

CHEMISTRY THAT MATTERS™



EXECUTIVE SUMMARY 2022





ANNUAL REPORT
SUSTAINABILITY REPORT



OVERVIEW

THIS IS SABIC

16.5 bln NET INCOME (SAR) USD 4.41 BLN* * SAR/USD RATE: 3.75	313 bln ASSETS (SAR) USD 83.49 BLN*	198 bln SALES (SAR) USD 53 BLN*	61 mln PRODUCTION (METRIC TONS PER YEAR)
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 31,000+ Employees	 50 Countries of operations, with global headquarters in Riyadh, Saudi Arabia	 5 Key geographies with innovation hubs in the Middle East, the United States, Europe, Southeast Asia, and Northeast Asia	 9,948 Patents and pending applications
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OUR LEADERSHIP



KHALID HASHIM AL-DABBAGH
Chairman

SABIC had some notable achievements in 2022 under some extraordinary economic and geopolitical circumstances. Our association with Saudi Aramco, in particular, readily opened up avenues of cooperation through which deeper and broader synergies can be realized. We are refocusing our performance improvement initiatives and reinforcing the foundation of SABIC's growth to put ourselves in a better position to create shareholder value for the long term.

One of SABIC's chief priorities is securing long-run investment returns for its shareholders, and we at SABIC brought several key projects to their fruitful realization in 2022 toward this end. We are also reprioritizing a set of initiatives that address our manufacturing reliability, cash-flow management, and cost rationalization to make the company's performance more resilient and agile.

In addition, we are strengthening internal processes and systems to assure SABIC's Environmental, Social, and Governance (ESG) compliance from the Board of Directors down to the factory floor.



ABDULRAHMAN AL-FAGEEH
Chief Executive Officer

At SABIC, we have a long history of looking ahead with realism and adapting in advance to what the future is likely to bring. After experiencing some pronounced cyclical effects in 2022, SABIC has reached the threshold of an exciting new phase of growth. Our strategic positioning enables us to better address not only macro-economic volatility but also longer-term structural changes related to carbon neutrality and circular value chains.

Although our net income, at SAR 16.53 billion, was 28% less than the 2021 net income of SAR 23.07 billion, our revenue of SAR 198.47 billion was 13% higher than that of 2021. And our 2022 sales volumes exceeded those of 2021 by 9%, driven by growth projects, improved reliability, inventory optimization, and synergies with Saudi Aramco.

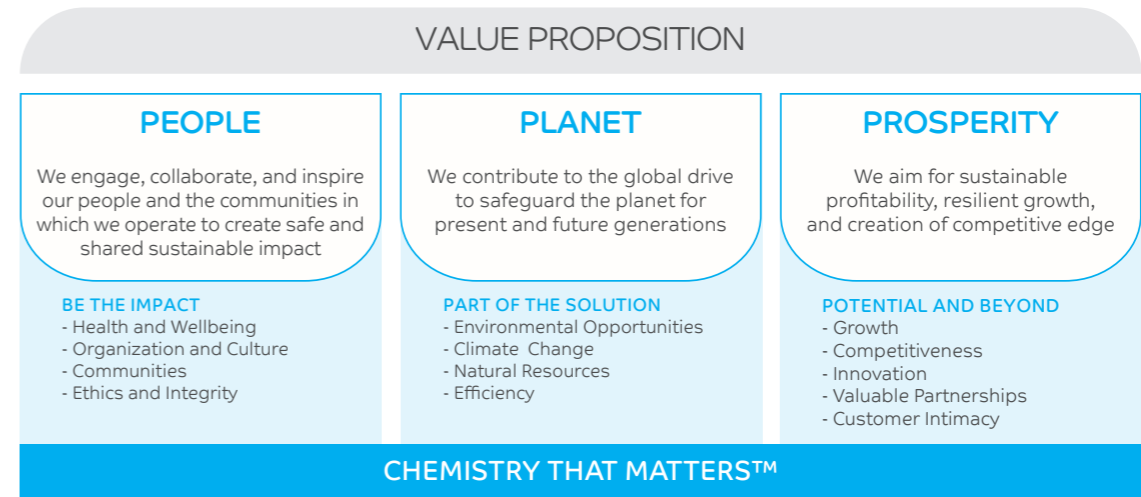
Our performance according to various environmental, health, safety, and security (EHSS) indicators was likewise encouraging in 2022. We equaled last year's best-ever overall EHSS score, and we remain ahead of the pace needed to reach our 2025 maturity target for our EHSS performance-monitoring system.

For the second year running, we received the "Best ESG Award" at the Saudi Capital Market Forum, a sign of our efforts in advancing sustainability through ESG performance.

STRATEGY

OUR VISION

TO BE THE PREFERRED WORLD LEADER IN CHEMICALS



SABIC's vision is to be the preferred world leader in chemicals. Our strategy lays out a roadmap to transform SABIC into a higher growth, sustainability-driven, more resilient, and more agile chemical company while playing a key role in Saudi Vision 2030.

Five facets will anchor and drive our business performance in the years ahead and help shape our decisions and investments: robust financials with a strong balance sheet; decisive and focused execution of our growth strategy; diversified global market and customer relationships; our role as the national chemicals champion; and an overarching emphasis on innovation and sustainability.

We recognize that SABIC's ability to create value year after year equally requires a more comprehensive approach in assessing impact and success. We have identified three longer-term megatrends that deserve our attention:

- **Shifting Globalization:** The industrial transformation in China coupled with re-globalization shakeups will impact regional and market scale and scope.
- **Intervening Policy:** The growing importance of sustainability and energy transition will impact the way we do business.
- **Disruptive Technologies:** Innovations in digitalization and new mobility constitute irresistible forces that will transform value chains.

We are preparing for seismic shifts in the energy value chain along with new regional positions in economies and markets, working through a clear list of yearly priorities and deliverables to focus on our long-term vision and contend with current short-term challenges such as inflation and monetary tightening; slowing economic growth; and volatile oil and gas prices. Despite these obstacles, we remain on track as we transition to the next chapter in our evolution, ushering in a new wave of growth that brings us closer to markets and feedstocks.

In 2022, our key priorities revolved around five major aspects:

- **Strategy:** Driving profitable growth while continuing to deliver on synergy benefits with Saudi Aramco.
- **Sustainability and Innovation:** Placing increasing importance on carbon neutrality, circular commitments, and ESG reporting.
- **Financial Excellence:** Disciplined capital allocation approach maintaining a strong standalone credit rating.
- **Operational Resilience:** Advancing competitiveness and strengthening the operating model.
- **Future of Work:** Prioritizing employee well-being and developing a winning and agile culture.

MATERIALITY AREAS AND STRATEGIC DOMAINS

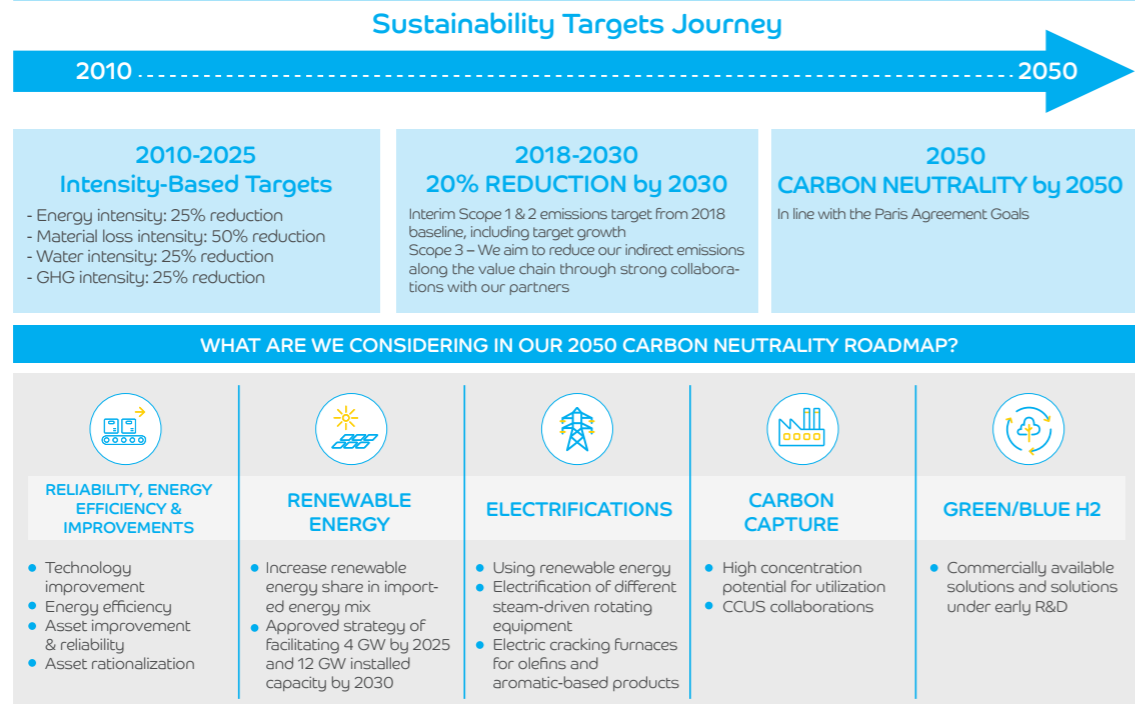
SABIC’s sustainability strategy is guided by four key motivating factors: addressing stakeholder needs; meeting evolving regulations; enabling responsible long-term growth; and driving a sustainable portfolio. To address these factors, we are integrating ESG principles into every function of our business, with each aspect of “ESG” playing a critical role.

