

CHEMISTRY THAT MATTERS™



CHEMISTRY THAT SHAPES TOMORROW

Integrated Annual Report 2024





King Salman bin Abdulaziz Al-Saud
The Custodian of the Two Holy Mosques



**His Royal Highness Prince Mohammed bin
Salman bin Abdulaziz Al-Saud**
Crown Prince and Prime Minister

CONTENTS

Click chapter headings to navigate

Click here to view a full-page site map of report contents

AT A GLANCE

TO OUR SHAREHOLDERS AND STAKEHOLDERS

2024 STORIES OF PRIDE

STRATEGIC APPROACH

FINANCIAL AND BUSINESS PERFORMANCE

VALUE CHAIN IMPACT

CORPORATE GOVERNANCE

CONSOLIDATED STATEMENTS

SUPPLEMENTARY INFORMATION



Click to expand

This interactive version of our report is designed for desktop and tablet viewing

Interactive navigation toolbar



Explore the interactive features within this PDF for a more engaging experience.



Contents



Previous view



Mouse click



Previous page



Next page



Cross reference



External link

Snapshot	Our global footprint	Our history	Segments we serve	2024 highlights	About this report
5	6	7	8	9	10

AT A GLANCE



SABIC is a global leader in chemicals, polymers, and agri-nutrients, serving customers in over 140 markets across the globe.

SNAPSHOT

Chemical industry insights

The chemical industry plays a critical role in virtually every sector of the economy:

6% share of global GDP

contributed by the chemical industry

120 million

jobs supported by the chemical industry

90%+

everyday products that contain chemicals

100,000+

chemicals in commercial use today

US\$ 7.8 Tn.

projected global chemical sales in 2030

2.5 billion tCO₂e

per year potential emissions reduction by chemical industry solutions in 2030

Source: ICIS, Oxford Economics

SABIC in numbers

Sales revenue:

₹ 140.0 Bn.

(US\$ 37.3 Bn.)

Total assets:

₹ 278.0 Bn.

(US\$ 74.1 Bn.)

Net income from continuing operations:

₹ 2.1 Bn.

(US\$ 0.6 Bn.)

Credit rating:

A+/A1

Attributable to equity holders of the Parent

Among the highest standalone credit ratings in the chemical industry

Estimated brand value:

US\$ 4.9 Bn.

Total production volume:

53.9 million metric tons

Patent portfolio:

11,000+

New products introduced:

135

Total recordable injury and illness rate

0.09

our best-ever TRIIR

Absolute Scopes 1 and 2 GHG emissions (tCO₂e)

-13.95%

Since 2018

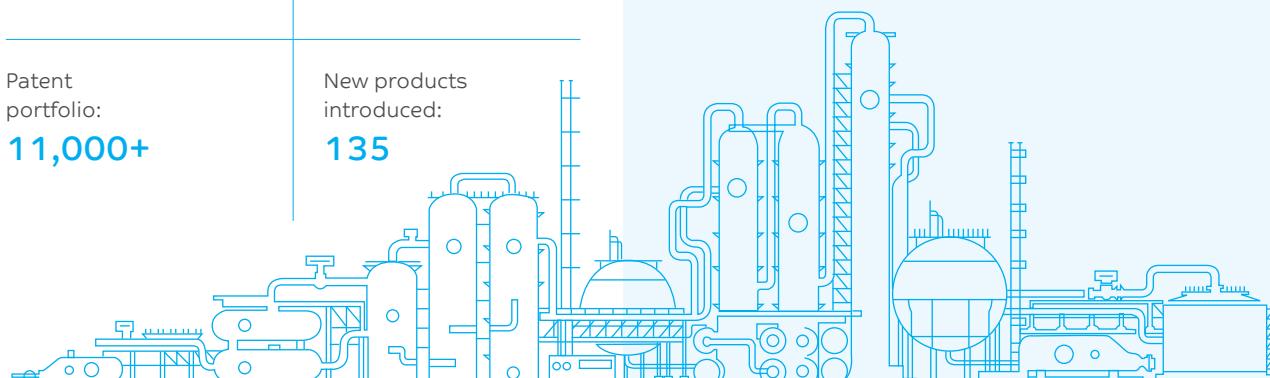
0.4%

2023-24 change

Thriving at SABIC

72%

of employees feel they thrive at SABIC



All SABIC numbers as of Dec. 31, 2024

OUR GLOBAL FOOTPRINT



OUR HISTORY



Foundation and establishment

1970s

- 1976** SABIC established by royal decree to convert waste natural gas to valuable chemicals
- 1979** Hadeed founded to supply metal products under the SABIC brand

