power plants outside the inventory boundary supplying electricity to facilities within the inventory boundary. These emissions are associated with electricity purchased from the grid or Combined Heat and Power (CHP) units.
- **Steam/heat:** Combustion of fossil fuels outside the inventory boundary for the supply of steam and heat to facilities within the inventory boundary.

Origin of emissions	Combustion of fossil fuels in power plants outside the inventory boundary supplying electricity, steam, or heat to facilities within the inventory boundary. These emissions are associated with energy purchased from the local/national grid.
GHG	CO_2
Activity to be collected	Consumption of electricity (kWh) or steam/heat (GJ) purchased from the grid. • This can be based on meter readings or invoices. • Allocation to different plants within the site may be required if sub-meters are not in use.
Calculation methodology	CO_2 emissions = Electricity/steam/heat consumption × Emission Factor
Emission factor	See below.

- To quantify Scope 2 emissions from imported energy (i.e., purchased electricity, heat, steam, or cooling), SABIC multiplies the consumption values by the emission factors.
- SABIC uses International Energy Agency (IEA) 2023 emission factors to calculate and report Scope 2 emissions.

GHG INTENSITY

GHG intensity measures total GHG emissions (gross Scope 1 and Scope 2 emissions) per unit of sales. It is calculated using the approach described above, considering all potential sources of GHG emissions within SABIC's organizational boundary.

GHG intensity is determined by dividing total gross Scope 1 and Scope 2 emissions by total product sales in metric tons. (Total product sales is calculated using sales data, excluding internal sales and re-sales.)

ENERGY INTENSITY

Energy intensity is calculated based on energy consumption, which includes all energy used within SABIC's organizational boundary. For purchased energy, SABIC accounts for energy delivered to the site, primarily fuel and electricity. All energy is reported in gigajoules (GJ) to ensure consolidation.

Energy consumption is calculated using the formula:

Energy content of fuel combusted (GJ) = Quantity of fuel combusted (t) × Heat/calorific value of fuel (GJ/t)

- Fuel:
  - High heating values are converted to low heating values using IEA guidance:
    - Petroleum products: multiplied by 0.95
    - Natural gas: multiplied by 0.90
- Steam/condensate:
  - The heat value of steam/condensate is calculated at different pressure and temperature levels using steam tables from open sources that provide steam energy values at varying conditions.
- Electricity:
  - Electricity consumption in kilowatt-hours (kWh) is converted into gigajoules (GJ) using the conversion factor:
    - 1 kWh = 0.0036 GJ

Energy intensity is a measure of the total energy consumption (calculated through the approach described above) per unit of sales. Energy intensity is calculated by dividing total energy consumption (in GJ) by total product sales in metric tons. (Total product sales are calculated using sales data, excluding internal sales and re-sales.)

WATER INTENSITY

SABIC calculates water intensity based on potable water consumption, which includes fresh (non-saline) water used for process and potable applications. This water is sourced from public utility desalination plants.

For operating facilities where potable water is purchased from a third-party supplier, consumption data is calculated from monthly water bills generated by meters installed by the supplier. Water consumption is measured and reported in cubic meters (m^3). The invoices received from third-party suppliers include the volume of water in m^3, which is used directly for estimation. These invoices are reconciled with the finance and technical departments to ensure they are accepted and undisputed. Once confirmed, the total consumption value across all sites within SABIC's organizational boundary is used to calculate water intensity.

Water intensity is a measure of the total water consumption (calculated through the approach described above) per unit of sales. Water intensity is calculated by dividing total water consumption (in m^3) by total product sales (in metric tons). (Total product sales are based on sales data, excluding internal sales and re-sales.)

FLARING REDUCTION (SINCE 2010)

Flaring reduction is measured as the percentage reduction in GHG emissions (e.g., tCO_2e) from materials lost to flaring within a calendar year compared to the 2010 base year.

Flaring reduction (%) = (E2010 Flaring – EYear of Reporting Flaring)/E2010 Flaring × 100

Categories of flaring emissions:

1. Flaring streams continuously (not included in categories 2, 3, 4, and 5 below)
2. Flaring (pilot gas)
3. Flaring (sweeping gas)
4. Flaring during planned turnaround
5. Flaring during emergency/upset situations, including shutdown/start-up

MATERIAL LOSS INTENSITY

Material loss in metric tons is a measure of SABIC's operational resource efficiency in terms of significant losses of process-related materials or activities to the environment. Material loss is the sum of various sources of emissions and waste, including:

- flaring
- process vents
- fugitive emissions
- hazardous and non-hazardous wastes

SABIC takes a comprehensive measurement approach to allow various sites to focus on the most important aspects of material loss for each process. This approach also reinforces the importance of optimizing material usage in production operations. Improvements in material loss typically lead to additional material availability for

production or a reduction in waste disposal, both of which directly impact economic performance.

The intent of this metric is to account for significant losses of process-related materials or activities to the environment. The definition was developed using SABIC's existing environmental accounting and measurement systems, which are managed by the environment, health, safety, and security (EHSS) organization. Much of the required data is available in EHSS reports and systems, and EHSS experts are involved in data collection and cross-checking to ensure consistency.