Our six sustainability materiality areas – resource efficiency; climate change and energy; innovation

and sustainability solutions; circular economy; governance and ethics; and EHSS – are aligned with 10 of the 17 UN Sustainable Development Goals (SDGs), addressing issues such as poverty, climate change, environmental degradation, human rights, labor, and anti-corruption. We act on and operationalize our six sustainability materiality areas through four strategic domains: climate change, circular economy, safer chemistry, and ESG disclosures.



CARBON NEUTRAL BY 2050



In 2021, we made a public pledge to ensure that all our operations are carbon neutral by 2050. In addition to emphasizing circular and renewable feedstock, SABIC’s Carbon Neutrality Roadmap identifies five primary pathways to achieving net zero carbon emissions: reliability, energy efficiency, and improvements; renewable energy; electrification; carbon capture; and green/blue hydrogen.

From a baseline of 2018, SABIC has realized a reduction of 8% in absolute Scope 1 & 2 Greenhouse Gas (GHG) emissions, primarily driven through our efforts in energy efficiency, asset improvements, and renewable power incorporation.

In 2022, we commenced construction on the world’s first large-scale electrically heated steam cracker furnace, in partnership with BASF and Linde, that has the potential to reduce GHG emissions from one of the petrochemical industry’s most energy-intensive production processes by as much as 90%. We also studied the establishment of a complex in Ras Al-Khair, Saudi Arabia, that will convert 400,000 barrels of oil and liquids into petrochemicals daily and enable the Kingdom’s program to offer large-scale cost efficiencies and open value-creation opportunities for the energy and chemical industry.

As part of our collaboration with the Circular Carbon Economy National Program (CCE-NP) launched by the Saudi Ministry of Energy, we are establishing a Carbon Capture Use and Storage (CCUS) hub in Jubail to capture a total of 4 million metric tons of CO₂ annually (with 2 million metric tons captured annually by 2030). SABIC also aims to transition to renewable energy with the ambition of facilitating an installed capacity of 4 GW by 2025 and 12 GW by 2030 and switching from steam-driven to electric compressors and pumps to reduce GHG emissions. SABIC has also commenced manufacturing blue hydrogen at Wilton Teesside.

FUTURE PLANS AND INVESTMENTS CREATING SHARED VALUE WITH SAUDI ARAMCO

With Saudi Aramco’s acquisition of a 70% majority stake in SABIC in June 2020, SABIC expects to achieve a share in the value creation and synergy amounting to a recurring annual value of US\$ 1.5 to 1.8 billion by 2025.

Furthermore, SABIC reached a major milestone in taking over the marketing and sales of several Saudi Aramco products — Polyolefins, Polyurethanes, Performance Monomers, Ethylene Oxide Derivatives, and Glycols — to better target downstream demand.

In addition, SABIC marketed chemicals and polymers from the Saudi Aramco joint ventures, supplying our customers in China, South East Asia, Middle East, and Europe with an enhanced product offering, while making considerable progress on hydrocarbon optimization between refineries and our steam crackers in Saudi Arabia.

GROWTH PROJECTS

Pre-commissioning activities commenced at a polycarbonate production complex in China, developed by Sinopec Sabic Tianjin Petrochemical Company (SSTPC), as part of a joint venture between SABIC and Sinopec (China Petroleum & Chemical Corporation), and is expected to produce 260,000 metric tons. SABIC also signed multiple licensing and engineering agreements to develop process design packages for a world-class mega petrochemical complex in China.

Furthermore, SABIC signed a joint development agreement with Saudi Aramco and PKN Orlen to assess the technical and economic feasibility of setting up a petrochemical production project in Poland, expanding the brand in the European market.

SABIC, OQ, and Kuwait Petroleum International (KPI) signed a joint project development agreement to study the establishment of a jointly-owned petrochemical complex situated in the Special Economic Zone at Duqm (SEZAD), the Sultanate of Oman, consisting of a steam cracker, derivative units, and a natural gas liquid (NGL) extraction facility.

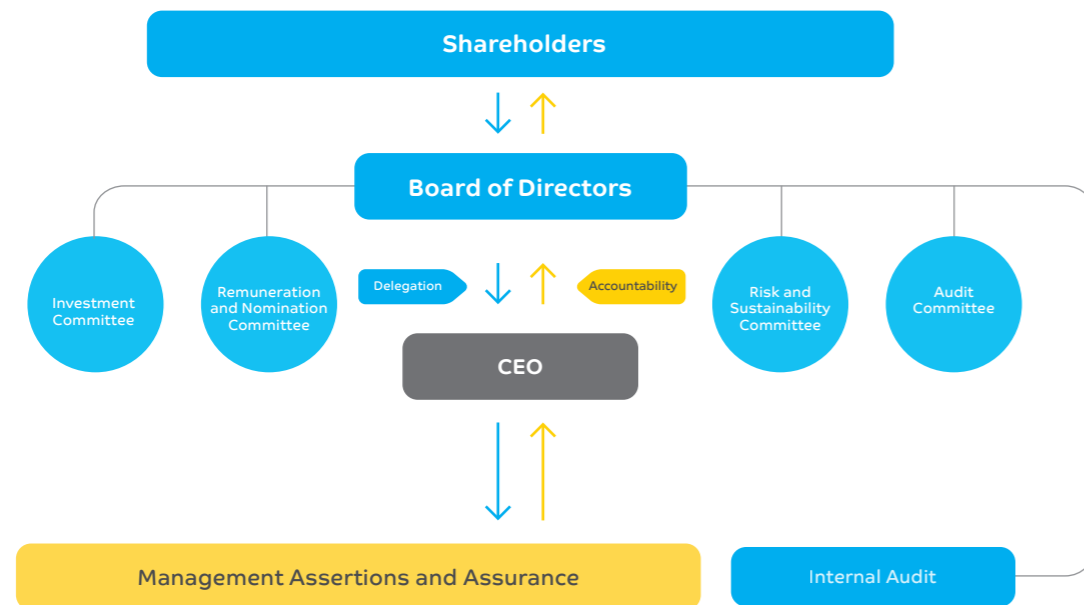
We believe that collaborating with partners, both domestic and abroad, is integral to our plans for growth.

CORPORATE GOVERNANCE

SABIC is always committed to high standards of governance, which is achieved through effective strategic planning, risk management, transparency, and social and environmental responsibility.

Our corporate governance framework goes beyond meeting compliance requirements; it sets out roles,

responsibilities, methods of decision-making and accountability in line with the Board-approved delegation policy. It also includes the main governance bodies of the company, and clarifies how they interrelate, integrate, and coordinate their activities.



INTEGRITY AND COMPLIANCE

At SABIC, compliance and ethics are integrated in ongoing processes that seek to engage our workforce, customers, suppliers, investors, community members, and other stakeholders with a framework for conducting business in an ethical manner, addressing risk and mitigating issues and concerns.

The SABIC Code of Ethics is the bedrock of our culture of integrity, and applies to all employees, management, and directors, and is designed to hold SABIC accountable to the highest standards of integrity and laws and regulations of all countries in which we operate. Employees are regularly provided updated training manuals and mandated to complete the in-person or online compliance training that covers specific topics related to their work duties, such as antitrust legislation, fair employment practices, and trade controls. Our employees are encouraged to report any compliance concerns, and to inquire and ask for guidance on any doubts they may have.

Building capacity in our business environment is important to our external stakeholders as they want assurances that our supply chain is free of corruption, forced and child labor, environmental violations, and other compliance violations.

SABIC was awarded the Ethisphere Compliance Leader Verification®, valid through 2024. The verification process takes a deep-dive view of all aspects of a company's program, including its ethics program structure and oversight, training and communication, risk measurement, monitoring for misconduct, disciplinary measures and ethical corporate culture, and employee perceptions.