1980s

- 1980** Ar-Razi formed as a single-commodity affiliate in the first step to becoming a global player in methanol

Joint ventures established with Shell and ExxonMobil, respectively
- 1981** Joint venture established with Mitsubishi
- 1983** First products exported out of Saudi Arabia
- 1984** First shares listed publicly on the Saudi Stock Exchange



Readiness for growth

1990s

- 1990** National shipping company, National Chemical Carriers (NCC), formed
- 1992** Four affiliates become the first companies in the Middle East to receive ISO 9002 certification
- 1994** SABIC Technology Center Riyadh established
- 1996** SABIC becomes the Middle East's largest joint stock company with sales revenues exceeding $\text{¥} 19 \text{ Bn.}$ (US\$ 5.1 Bn.)
- 1997** SABIC's share of the world petrochemical market estimated at 5%



Globalization

2000s

- 2000** SABIC's product sales span over 100 countries
- 2001** Jubail United Petrochemical Company established
- 2002** New SABIC global headquarters building opens in Riyadh

Acquisition of DSM Petrochemicals
- 2004** SABIC share value increases 170% from 2003 to 2004
- 2005** Yansab established by royal decree

SABIC becomes the world's 11th-largest petrochemical company and is ranked 331 on the Fortune Global 500
- 2006** Acquisition of Huntsman Petrochemicals UK
- 2007** Acquisition of GE Plastics
- 2009** Joint venture with Sinopec established in China



Transformation and innovation

2010s and 2020s

- 2011** First public environmental targets established; first sustainability report published
- 2012** SABIC Academy inaugurated
- 2014** Joint venture established with SK Chemicals in South Korea
- 2016** Home of Innovation™ inaugurated
- 2017** Joint venture with ExxonMobil, Gulf Coast Growth Ventures, established
- 2018** Acquisition of 24.99% stake in Clariant AG
- 2019** TRUCIRCLE™ launched
- 2020** Saudi Aramco acquires a 70% stake in SABIC

SAFCO becomes SABIC Agri-Nutrients Company

Collaboration with Saudi Aramco on the world's first shipment of low-carbon ammonia
- 2021** Aspiration for all operations to become carbon neutral by 2050 announced

New corporate building in Jubail inaugurated
- 2022** New electrification initiative, BLUEHERO™, launched

Acquired full ownership of Scientific Design
- 2023** Final transformers installed at demonstration plant for world's first electrically-heated steam cracker furnace (Ludwigshafen, Germany, with BASF and Linde)

Divestment of Hadeed, SABIC's metal business, as part of strategic portfolio optimization
- 2024** Divestment of Functional Forms

New SABIC transformation program launched

Divestment of Aluminium Bahrain B.S.C. (Alba) stake

SEGMENTS WE SERVE


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SABIC IS A GLOBAL LEADER* IN:



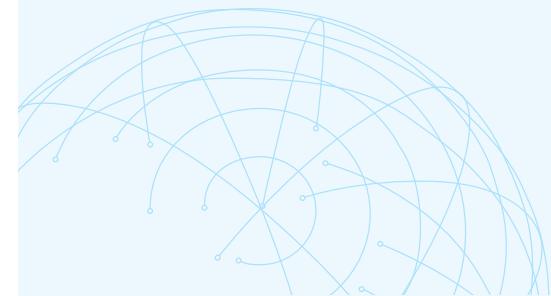
Petrochemicals and chemicals:

- Ammonia
- Ethylene
- Ethylene glycol (EG)
- Granular urea
- Methanol
- Methyl tert-butyl ether (MTBE)



Plastics and polymers:

- Engineering thermoplastics
- Polycarbonate (PC)
- Polyetherimide (PEI)
- Polyethylene (PE)
- Polyphenylene ether (PPE)
- Polypropylene (PP)