Material loss intensity is calculated by dividing total material loss, which includes the categories listed above, by total production in metric tons. (Total product sales are calculated using sales data, excluding internal sales and re-sales.)

CO_2 UTILIZATION

There is no international standard or external guidance on CO_2 utilization metrics. As such, SABIC has implemented its own definition of this indicator, which has been externally reported since 2013. CO_2 utilization refers to the process of capturing and utilizing CO_2 compounds emitted from specific process units as a feedstock (i.e., raw material) in other process units to produce SABIC products. The indicator is defined as the total annual CO_2 utilized in operations, measured in metric tons. Examples of CO_2 utilization applications include:

- urea production
- 2-EH production
- methanol production
- polycarbonate production

CO_2 utilization includes any use of CO_2 as a feedstock that originates from a process operation at a SABIC site or affiliate that is not a gas plant or operation specifically designed to produce CO_2. The CO_2 must come from a process vent, stack, or similar source within a SABIC process operation, including:

- CO_2 transferred from within the same SABIC site or affiliate
- CO_2 transferred from another SABIC site or affiliate
- CO_2 transferred from an external source to SABIC process operations
- CO_2 sold as a product, including:
  - CO_2 transferred to be used as a feedstock in another or neighboring facility
  - liquid CO_2

The utilization should be based on flow data but may require mass balance accounting if flow data is unavailable. In such cases, the CO_2 mass balance should be as accurate and close to actual values as practically possible. Any assumptions or engineering judgments must be documented.

- For cross-site transactions, CO_2 utilization must be accounted for by one site only, even if flow data is collected from both for verification purposes. However, mass balance data may still be requested to help verify flow data.
- Any CO_2 counted as 'utilized' must not be re-vented during the utilization process. Sites and affiliates must monitor, measure, or estimate this.

CO_2 utilization only includes CO_2 produced in a separate process unit from the one that utilizes it. It does not include any CO_2 used in intermediate reactions (intentionally formed and consumed within the same process operation). Applicable formula:

$\sum CO_2$ utilized = $\sum CO_2$ to urea + $\sum CO_2$ to MeOH + $\sum CO_2$ to PC + $\sum CO_2$ to 2-EH + $\sum$liquid CO_2

EHSS KPIs

FATALITIES AND OCCUPATIONAL INJURY AND ILLNESS RATES

Definition	• Fatalities/fatalities rate • Total Recordable Injury and Illness Rate (TRIIR) KPI definitions are based on the United States' 29 CFR 1904 (Occupational Safety and Health Act).
Scope	Applies to work-related EHSS incidents managed and maintained by SABIC divisions and entities within the SABIC Integrated Annual Report boundary.
Data reporting and validation	Fatalities, fatalities rates, and TRIIR are reported monthly by SABIC divisions and entities. Data is collected, verified, and validated monthly through internal controls, following the SABIC Global Operating Management Standard (OMS 318) and applicable local regulatory requirements.
Calculation methodology	**Fatalities rate formula:** (Number of fatality cases × 200,000 hours worked)/(Company employees, leased, and outsourced contractors' man-hours worked) **Total Recordable Injury and Illness Rate (TRIIR) formula:** (Number of total recordable injuries + illnesses × 200,000 hours worked)/(Company employees, leased, and outsourced contractors' man-hours worked) “Recordable injuries and illnesses” follow the OSHA 29 CFR 1904 definition of recordable incidents. This includes fatalities, lost-time injuries, restricted work cases, medical treatment beyond first aid, loss of consciousness, and significant injuries or illnesses diagnosed by a licensed healthcare professional. These metrics are calculated for SABIC employees, including outsourced contractors.
Unit of measurement	• Fatality cases and injury/illness incidences are reported in absolute numbers. • Rates are calculated per 200,000 hours worked, based on the formulas above.
SABIC management system reference	This reporting is part of SABIC’s EHSS management system, specifically covering EHSS incident reporting, classification, investigation, and analysis.

PROCESS SAFETY EVENTS AND RATE

Definition	• American Petroleum Institute (API) 754 Tier 1 Process Safety Events/Rate Definitions are based on the American Petroleum Institute Guide to Reporting Process Safety Events (API-754, 3rd Edition).
Scope	Applies to work-related EHSS incidents managed, operated, and maintained by SABIC divisions and entities within the SABIC Integrated Annual Report boundary.
Data reporting and validation	SABIC sites report process safety incidents monthly in accordance with the SABIC Global Operating Management System (OMS). Reports are verified and validated by the Global EHSS team for process safety Tier 1 rate calculations.
Calculation methodology	**American Petroleum Institute (API) 754 Tier 1 Process Safety Event Rate formula:** (Number of Tier 1 Process Safety Events × 200,000 hours worked)/(Company employees, leased, and outsourced contractors' man-hours worked)
Unit of measurement	• Cases are reported in absolute numbers. • Rates are calculated per 200,000 hours worked.
SABIC management system reference	This requirement is part of SABIC’s EHSS management system, specifically covering EHSS incident reporting, classification, investigation, and analysis (OMS 318).