FINANCIAL PERFORMANCE

Our strong performance in 2022 reflects the company's focus on safe and reliable operations as well as financial discipline despite the geopolitical and economic challenges encountered throughout the year.

SUMMARIZED CONSOLIDATED STATEMENT OF INCOME

SAR in billions	2022	2021	% change	2020	2019	2018
Sales	198.47	174.88	13%	116.95	135.40	169.13
Gross profit	42.67	47.88	-11%	22.64	29.41	57.84
Income from operations	23.88	33.60	-29%	4.57	11.52	36.28
Net income	16.53	23.07	-28%	0.07	5.20	21.52

USD in billions	2022	2021	% change	2020	2019	2018
Sales	52.92	46.64	13%	31.19	36.11	45.10
Gross profit	11.38	12.77	-11%	6.04	7.84	15.42
Income from operations	6.37	8.96	-29%	1.22	3.07	9.67
Net income	4.41	6.15	-28%	0.02	1.39	5.74

SUMMARIZED CONSOLIDATED BALANCE SHEET

SAR in billions	2022	2021	% change	2020	2019	2018
Total assets	313.11	319.36	-2%	295.47	300.48	308.53
Total liabilities	95.49	107.52	-11%	101.23	93.67	93.28
Equity attributable to equity holders of the parent	186.05	180.14	3%	167.63	178.72	183.80

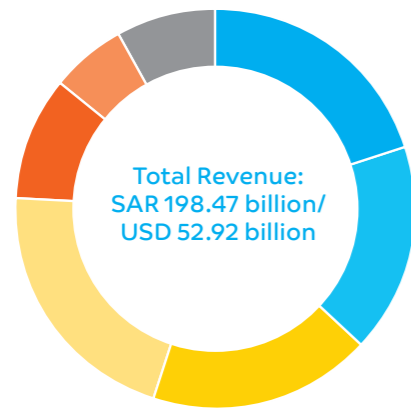
USD in billions	2022	2021	% change	2020	2019	2018
Total assets	83.49	85.16	-2%	78.79	80.13	82.27
Total liabilities	25.46	28.67	-11%	27.00	24.98	24.88
Equity attributable to equity holders of the parent	49.61	48.04	3%	44.70	47.66	49.01

SUMMARIZED CONSOLIDATED CASH FLOWS

SAR in billions	2022	2021	% change	2020	2019	2018
Net cash generated from operating activities	35.81	39.49	-9%	22.15	33.83	44.77
Net cash used in investing activities	-12.57	-8.92	41%	-13.96	-12.36	-29.60
Net cash used in financing activities	-25.42	-17.82	43%	-14.52	-23.04	-31.68
Free cash flow	25.59	28.52	-10%	8.89	15.29	30.53

USD in billions	2022	2021	% change	2020	2019	2018
Net cash generated from operating activities	9.55	10.53	-9%	5.91	9.02	11.94
Net cash used in investing activities	-3.35	-2.38	41%	-3.72	-3.30	-7.89
Net cash used in financing activities	-6.78	-4.75	43%	-3.87	-6.14	-8.45
Free cash flow	6.82	7.61	-10%	2.37	4.08	8.14

GEOGRAPHICAL DISTRIBUTION OF REVENUES



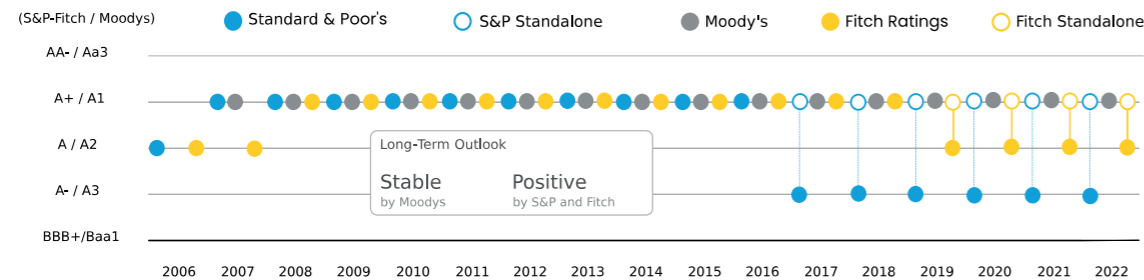
■ KSA	20%
■ China	17%
■ Rest of Asia	18%
■ Europe	21%
■ Americas	10%
■ Africa	6%
■ Others*	8%

The revenue information above is based on the locations of the customers
* Others mainly include sales made by certain subsidiaries to their foreign shareholders and for which detailed geographical breakdown for final end-consumer sales is not available with the Group.

SABIC CREDIT RATINGS

Our standalone credit ratings have been consistently on the A+/A1 band, among the highest-rated global chemical companies, demonstrating consistent resilience over nearly the last two decades versus

some of our peers. Both Standard and Poor's and Fitch Ratings revised SABIC's outlook in April and May 2022, respectively.



STRATEGIC BUSINESS UNITS

PETROCHEMICALS

Petrochemicals is SABIC's largest strategic business unit (SBU) and supplies customers all over the world with innovative solutions and products that cater to their demands for improved performance and sustainability. Our product portfolio constitutes the basic building blocks of various chemicals and advanced materials that ultimately enable the manufacture of a wide range of industrial and consumer goods.

FINANCIAL HIGHLIGHTS

REVENUE
SAR 164.8 BLN
10% GROWTH OVER 2021

NON-FINANCIAL METRICS

Million t	Production volume		Sales volume	
	2022	2021	2022	2021
Chemicals	37.7	35.7	23.4	23.0
Polyethylenes (PE)	4.6	4.0	8.7	7.1
Performance Polymers & Industrial Solutions (PP & IS)	5.7	6.1	7.5	6.8
Total	47.9	45.9	39.7	36.9

SELECTED OPERATING HIGHLIGHTS

- SABIC's joint venture with ExxonMobil, Gulf Coast Growth Ventures (GCGV), began operations at its world-scale manufacturing facility in San Patricio County, Texas, in January 2022.
- SABIC started commercial operations at United's third Ethylene Glycol (EG) plant, marking a milestone achievement in our EG growth ambitions.

- Another SABIC affiliate, Gas, expanded its industrial gas production capacity by adding a new Air Separation Unit Phase-9 to fulfill current and future demands of N₂ and O₂ in the Jubail industrial city.
- Two methyl tertiary-butyl ether (MTBE) improvement projects have been awarded in Petrokemya North (PK-N) and Ibn Zahr sites to increase SABIC's production and improve cost and energy intensity.

AGRI-NUTRIENTS

All SABIC agri-nutrients investments and assets were consolidated into the SABIC Agri-Nutrients Company on January 1, 2022, the culmination of a transformation initiative that commenced in 2018. With a vision to be a global leader in the agri-nutrients industry, SABIC Agri-Nutrients adopts a distinct operating model that focuses on a number of pillars to ensure sustainable growth and offer more diversified agri-nutrients solutions.

FINANCIAL HIGHLIGHTS

REVENUE
SAR 18.23 BLN
50% GROWTH OVER 2021

NON-FINANCIAL METRICS

Million t	Production volume		Sales volume	
	2022	2021	2022	2021
	8.3	7.6	6.7	6.2



The world's first commercial shipment of accredited independently certified blue ammonia – part of a collaboration between SABIC Agri-Nutrients and Saudi Aramco – arrives in South Korea.

SELECTED OPERATING HIGHLIGHTS

- SABIC secured a new urea-supply agreement of 100 kmt to South Korea and added the East Coast to the existing traditional US market of New Orleans and West Coast.
- SABIC dispatched the world's first commercial shipment of 25 kmt of accredited "cradle to gate" blue ammonia from Saudi Arabia to South Korea.
- SABIC provided 190 kmt of uninterrupted phosphate fertilizers at stable prices to local markets when global phosphate market prices rose, and supported food security in key markets through contract renewals. We also managed to introduce light diammonium phosphate (DAP) to Pakistan via two cargos totaling 56 kt, reestablishing our presence in the country.
- We inaugurated a new field to test smart agriculture; using sensors in our technology center, we brought the latest technologies in artificial intelligence into agriculture, to proactively predict nutrient requirement, pest control, and water management for sustainable agriculture.

SPECIALTIES

The Specialties SBU is the home of high-performance specialty products for SABIC. As a non-cyclical technology business that is not dependent on advantaged feedstock, we create value by pushing the boundaries of materials' physical properties to address customers' challenges.