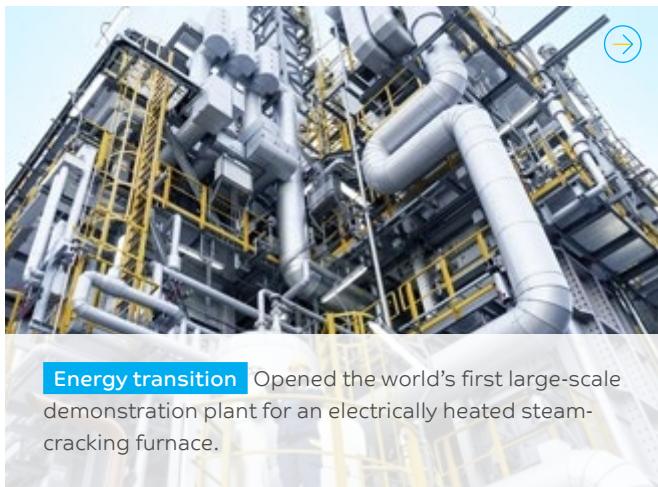
* A global leader ranks among the top five in global production.

2024 HIGHLIGHTS

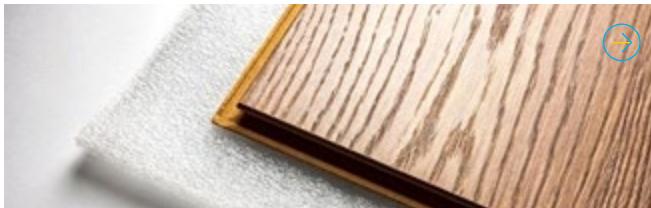
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Strategic transformation Launched a program to enhance focus, efficiency, and competitiveness.



Energy transition Opened the world's first large-scale demonstration plant for an electrically heated steam-cracking furnace.



Low-carbon solutions Introduced a low-carbon product portfolio, incorporating captured CO₂ as a feedstock under the ISCC Carbon Footprint Certification.



Customer centricity Hosted over 50 industry events to showcase innovations and strengthen partnerships.



Employee engagement Achieved the highest survey response rate in SABIC's history, with participation up 9 percent over 2023.



Business ethics Strengthened integrity culture with an updated Code of Ethics and expanded compliance training.



Local content Enabled the creation of 8,682 jobs through the NUSANED™ initiative.

ABOUT THIS REPORT



This Integrated Annual Report, published in both English and Arabic, combines key financial and sustainability-related information to provide a comprehensive view of SABIC's economic, environmental, and social performance in 2024. The report focuses on long-term value creation, providing insights for financial capital providers and other stakeholders interested in how SABIC delivers on its corporate purpose, vision, and strategy. It considers topics with a material impact on our business while also including other relevant areas to ensure completeness, balance, and stakeholder inclusion.

SABIC follows an integrated assurance process to ensure the reliability, credibility, and consistency of both financial and non-financial information presented in the integrated annual report. The assurance process includes statutory reasonable assurance for the consolidated financial statements, limited assurance for non-financial key performance indicators (KPIs), and a comprehensive review of the report as a whole.

BOARD RESPONSIBILITY FOR THE REPORT

The SABIC Board of Directors acknowledges its role in ensuring the integrity of this integrated annual report. In the Board's opinion, the report addresses the issues material to SABIC's ability to create value and provides a fair representation of SABIC's overall performance for 2024. Our integrated thinking and reporting approach enables us to create and preserve value as we pursue our mission to create Chemistry that Matters™.

The Board acknowledges that this report has been prepared in accordance with the reporting frameworks and standards outlined in the section below. The report is the outcome of a group-wide reporting process governed by the Board, led by the Executive Committee, and subject to external assurance on selected indicators.

The SABIC Board approved this report on February 25, 2025.