SOx AND NOx EMISSIONS TO AIR

Definition	Quantity of NOx and SOx emissions released into the air from combustion equipment and installations (e.g., boilers, furnaces, heaters, reformers).
Scope	NOx and SOx emissions KPI calculations apply to all significant air emission sources across all SABIC manufacturing affiliates within the defined organizational boundary.
Data reporting and validation	Quarterly SOx/NOx emission data is collected from all SABIC sites globally using the calculation methodology stated below. Data is reported via the unified EHSS KPI data reporting template. Emission data is verified according to SABIC's internal emission data validation guidance to ensure calculations are correctly performed.
Calculation methodology	Emissions from all significant sources are calculated using one or a combination of the following methods, aligned with GRI: • **Stack testing:** Direct measurement where emission rates (lb/hr) are calculated based on pollutant concentration, applicable conversion factors (from ppm to ng/m² and ng to il), and stack gas volumetric flow rates. • **Continuous emissions monitoring system (CEMS)/portable emissions measurement system (PEMS):** Direct measurement systems installed in compliance with local requirements. These systems calculate emission rates based on pollutant concentration and flow rates, then convert them into annual values using total operating hours. • **Fuel analysis or site-specific data:** Emissions calculated based on the molecular weight of the pollutant and the fuel. Site-specific methods may also be used, such as the UAE EPA 19 method to determine site-specific emission factors. • **Published emission factors:** Activity rate (flow rate) multiplied by emission factors from regional, local, or country-specific authorities or from the US EPA. • **Process knowledge:** If other methods are unavailable, emissions may be estimated using methods such as mass balance calculations or manufacturing specifications. The SOx/NOx emission concentration for a site is determined using one of the above methods, then multiplied by the flow rate of significant emission sources to calculate the total emission rate in metric tons (MT). Detailed calculation steps for each method are outlined in SABIC's internal emission calculation guidance documents for global use.
Unit of measurement	Metric tons (t)
SABIC management system reference	This requirement is part of SABIC's EHSS management system on air management. A comprehensive emission calculation guidance document is used to calculate NOx/SOx emission data in accordance with GRI.

HAZARDOUS AND NON-HAZARDOUS WASTE

Definition	Total amount of hazardous and non-hazardous waste generated from SABIC sites and facilities.
Scope	This KPI applies to all SABIC manufacturing sites, including SABIC T&I centers globally, where hazardous and non-hazardous waste is generated from manufacturing-related activities (including turnaround, shutdown, and start-up operations).
Data reporting and validation	Hazardous and non-hazardous waste data is reported by SABIC sites quarterly through the waste collection document/system via the Global EHSS KPI reporting template. Waste data is verified and validated by SABIC Global EHSS according to the waste reporting guidance document.
Calculation methodology	SABIC has developed a new waste guidance document aligned with GRI 306 international waste reporting requirements, ensuring appropriate granularity. The methodology includes: • hazardous waste generation • hazardous waste recovery • hazardous waste disposal • non-hazardous waste generation • non-hazardous waste recovery • non-hazardous waste disposal
Unit of measurement	Metric tons (t)
SABIC management system reference	Hazardous and non-hazardous waste reporting is part of the SABIC Operating Management System (OMS) under the waste management system. The waste reporting guidance document includes definitions of hazardous and non-hazardous waste. Since waste classification may differ by region or country, each site follows the applicable local or regional waste definitions.

ETHICS AND INTEGRITY KPIs

KPI	Definition
Compliance concerns raised	The number of compliance-related issues or concerns formally reported through the Compliance Investigation Tool (CIT) by employees, in line with the reporting boundary set out above. These concerns relate strictly to non-compliance with SABIC's Code of Ethics, other SABIC policies, procedures, or any other work-related compliance issues.
Investigations closed	Out of the total compliance concerns raised, the number of concerns that have been closed, meaning outcomes have been communicated with relevant action points as applicable. The terms "investigations" and "incidents" are used interchangeably.
Violations found and addressed	The number of violations found after the closure of incidents raised under compliance concerns raised. These refer to compliance policy violations that have been identified and addressed, including corrective actions implemented as applicable.
Scope	These KPIs apply to all SABIC employees in line with the reporting boundary set out above.
Data reporting and validation	An incident can be reported through the internal SABIC Integrity "Speak Up" icon or via any of the following channels: • any manager • legal counsels • HR managers • integrity ambassadors • Integrity@SABIC.com or DataProtection@SABIC.com
Calculation methodology	• **Total compliance concerns raised** = Total number of formal compliance issues raised through any of the above-mentioned channels. • **Total investigations closed** = Number of incidents fully resolved (including investigation and corrective actions) after a compliance concern has been raised. • **Total violations found and addressed** = Number of violations identified and addressed (corrective actions implemented) as a result of total incidents closed.
Unit of measurement	Number of reported cases.
SABIC management system reference	The report is generated from SABIC's Compliance Investigation Tool (CIT), which ensures all concerns are captured.

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