NON-FINANCIAL METRICS

Million t	Production volume		Sales volume	
	2022	2021	2022	2021
	0.070	0.081	0.279	0.299

SELECTED OPERATING HIGHLIGHTS

- To help meet the electric vehicle (EV) manufacturers' stringent demands of higher voltage batteries, SABIC introduced NORYL™ NHP8000VT3 resin. This resin achieves the highest comparative tracking index performance (CTI PLC0) and provides ultra-thin-wall extrusion and thermoforming capability, meeting UL94 V0 standard at 0.25 mm with non-brominated, nonchlorinated flame retardance.
- SABIC introduced LNP™ ELCRIN™ EXL7414B copolymer, an ISCC+ certified 50% bio-based content polycarbonate copolymer to help advance consumer electronics (CE) industry's net-zero carbon emissions goals.
- The Specialties business won three awards during the 2022 Edison Awards Cycle for:
 - o enabling ADAS designers to improve signal strength at higher frequency (>75GHz) millimeter wave radars (LNP™ THERMOCOMP™ compounds);
 - o enhancing fire resistance (FR) performance and adding bio content to meet rigorous IEC 62368-1 safety standards for consumer electronics (LNP™ ELCRES™ EXL7414B resin);

- o increasing sustainable content with development of bio-based, carbon fiber-reinforced FR compound in housings for the CE industry (LNP™ THERMOCOMP™ DC0041PE compound).

- R&D World magazine awarded Specialties for:

- o its contribution to enable the world's first Laser Direct Structuring antenna design for 5G infrastructure (LNP™ THERMOCOMP™ OFC08V compound);
- o contributing to net-zero carbon goals through chemical upcycling of PET Bottles (LNP™ ELCRIN™ iQ resins);
- o helping ADAS designers improve signal transmission accuracy and reliability (LNP™ solutions).

METALS (HADEED)

Hadeed is a wholly owned steel manufacturing affiliate through which SABIC supplies metal products. As one of the biggest steel manufacturers in the Middle East and Africa (MEA) region, Hadeed produces steel for local and regional markets under two main streams of diversified long and flat steel. As the local steel champion, we offer innovative and diverse steel solutions, with a focus on delivering maximum value for our stakeholders.

FINANCIAL HIGHLIGHTS

REVENUE
SAR 15.39 BLN
20% GROWTH OVER 2021

NON-FINANCIAL METRICS

Million t	Production volume		Sales volume	
	2022	2021	2022	2021
	5.2	4.6	5.2	4.4

SELECTED OPERATING HIGHLIGHTS

- For long products, we developed and commercialized high-strength rebar Grade 80 with different sizes as per SASO ASTM A615 -2021. This product offers many advantages compared to the conventional Grade 60 used in construction in terms of properties and sustainability. Additionally, we are developing rebar size 36mm Grade B500B as per BS4449 to fulfill the local and international market requirements for weldable deformed rebar.
- For flat products, we are commercializing the Hot Rolled Coil Grade 60 in accordance with EN 10025. The newly developed grade will help fulfill customer requirements for high-strength tubes and C-sections used in solar applications.

ESG PERFORMANCE**PERFORMANCE SUMMARY**

Most material key performance indicators	Unit	2018	2019	2020	2021	2022
Resource Efficiency						
Energy intensity	GJ/t product sales	17*	17*	16.3*	16.2*	15.6*
Water intensity	m³/t product sales	2.6*	2.6*	2.5*	2.6*	2.3*
Material-loss	t/t product sales	0.070*	0.070*	0.065*	0.066*	0.063*
Flaring reduction since 2010 ¹	Percent	43*	48*	56*	51*	55*
CO ₂ utilization	Million metric tons	4.0*	3.6* ³	3.7*	3.6*	3.8*
Absolute waste reduction since 2010	Percent			29.8	11.9	1.4
Climate						
Absolute GHG (Total Scope 1&2)	tCO ₂ e	56,794,358*	54,949,506*	54,261,985*	51,118,829*	52,126,771*
GHG emission intensity	tCO ₂ e/t product sales	1.22*	1.17*	1.14*	1.12*	1.06*
Ethics and Integrity						
Compliance concerns raised	Number	152*	157*	90*	99*	136*
Investigations closed	Number	119*	135*	69*	89*	113*
Violations found (addressed)	Number	42*	41*	30*	41*	42*
Training completion ²	Percent	99*	99*	99*	99*	99*
Innovation and Sustainability Solutions						
Total patent portfolio	Number	11,738	12,540	9,946	10,090	9,948
Environment, Health, Safety, and Security						
EHSS rate ⁴	Incidents/200,000 hours worked	0.43*	0.57*	0.42*	0.34*	0.34*
Total recordable incident rate	Incidents/200,000 hours worked	0.14*	0.14*	0.10*	0.11*	0.10*
Occupational illness rate	Incidents/200,000 hours worked	0.003*	0.008*	0.003*	0.002*	0.001*
Fatalities	Number	0*	0*	3*	0*	0*
Fatalities rate	Fatalities/200,000 hours worked	0.000	0.000	0.003	0.000	0.000
API 754 PSE Tier 1	Incidents	7	25	10*	15*	11*
API 754 PSE Tier 2	Incidents	-	-	13	6	8
Security incidents	Class A + Class B + Class C (SHEM-10)	1	1	1	1	2
Security incident rate	Incidents/200,000 hours worked	0.001	0.001	0.001	0.001*	0.002*
Hazardous substances released	Metric tons	-	-	14.3*	2.8*	6.8*
Human Capital Development						
Women in the workplace	Percent of workforce	7.3	7.5	7.4	7.4	7.7
Learning programs	Participants	22,222	15,388	15,462	9,632	14,584
Social Impacts						
Community giving	Million US\$	36.7	15.6	39.6	33.6	28.9
Supply Chain						
Safety and quality assessment system - liquids	Percent of suppliers	100	100	100	81	94
Safety and quality assessment system - solids	Percent of suppliers	91	93	98	85	87

*Assured by KPMG.

** Note that the reporting boundary for Environmental Sustainability KPIs (Resource Efficiency and Climate) is current financial consolidation plus 3.5 SABIC affiliates - Kemya, Sharq, Yanpet and 50% of SAMAC - that were moved outside financial boundaries in 2020.

Adjusted for comparison purposes.

¹ Flaring reduction calculations are based on reduction of GHG emissions.

² 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.

³ 2019 CO₂-utilization numbers were recalculated and adjusted for comparison purposes.

⁴ This is a severity-weighted rating.

INNOVATION AND SUSTAINABILITY SOLUTIONS

A sustainable future requires finding new solutions, new practices, and new ways of conducting business. SABIC is committed to responding to these challenges and discovering avenues that benefit our business, our customers, and society, from developing innovative products made with recycled plastic to implementing process improvements that reduce GHG emissions, and collaborating with industry partners to minimize negative environmental impact across the value chain.

Our efforts won SABIC five Edison Awards across

four different categories in 2022 along with an R&D 100 Award.

Moreover, SABIC showcased its TRUCIRCLE™ program for manufacturers along with our new program, BLUEHERO™, at K-Show 2022. In addition, we exhibited a broad range of differentiated material solutions and applications samples that target improved functionality, sustainability, safety, design, cost, and patient and consumer convenience that meet the needs of the hygiene and healthcare industry.

TOTAL ACTIVE PATENT PORTFOLIO (PATENTS AND PENDING APPLICATIONS)/NEW PRIORITY-PATENT APPLICATIONS IN 2022

9,948/233

% OF NEW PRIORITY PATENT APPLICATIONS IN 2022 ASSOCIATED WITH PSA-ASSESSED RESEARCH PROJECTS AS HAVING A SUSTAINABILITY CLASSIFICATION

~55%

SUSTAINABILITY-DRIVEN SOLUTIONS

>50%

IMPROVEMENT IN % OF INNOVATION EBITDA/ BUSINESS EBITDA (2019-2022)

15+%

ACTIVE R&D PROJECTS

450+

R&D CENTERS WORLDWIDE

18

R&D EMPLOYEES

2,000+

SABIC'S PORTFOLIO SUSTAINABILITY ASSESSMENT APPROACH

The portfolio sustainability assessment (PSA) approach, which is a methodology sponsored by the World Business Council for Sustainable Development (WBCSD), offers a robust framework of sustainability criteria to analyze companies' product portfolios. SABIC, along with several other industrial peers in the chemical sector, has participated in the design and development of this methodology since its inception.

After gaining experience from running two pilot assessments with some polymers segments in 2018 and 2020, SABIC applied the full scale of the PSA methodology to a broad part of its business for the first time in 2022, covering 48% of revenues at corporate level and assessing 412 grades in 149 products/applications.