REPORTING FRAMEWORKS

This report is guided by the principles and requirements of the Integrated Reporting Framework of the International Financial Reporting Standards (IFRS) Foundation and addresses selected elements of this framework. As a Saudi Arabian company listed on the Saudi Exchange (Tadawul), we align with the Saudi Listing Rules and Capital Market Authority (CMA) Listed Company Guidelines. The financial information in this report has been prepared in accordance with IFRS as endorsed in Saudi Arabia. IFRS and its interpretations as endorsed in Saudi Arabia, along with other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA), are collectively referred to as "IFRS as endorsed in Saudi Arabia."

Our sustainability reporting is prepared in accordance with internally developed criteria, inspired by recognized frameworks including those established by the Greenhouse Gas (GHG) Protocol, Occupational Safety and Health Administration (OSHA), and the Global Reporting Initiative (GRI). A [GRI content index](#) and details of the reported KPIs are available at the end of this report and online. This report also serves as our official UN Global Compact (UNGC) Communication on Progress (CoP). An overview of how we are meeting our [UNGC commitments](#) is available on SABIC's website.

Regulators in Saudi Arabia are expected to adopt a new sustainability reporting regime. SABIC is monitoring these regulatory developments, including the timeline for future implementation, and is working closely with local regulatory bodies to shape the sustainability reporting landscape in Saudi Arabia. These efforts also support SABIC's readiness for a transition to upcoming regulatory requirements.

REPORTING PERIOD AND BOUNDARIES

This report, published on March 16, 2025, is for the year ended December 31, 2024. The report covers the results of business operations, financial position, any related business developments, and significant opportunities and risks for the SABIC Group. It includes all SABIC businesses and operations reflected in our 2024 Consolidated Financial Statements, based on the requirements of IFRS as endorsed in Saudi Arabia, and published on March 5, 2025. Material events occurring after December 31, 2024, up to the Board approval date of February 25, 2025, such as leadership changes, macroeconomic updates, and post-balance-sheet events, are also included in this report.

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

To ensure consistency in presentation, SABIC is using consistent reporting boundaries for other non-financial KPIs, i.e., workforce, EHSS, and ethics and integrity.

During the year, SABIC revised its reporting boundaries for non-financial KPIs to better reflect its operations and business model. Comparative non-financial KPI data has been realigned accordingly, and the updated figures are presented in the [Sustainability Performance Summary \(including GHG Statement\)](#).

SABIC applies the operational control approach to establish its reporting boundaries for non-financial KPIs. We believe this method is the most appropriate, as SABIC has operational control over all group companies, subsidiaries, integral joint ventures (Sharq, Kemya, and Yanpet), and joint operations (SAMAC).

Our reporting boundary for non-financial KPIs is:

- 100% of non-financial KPIs: group companies/subsidiaries
- 100% of non-financial KPIs: associated/affiliated companies based on conclusion of operational control (Kemya, Sharq, and Yanpet)
- 100% of non-financial KPIs: joint operations under operational control (SAMAC)
- 0% of non-financial KPIs: all non-controlled investments.

Further details on our [SABIC Reporting Criteria for Non-Financial KPIs 2024](#).

ROUNDING AND PERCENTAGE DEVIATIONS

All information and bases for calculation in this report adhere to national and international standards for financial and sustainability reporting. The data and information for the reporting period were sourced from the responsible subject matter experts using standardized methods. As the indicators in this report are stated in accordance with commercial rounding principles, totals and percentages may not always be exact.

EXTERNAL ASSURANCE

External assessments enhance both the quality and credibility of our reporting. The statutory auditor responsible for providing an independent auditor's report on the consolidated financial statements is also required to read the other information included in SABIC's integrated annual report. In doing so, they assess whether this information is materially inconsistent with the consolidated financial statements or their audit knowledge, or if it appears materially misstated.

For selected non-financial quantitative KPIs in this report, PricewaterhouseCoopers Public Accountants (PwC) has conducted a limited assurance engagement under ISAE 3000 (Revised) and ISAE 3410 for the 2024 reporting period. Indicators assured for fiscal year 2024 are highlighted in the [Sustainability Performance Summary \(including GHG Statement\)](#) and the scope and limitations of PwC's limited assurance are detailed in their unqualified [report](#).

FORWARD-LOOKING STATEMENTS

This report includes forward-looking statements based on current assessments and data available to the Board. These statements do not guarantee future outcomes, as they rely on several factors, carry inherent risks and uncertainties, and are based on assumptions that may not materialize. The report includes a discussion of potential risks in the [Risks and Opportunities](#) chapter. We assume no obligation beyond legal requirements to revise or update the forward-looking statements provided herein.

TO OUR SHAREHOLDERS AND STAKEHOLDERS



With a strong balance sheet and a stable dividend track record, we continue to create shareholder value. Our disciplined governance, portfolio strategy, and leadership in global markets position us for long-term, sustainable growth.

CHAIRMAN'S LETTER



Our strong balance sheet, supported by an A+/A1 standalone credit rating, the highest in the industry, demonstrates our ability to navigate business cycles while maintaining capital discipline.

KHALID AL-DABBAGH

SABIC Chairman

SABIC occupies a unique commercial position. From our base in Saudi Arabia, we have expanded into high-growth economies, enabling us to forge strong links in the numerous value chains for chemical products. With a solid foundation of financial resilience, disciplined governance, cutting-edge technologies, and a long-term growth perspective, we have in place the fundamental elements to thrive in a global industry undergoing profound change.

Serving as SABIC's Chairman of the Board of Directors, I am continually impressed by the passion and drive of the company's employees. My ongoing conversations and engagements with them further solidify my confidence that they will continue to strive for excellence amid the uncertainty facing the industry. To support this drive for excellence, the Board of Directors works with SABIC's management to review and approve business strategy and investment plans, considering both opportunities and risks. We oversee the allocation of resources to execute our strategy and create lasting value.

The unique strengths of our employees, superior technology application and development, and the advantages of our geography allow SABIC to make a compelling investment case. Our strong balance sheet, supported by an A+/A1 standalone credit rating, the highest in the industry, demonstrates our ability to navigate business cycles while maintaining capital discipline. In 2024, Moody's upgraded our long-term credit rating from A1 to Aa3 following Saudi Arabia's sovereign rating upgrade, further reinforcing our financial position. With a track record of dividend stability, we remain committed to delivering consistent returns to investors.

Our role in global capital markets has also expanded over the last half decade. Today, 30% of our shares are freely floated, with foreign investor participation rising from just 1% in 2018 to 6.17% in 2024. As Saudi Arabia continues to integrate into global markets, SABIC is at the forefront, engaging with investors, strengthening its financial position, and ensuring transparency in corporate governance.



As stewards of SABIC's long-term vision, the Board remains committed to ensuring that the company delivers sustainable value to shareholders while maintaining financial resilience amid evolving industry dynamics and macroeconomic challenges. In 2024, we focused on portfolio management, capital efficiency, and strategic investments to contend with persistent market challenges, including overcapacity and price pressures in key regions, while maintaining SABIC's competitive standing.

The global push toward lower-carbon solutions, product circularity, and energy transition is reshaping the industry, and SABIC is integrating these initiatives into its core portfolio.

We have announced interim cash dividends of ₪ 3.4 per share for 2024, totaling ₪ 10.20 Bn. (US\$ 2.72 Bn.). Our net cash position stood at ₪ 3.01 Bn. (US\$ 0.81 Bn.) as of the end of 2024. Following best practices, we have also modified the protocol for disclosing the Board of Directors' decision on interim dividend distributions, ensuring dividends more accurately reflect the company's financial performance.

SABIC's brand value remained strong at US\$ 4.9 Bn. in 2024, reinforcing our position as the second-most valuable brand in the chemicals industry. Sustaining this value in a dynamic market reflects the trust we have built with customers and our continued commitment to enabling their success.



Guiding SABIC's strategic transformation is one of the Board's central roles. At the core of this are four interconnected strategic levers: transformation, portfolio management, growth, and value creation. Rather than standalone initiatives, these levers form a unified framework for strengthening SABIC's competitive position. The Board oversees the execution of this strategy, ensuring that investments align with long-term growth and economic returns while underperforming assets are structurally improved or otherwise monetized.