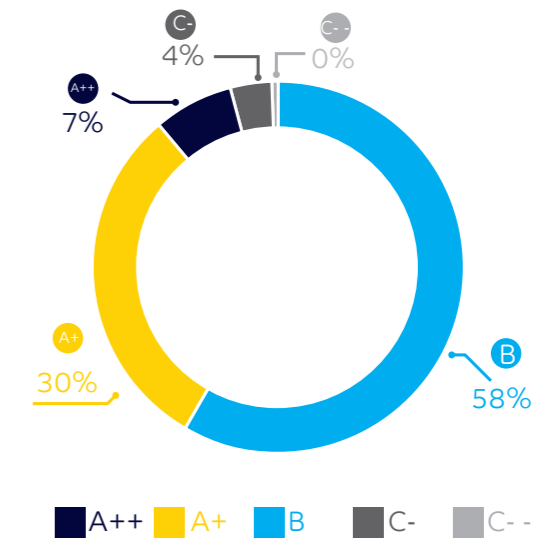
Products with strong sustainability-related benefits were categorized as A++ (advanced) and A+ (progressing) and comprised 37% of the screened revenues. Such products contribute to reducing customers' carbon footprint or conserving resources at the application level, and help customers develop their own sustainable applications. To date, some key A++ and A+ products in our portfolio include foam insulation products, lightweight polymer solutions, and low carbon steel products.

In addition, the PSA identified some flagged (C-) and challenged (C- -) products/applications (comprising a combined 4% of the total revenues in 2022). These products are related to:

- additives that are substances of concern, which we are addressing through our product stewardship program, "Safer Chemistry"
- applications with risk derived from end user responsibility, which we are addressing through our TRUCIRCLE™ program.

In addition to our commercial portfolio, the PSA methodology was adopted across the entire Technology and Innovation (T&I) portfolio in 2022 to assess the sustainability performance of all research and development projects, and will be a crucial tool in enabling SABIC to accelerate growth in sustainable sectors in the future.

PSA PERFORMANCE CATEGORIES % REVENUE, 2022



48% coverage of 2022 revenues

Advanced	A++
Progressing	A+
Compliant	B
Flagged	C-
Challenged	C- -



SABIC is focusing on new innovations and technologies that are creating advanced market niches.

2022 HIGHLIGHTS

TRUCIRCLE™

At the World Economic Forum (WEF) Annual Meeting 2023 in Davos, SABIC unveiled its plans to process one million metric tons (1,000 kt) of TRUCIRCLE™ solutions annually by 2030, reaffirming its pledge to accelerate the circular carbon economy. In order to fulfil this ambition and meet the 2030 target, SABIC aims to upscale the volume of globally-advanced, recycled, as well as bio-based materials.

TRUCIRCLE™ PORTFOLIO

- focuses on product circularity and consists of mechanically recycled products, certified circular products, and certified renewable products.

TRUCIRCLE™ SERVICES

- focuses on collaborations around circularity and consists of design for recyclability and closed-loop initiatives.

- SABIC collaborated with Covestro to develop a new heat-resistant coating resin technology for biaxially oriented polyethylene (BOPE) films as a viable alternative to polyethylene terephthalate (PET) or polyamide (PA) laminates.
- SABIC processed 2.6 kt of pyrolysis oil in its crackers along with an additional 10 kt of renewable feedstock.
- SABIC collaborated with technology company Finboot, advanced recycling pioneer Plastic Energy, and packaging specialist Intraplás, on a pilot project to research the ways in which blockchain technology can enable end-to-end digital traceability of circular feedstock across every step of the supply chain.
- We joined forces with Mars and Landbell Group on an advanced recycling project to develop biaxially oriented polypropylene (BOPP) film to close the loop on flexible packaging and help Mars on its sustainable packaging journey.
- SABIC collaborated with Mattel (our first direct collaboration with the toy industry) to incorporate certified renewable polymers from SABIC's TRUCIRCLE™ program across Mattel's product range in all the leading global toy company's products and packaging by 2030.

BLUEHERO™

BLUEHERO™ is a new initiative aimed at delivering solutions that accelerate the world's energy transition to electric power. BLUEHERO™ intends to strengthen and expand its thermoplastic offering to help enable electrification with new investments.

We aim to support the automotive industry to shift over 70% of vehicles to electrification by 2030. Original Equipment Manufacturers (OEMs) have committed US\$ 560 billion¹ to deliver industry solutions across all verticals — materials; manufacturing; assembly; fire-polymer interaction; application/verification; and solution development. Our objective is to deliver industry-specific solutions that cater to the evolving needs of the automation industry, including lightweight and cost-effective products with lower environmental impact, and enhanced safety and performance standards. In addition, SABIC is eyeing a 2030 ambition of achieving over 150 kt in resin sales.

¹ <https://www.gminsights.com/industry-analysis/automotive-aftermarket>



BLUEHERO™ is a new initiative aimed at delivering solutions that accelerate the world's energy transition to electric power.

CLIMATE, ENERGY, AND RESOURCE EFFICIENCY

KEY METRICS

GHG INTENSITY REDUCTION	ENERGY INTENSITY REDUCTION	WASTE INTENSITY REDUCTION	MATERIAL LOSS INTENSITY REDUCTION
21.8%	14.6%	22.4%	47.6%
FLARING (tCO ₂ e)	FLARING EMISSION REDUCTION	TOTAL CO ₂ UTILIZATION (MILLION t)	
1,660,550	55.2%*	3.82*	
ABSOLUTE WASTE REDUCTION	ABSOLUTE GHG (TOTAL SCOPE 1&2) REDUCTION (tCO ₂ e)**		
1.4%	8%		

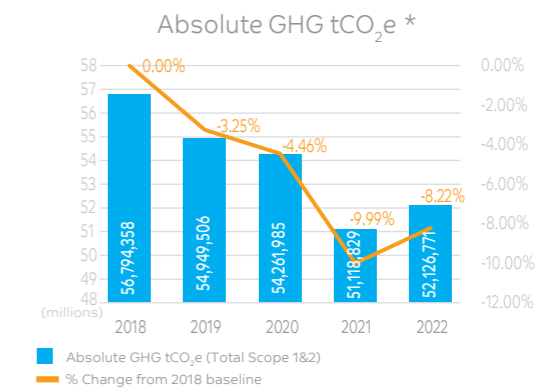
These metrics illustrate performance changes in GHG emissions, energy use, freshwater use, material loss, and flaring reduction compared to 2010. Total CO₂ utilization is the absolute usage in 2022. The intensities are based on units per metric ton of external product sales.
* Assured by KPMG
** From 2018 baseline

GREENHOUSE GAS EMISSIONS

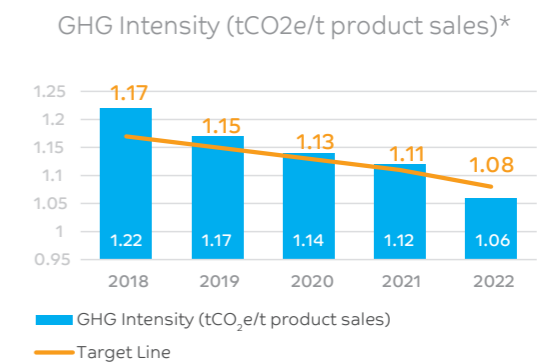
In 2022, absolute emissions increased by 2% compared to 2021, with an increase of 3.2% in Scope 1 and a decrease of 1.1% in Scope 2 emissions. The increase in Scope 1 emissions is directionally proportional to the increase in production (+3.9%) vs 2021. The main driver for the 1.1% drop in Scope 2 emissions is the continued grid emission factor updates around the world as well as the execution of key power purchase agreements (PPAs) in Europe, increasing our share of dedicated renewable power and thereby directly reducing SABIC's Scope 2 GHG emissions.

GHG in tCO ₂ e	2021*	2022*
Scope 1 – Financially consolidated	29,003,145	30,439,107
Scope 2 – Financially consolidated	12,555,400	12,513,231
Scope 1 - 3.5 affiliates**	7,004,342	6,820,144
Scope 2 - 3.5 affiliates**	2,555,942	2,444,289
TOTAL SCOPE 1 & 2	51,118,829	52,126,771

*Assured by KPMG
**3.5 affiliates include Kemya, Sharq, Yanpet, and 50% SAMAC
All numbers for Scope 2 are based on market-based accounting



*Assured by KPMG



*Assured by KPMG

2022 SCOPE 2 EMISSIONS tCO₂e*

Source	Location-based	Market-based	Delta
Electricity	14,530,345	14,333,675	
Heating/ Cooling	623,845	623,845	
Total	15,154,190	14,957,520	196,670

*3.5 affiliates include Kemya, Sharq, Yanpet, and 50% SAMAC

As we seek to progress on our Carbon Neutrality Roadmap, we understand that this journey requires transparent assessments that lead to learning and improvements. This year, we are reporting on our Scope 2 emissions using both location and market-based accounting methods. The increased granularity is necessary to tell the whole story of SABIC's carbon neutrality strategy.

RENEWABLE POWER

From January 2023, our sites in Geleen and Bergen op Zoom in The Netherlands began taking supply of renewable wind power from the SwifterwinT windfarm. The 730 GWh renewable wind power represents yet another leap forward in our global carbon neutrality strategy, providing 90% of our annual power demand in the Netherlands and helping us to reduce our indirect CO₂ emissions by over 300,000 metric tons.

SCOPE 3 EMISSIONS

Scope 3 emissions increased to 120.2 million tCO₂e in 2022 from 117 million tCO₂e in 2021, up by 3%. The primary driver of this increase was our joint venture with ExxonMobil, the GCGV manufacturing facility in San Patricio County, Texas, which commenced its first full year of operation in 2022.

Scope 3 Emissions in Million tCO ₂ e	2021*	2022*
Financially consolidated		
3.5 affiliates** reported in Scope 3, Category 15	117	120
Total GHG Scope 3		
3.5 affiliates** reported in Scope 1 & 2	117	120

*Assured by KPMG

**3.5 affiliates include Kemya, Sharq, Yanpet, and 50% SAMAC

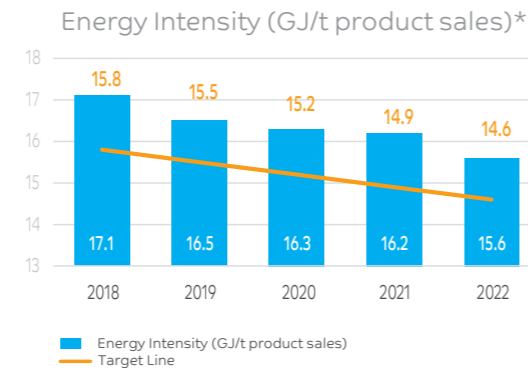
ENERGY

Energy intensity decreased by 3.9% from 2021, due to a sharp increase in sales across all our businesses. With this increased production came an increase in absolute energy consumption of 3.5%. The primary sources of this increase in production include our GCGV asset; our new United EG-3 glycols plant in Jubail, designed to be the most energy-efficient glycols plant in the world with zero steam operation, which commenced operations this year (with an increase in overall plant production of 8%); and the startup of our GAS 9 expansion project, which increased capacities for various operations in Jubail.

Energy in GJ	2021*	2022*
Financially consolidated	600,739,990	629,778,246
3.5 affiliates**	140,489,510	137,602,996
TOTAL ENERGY	741,229,500	767,381,242

*Assured by KPMG

**3.5 affiliates include Kemya, Sharq, Yanpet, and 50% SAMAC



*Assured by KPMG

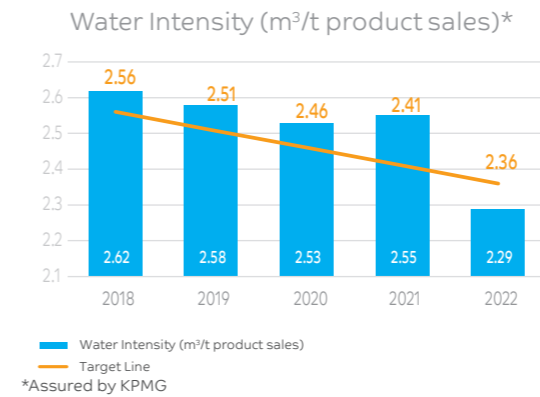
WATER

In 2022, water intensity decreased 0.5% from 2021, a result of a 4 million m³ reduction in absolute water coupled with a sharp increase in sales. Major contributors to the reduction in absolute water include multiple process optimization initiatives at ethylene-based Petrokemya Butene-1 plants that reduced steam consumption by 0.15 MMBtu per metric ton (equivalent to lowering the energy intensity by 3.5% compared to plant design).

Water in m ³	2021*	2022*
Financially consolidated	100,509,077	95,714,798
3.5 affiliates**	16,079,841	16,982,482
TOTAL WATER	116,588,918	112,697,280

*Assured by KPMG

**3.5 affiliates include Kemya, Sharq, Yanpet, and 50% SAMAC



*Assured by KPMG

In 2022, we filled the full CDP Water Security Questionnaire for the first time, earning a robust B- rating.

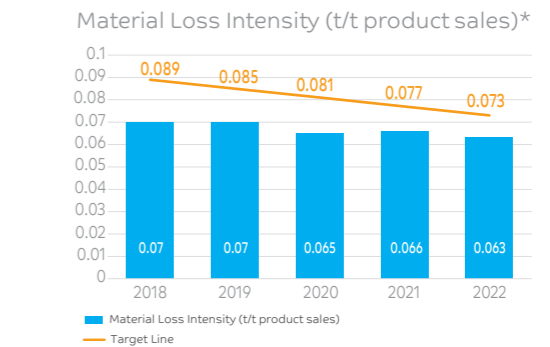
MATERIAL LOSS

Our material loss intensity decreased by 1.4% from 2021 while our absolute material loss volumes increased by 3.2% over that same period, the result of a sharp increase in sales. Key drivers of this production increase include our GCGV asset, and our new United EG-3 plant and GAS 9 project in Jubail.

Material Loss in t	2021*	2022*
Financially consolidated	2,027,852	2,207,855
3.5 affiliates**	997,163	914,702
TOTAL MATERIAL LOSS	3,025,015	3,122,557

*Assured by KPMG

**3.5 affiliates include Kemya, Sharq, Yanpet, and 50% SAMAC



*Assured by KPMG

EHSS AND PRODUCT STEWARDSHIP

SABIC is committed to maintaining the highest EHSS standards throughout the organization, extending to all entities, divisions, and partners. We aim to match best-in-class standards, to conduct all operations “Beyond Compliance,” and to inspire this mindset in everyone who works for or with SABIC. We also believe in prompt, full and transparent reporting of any non-compliance with our requirements and obligations.

In our ongoing commitment to providing exceptional service, SABIC Product Stewardship endeavors to furnish our customers with top-notch product regulatory compliance documentation in a timely manner, ensuring that their needs are met with urgency and diligence.

KEY METRICS

EHSS RATE	0.34
EHSS MATURITY INDEX	87.78%
CUSTOMER PRODUCT INQUIRIES ANSWERED	10,411

SELECTED HIGHLIGHTS

- From 2005 to 2022, SABIC’s EHSS rate improved by 90%, and the global EHSS maturity improved by 6% compared to 2021.
- SABIC merged the certification processes for all our Responsible Care® Certification RC14001 sites in an effort to improve learning and sharing across our manufacturing sites and the corporation.
- SABIC launched the new One Safety Data Sheets (SDS) Portal — an Integrated Product Compliance System Initiative that allows a single location for employees and external customers to search and view SDSs for SABIC products.
- As part of SABIC’s Safer Chemistry program, we scrutinized the first 25 prioritized Chemicals of Concern (CoCs) currently used in production and found opportunities to take varied actions.
- SABIC started a five-year cyclic review for the first 10 of 50 high-priority, comprehensive risk characterizations for SABIC key products: no changes were identified over the last five years in either human health or environment hazards, exposures or risks.



SABIC is committed to maintaining the highest EHSS standards throughout the organization.

ENGAGEMENT AND COLLABORATION

HUMAN CAPITAL

To build the workforce we need to support our growth ambitions, SABIC recognizes that we must offer a consistent employee value proposition and maintain our standing as an employer of choice.

PERFORMANCE METRICS

EMPLOYEES GLOBALLY	WORKFORCE DISTRIBUTION	WOMEN IN THE WORKFORCE	SABIC SCHOLARSHIP PROGRAM
31,000+	65% Middle East & Africa 14.8% Europe 9.3% Asia 10.9% Americas	7.7% of total workforce	428 (Male 278, Female 150)
EMPLOYEE GLOBAL ASSIGNMENTS	SABIC LEADERSHIP LEARNING	LEARNING AND DEVELOPMENT PROGRAMS	TRAINING PROGRAM PARTICIPANTS
219 Participants	587 Participants	1,519	14,584
NEW HIRES	TURNOVER	AVERAGE HOURS OF TRAINING PER EMPLOYEE PER YEAR	
1,986	5.3% of total workforce	20	

A CULTURE OF ENGAGEMENT AND EMPOWERMENT

The COVID-19 pandemic and the post-pandemic context have highlighted the importance of preparing ourselves for a more global and collaborative future. In 2022, we embedded flexible working benefits and a global work-from-home option into our global policies. We also instituted several initiatives that promote employee wellbeing on an individual level. In the US, our Benefits Tour 2022 sought to create a culture of care and elevate the mental/emotional, physical, and financial wellbeing of our employees. In China, SABIC launched an internal campaign to help ease anxiety and lift morale of our employees during the prolonged lockdown in Shanghai in April 2022. We created a website for our global employees that provides access to all information on available benefits in health, wealth, wellness, and work/life balance. We partnered with the Tabuk Mental Health Conference 2022 to help promote mental health in the region.