At the heart of our strategy is sustainability-driven innovation. The global push toward lower-carbon solutions, product circularity, and energy transition is reshaping the industry, and SABIC is integrating these initiatives into its core portfolio. This year, we marked a key milestone in our collaboration with BASF and Linde by starting up the world's first large-scale demonstration plant for an electrically heated steam-cracking furnace at BASF's Ludwigshafen site. We also launched a new portfolio of low-carbon methanol products that incorporate captured CO₂ as a feedstock and are certified under the ISCC Carbon Footprint Certification.

We are committed to strengthening Saudi Arabia's global competitiveness by developing its downstream industries and building local capabilities that support long-term economic diversification.



SABIC also plays an important role in supporting Saudi Vision 2030. As the national chemicals champion, we are committed to strengthening Saudi Arabia's global competitiveness by developing its downstream industries and building local capabilities that support long-term economic diversification.

Our impact is tangible. In 2024, SABIC's local spending on goods and services reached ٣١.7 Bn. (US\$ 8.5 Bn.), contributing to a 4.5% increase in our Local Content Score to 48.3%. Through initiatives like NUSANED™, we continue to drive the growth of small- and medium-sized enterprises in local supply chains, enabling the creation of 8,682 new jobs in 2024 alone.

Workforce development is equally critical to our national impact. SABIC has exceeded expectations under the National Training Campaign, delivering 750,000 training opportunities – far surpassing our initial pledge of 200,000 by 2025. Our training programs and scholarship initiatives are equipping the next generation of Saudi talent with the skills to drive the country's future economic success.

Our commitment to social responsibility is deeply embedded in our corporate culture as we support communities where we live and work. A key highlight this year was hosting the 56th International Chemistry Olympiad, bringing together talented young chemists from across the world to showcase their scientific knowledge and inspire an interest in chemistry. Our broad CSR impact earned multiple recognitions, including honors from the Saudi Ministry of Health for public and mental health initiatives, recognition from the King Salman Humanitarian Aid and Relief Center, and the 'Outstanding Corporate Volunteer Service' award in China.



The path ahead presents both challenges and opportunities. Rapid advancements in electrification, decarbonization, and materials science are requiring our industry to adapt, and policy shifts and regulatory developments will continue to influence market dynamics and customer demands. As we look to 2025 and beyond, our focus will be on guiding SABIC's transformation and unlocking new opportunities for value creation while remaining true to our purpose of Chemistry that Matters™. These efforts will also lay the foundation for long-term sustainable growth in line with Saudi Arabia's broader vision for national development, unfolding under the leadership of King Salman bin Abdulaziz Al-Saud, the Custodian of the Two Holy Mosques, and HRH Prince Mohammed bin Salman bin Abdulaziz Al-Saud, the Crown Prince and Prime Minister.

I extend my appreciation to all SABIC's employees for their dedication, our customers and partners for their trust, and our shareholders for their continued confidence in SABIC's ability to deliver value. I also thank my fellow Board members for their guidance and HRH Prince Abdulaziz bin Salman bin Abdulaziz Al-Saud, Minister of Energy, and his ministry for their ongoing support. The engagement and goodwill of our stakeholders are essential to shaping the future of SABIC.

CEO'S MESSAGE



EBITDA reached **ﷲ 19.47 Bn. (US\$ 5.19 Bn.)**, up 2% year-over-year. Cost optimization and a focus on high-margin opportunities kept our EBITDA margin stable at 14%.

ENG. ABDULRAHMAN AL-FAGEEH

SABIC Chief Executive Officer and Executive Member of the Board

Looking back on 2024, we see a global chemical industry in a challenging economic climate undergoing profound changes to deal with geopolitical uncertainty, shifting consumer preferences, and the ever-growing urgency to decarbonize. While key customer industries, like packaging, construction, and consumer goods, saw some growth in chemicals demand, others remained stagnant. In our own industry, persistent excess supply and low operating rates continued to pressure margins, particularly in Northeast Asia and Europe, where economic recovery lagged.

Our financial performance in 2024 reflected the prevailing macroeconomic environment. Full-year revenue reached **ﷲ 139.98 Bn. (US\$ 37.33 Bn.)**, down 1% year-over-year due to pricing pressures and overall stagnant demand.