SELECTED HIGHLIGHTS

- The Top Employer Institute, a globally accredited certification body, has given SABIC “Top Employer 2022” awards in five of its key Asian markets: China for the 12th year, and India, Japan, Singapore and South Korea for the past 9 years.
- SABIC Mexico was named a “Great Place to Work,” ranking 13th among the Top-100 companies to work at in Mexico; and we were also honored at the 2022 STEP Ahead Awards.
- We initiated the SABIC Pioneers program with 1,468 retired employees to allow us to collaborate and benefit from their expertise and knowledge.
- SABIC was honored by the Ministry of Education for its valued efforts in supporting Saudi male and female students through robot laboratories, science support, and creative classes.

DIVERSITY, INCLUSION, AND COLLABORATION

As a multi-national corporation, SABIC recognizes that its workforce is made up of diverse people with differing needs while changing work patterns have created new challenges with employee engagement.

The SHE Network plays a key role in SABIC's recruitment, retention and promotion of women to increase female participation rates in the global petrochemicals industry. Women in the SHE Network serve as mentors and role models, encourage a culture of high performance, and seek ways to make SABIC an even better place for women to work.

SABIC trained its fourth batch of female employees in the EXSABIC program, an initiative under NUSANED™ that trains women on a six-month on-the-job training course to join the industrial sector in specific fields, making them eligible for skilled jobs in small and medium-sized enterprises. We believe this will aid Saudi Vision 2030 to boost female participation in the country's labor market.

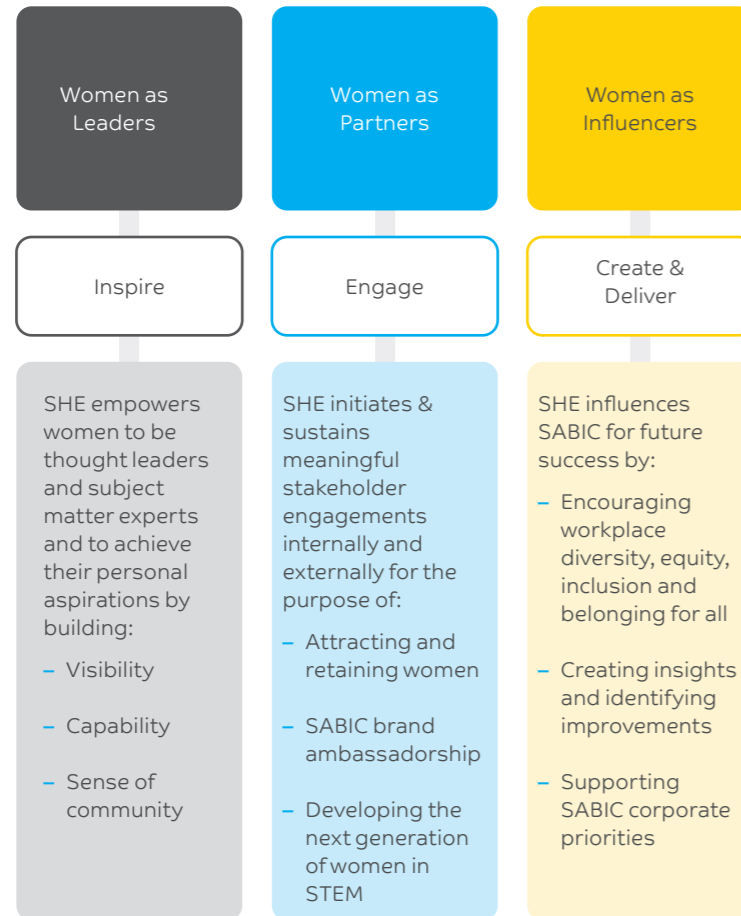
At SABIC, we seek to foster respect for human rights in our daily operations, and we embrace this same position with our business partners in our value chain, in the communities where we operate, and in the application and use of our products. In 2022, we launched our Human Rights webpage to give visibility to the commitments, programs, and initiatives we have undertaken over the years. (www.sabic.com/en/about/our-compliance-culture/our-human-rights-program)

INVESTMENT COMMUNITY

We continue to have a world-class engagement with all participants of the capital markets with continuous and open communications, including institutional and retail investors and analysts. We were honored with the Best Investor Relations Program Award 2022 at the Saudi Capital Market Forum, demonstrating the company's continued focus on building a best-in-class investor relations organization and our strong commitment to meet the Capital Market Authority's disclosure requirements.

The SABIC share is attractive for investors focusing on companies with a strong ESG performance. SABIC's ESG efforts were recognized for two consecutive years when we received the Best ESG Award at the Saudi Capital Markets Forum. Leading ESG rating agencies consider SABIC best-in-class on ESG within the chemical industry and the region. Their ratings particularly recognize SABIC's strong corporate governance and the company's comprehensive measures to address relevant sustainability issues. We actively participate in a large number of ESG ratings and are listed in several sustainability indices. In June 2022 we became a constituent of the FTSE4Good index series.

SABIC is the preferred brand for women working in the chemical industry



SOCIAL IMPACTS AND COMMUNITY RELATIONSHIPS

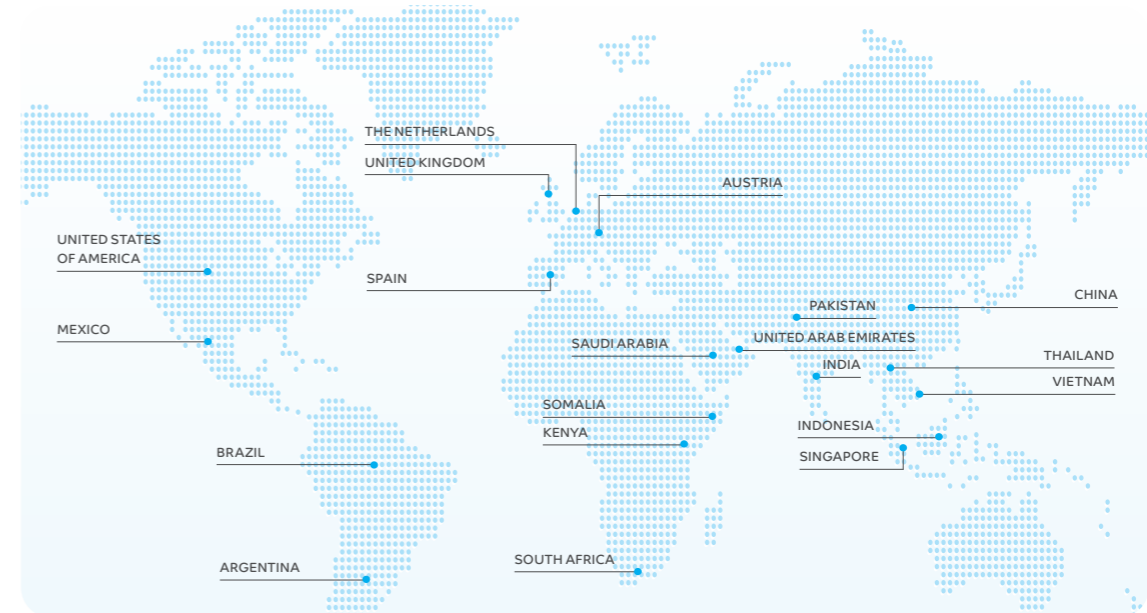
CORPORATE SOCIAL RESPONSIBILITY 2022 HIGHLIGHTS



In 2022, we used our global CSR strategic tool, RAISE – Reputation, Audience, Innovation, Strategy, and Endurance – to invest in programs that promote our values and direct our priorities into four strategic focus areas – Science & Technology Education, Environmental Protection, Health & Wellness, and Water & Sustainable Agriculture. These pillars are aligned with SABIC's 2025 strategy and contribute to three Saudi Vision 2030 pillars and 10 UN SDGs. RAISE assesses whether our initiatives have the

desired positive impact by asking whether it raises SABIC's overall visibility and reflects positively on its identity; whether it addresses community needs and engages key stakeholders; whether it uses new technology or takes a new approach that singles out SABIC's leadership; whether it complements business interests and aligns with our values; and whether it promotes a socially responsible culture and generates a positive, lasting impact.

OUR CSR FOOTPRINT GLOBALLY



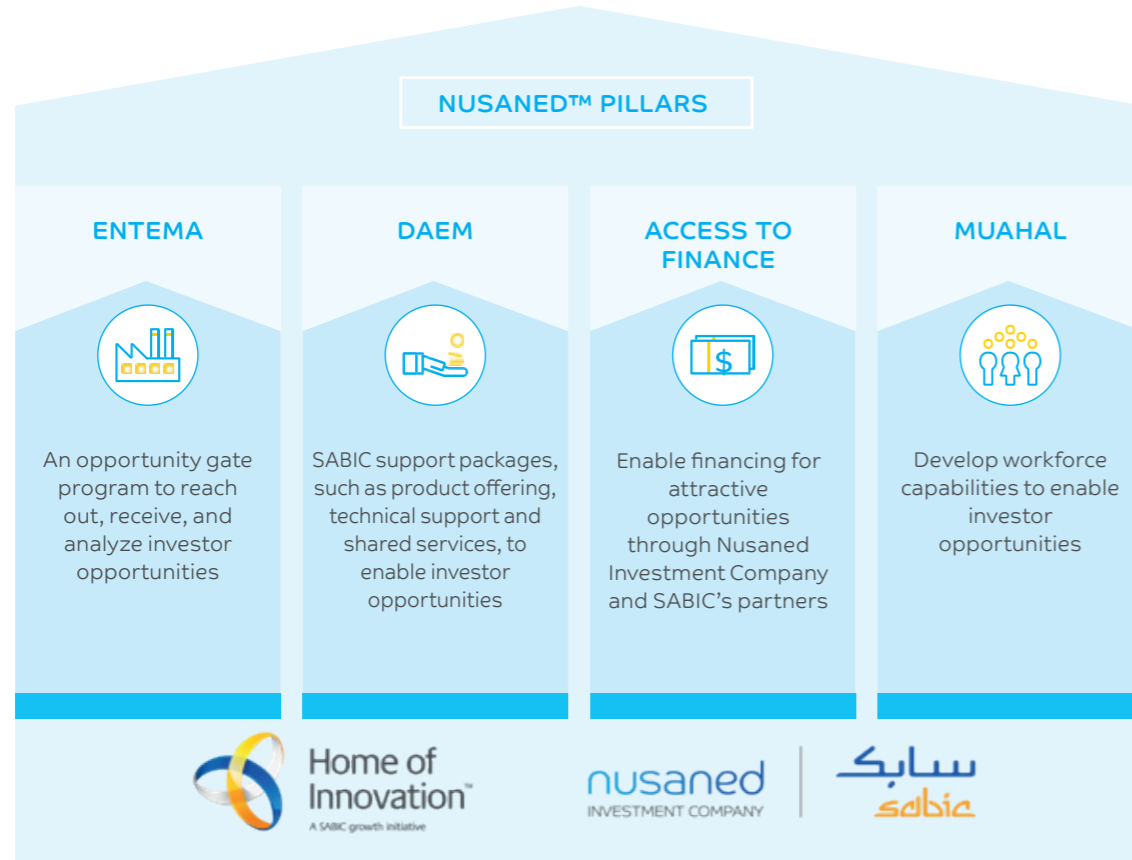
CREATING VALUE THROUGH LOCAL CONTENT

We are committed to supporting Saudi Vision 2030 through NUSANED™ with the ultimate aim of strengthening the local manufacturing base and

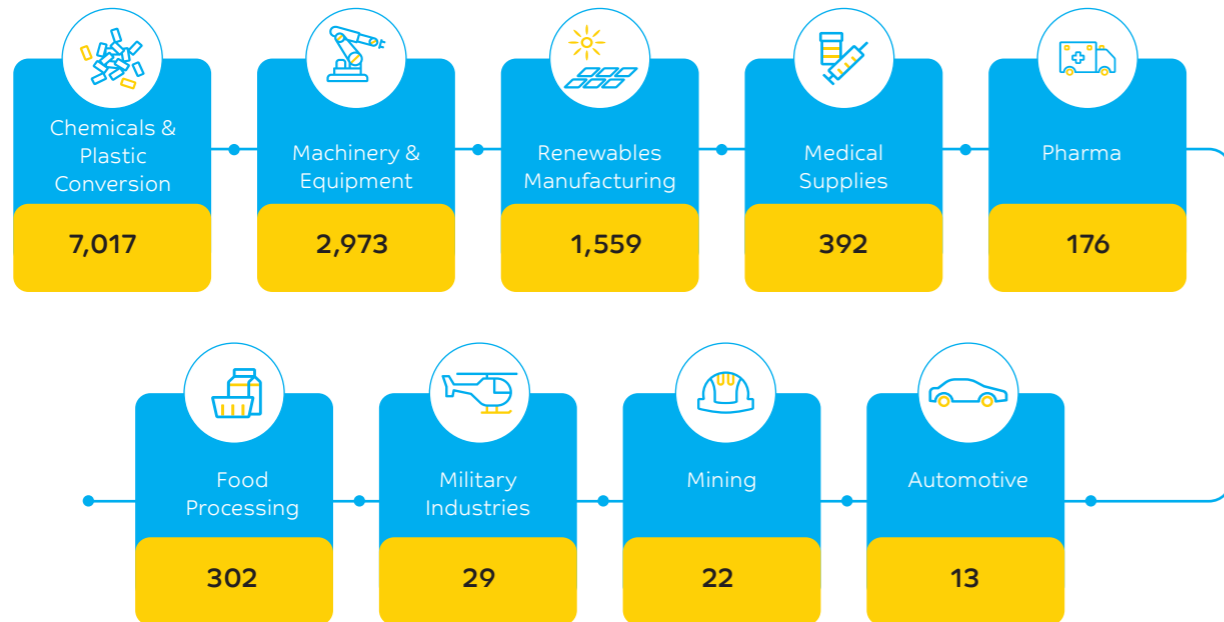
encouraging local businesses to grow and thrive while gradually reducing dependency on imports. Since its inception in 2018, the NUSANED™ program has created several job opportunities across national industrial sectors such as metals, renewables, medical supplies, and more.



*Since inception of NUSANED™ in 2018



NUSANED™ GRADUATES' ESTIMATED GDP IMPACT (IN SAR MILLIONS) ACROSS VARIOUS NATIONAL STRATEGIC INDUSTRIAL SECTORS (2018-2022)



SUSTAINABLE SUPPLY CHAINS

The challenges due to the ongoing COVID-19 pandemic and the 2022 Ukraine conflict had complex effects on the global supply chain, including limited port operations, logistics service disruptions, drop in schedule reliability, and container displacement. As a result, we reinforced our procurement processes to protect our business operations and customers, and successfully maintained our service levels to serve our customers in over 130 countries, building a resilient network.

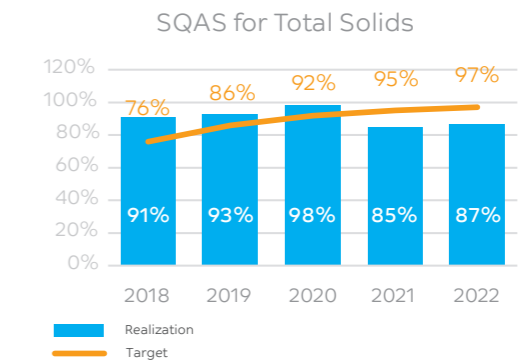
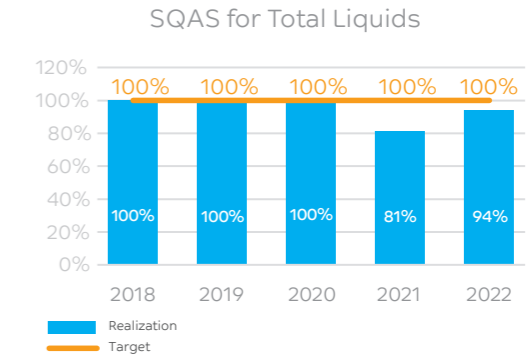
Through the launch of the global optimization program spanning all areas of the supply chain, we leveraged our collaboration with logistic-service partners and used economies of scale to reduce transportation, storage, and documentation costs to successfully deliver 32 million metric tons of product deliveries.

SABIC recently joined Together for Sustainability (TfS), a procurement-driven initiative created by chemical companies with the goal of assessing, auditing, and improving sustainability practices within their supply chains. Joining TfS will enable SABIC to progress on our sustainability goals as well as help drive the kind of collaboration that is vital for the industry in increasing transparency on upstream value chains to support further reductions in Scope 3 GHG emissions.

Furthermore, we are committed to fostering International Maritime Organization (IMO) 2020/2030 objectives as part of our global sustainability approach to reduce emissions in collaboration with our stakeholders.

SAFETY AND QUALITY ASSESSMENT SYSTEM

The Safety and Quality Assessment System (SQAS) is a vital tool in helping the chemical industry measure logistics service providers' (LSP) EHSS performance, assess and address gaps and areas for improvements, and identify top providers.



Our commitment to building a resilient network enables us to maintain our service levels to our customers in over 130 countries.

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