However, disciplined execution helped drive solid earnings in 2024. EBITDA reached **ﷲ 19.47 Bn. (US\$ 5.19 Bn.)**, up 2% year-over-year. Cost optimization and a focus on high-margin opportunities kept our EBITDA margin stable at 14%. Net income from continuing operations rose 61% to **ﷲ 2.10 Bn. (US\$ 0.56 Bn.)**, supported by earnings growth and focused cost management.

In parallel with these developments, our collaboration with Saudi Aramco continued to generate value. Since Saudi Aramco's acquisition of 70% of SABIC's shares on June 16, 2020, the cumulative synergy value has surpassed **ﷲ 9.66 Bn. (US\$ 2.57 Bn.)** as of the end of 2024, including a synergy value of **ﷲ 3.04 Bn. (US\$ 0.81 Bn.)** realized in 2024.

A strong cash position and balance sheet have long been hallmarks of SABIC's financial approach, ensuring resilience through industry cycles. Free cash flow remained strong at **ﷲ 6.16 Bn. (US\$ 1.64 Bn.)** in 2024, although lower than the prior year. Net debt stood at **ﷲ -3.01 Bn. (US\$ -0.80 Bn.)**.

Despite the modest financial performance, 2024 was a year of measured progress in the execution of SABIC's long-term strategy. We reinforced our foundation, advanced key transformation initiatives, and stayed focused on long-term value creation. Our emphasis on operational efficiency and agility helped us manage the petrochemical industry's inherent cyclicality and position ourselves for a stronger 2025.

Our global portfolio review ensures that capital is redirected toward our competitive strengths while underperforming assets are divested or repositioned.

A sharper focus on our core portfolio is the key to our future direction. In 2024, we completed the divestments of Hadeed (Saudi Iron and Steel Company) and the Functional Forms business and signed an agreement to sell our stake in Aluminium Bahrain B.S.C. (Alba). These actions are part of a global portfolio review to ensure that capital is redirected toward our competitive strengths while underperforming assets are divested or repositioned. By managing our core portfolio in this way, we are increasing our capital efficiency and maximizing value creation.

Alongside portfolio management, we are also investing in projects that expand our market presence and strengthen our competitive edge, with Asia as a key growth region. Our major projects include the SABIC Fujian Petrochemical Complex in China, recognized by China Media Group as one

of the Top 10 “Investing in China” cases for 2024. We are also progressing with construction on the world’s largest MTBE plant at Petrokemya in Saudi Arabia, expanding our Nexlene capacity at SABIC SK Nexlene Company (SSNC) in South Korea, and strengthening our specialty chemicals footprint with a new ULTEM™ resin manufacturing facility in Singapore.



Innovation and sustainability are central to our growth strategy as we strive to meet evolving customer and stakeholder expectations, and I would like to highlight some key achievements for 2024:

- The mechanical completion of our mixed-plastic-waste pyrolysis unit in Geleen, the Netherlands, and the commissioning of our hydrotreater demonstration unit are important steps in developing our capabilities to convert plastic waste into high-quality circular feedstock.
- At our Genk site in Belgium, we installed what is, to date, the world’s largest solar array made entirely from recyclable materials. These plastic panels weigh 50% less and have a 25% lower carbon footprint than traditional panels, expanding renewable energy options for industrial roofs with limited load-bearing capacity.
- In partnership with BASF and Linde, we inaugurated the world’s first large-scale demonstration plant for an electrically heated steam-cracking furnace at BASF’s Ludwigshafen site. Our next steps will be to validate the technology’s ability to reduce operational Scopes 1 and 2 CO₂ emissions and gather data for industrial-scale implementation.
- We launched a new portfolio consisting of low-carbon methanol products that incorporate captured CO₂ as a raw material and are certified under the ISCC Carbon Footprint Certification. This initiative reinforces our position as a pioneer in carbon capture and utilization (CCU) technology, with our CCU facility at United still being one of the largest of its kind in the world.

Our R&D advancements continue to drive our business and contribute to breakthroughs in circular and low-carbon processes and products.

Our leadership in innovation and sustainability has earned international recognition. We received the 2024 ICIS Innovation Award for Best Process Innovation for our electric steam-cracking furnace project with BASF and Linde, as well as an R&D 100 Award for our LNP™ STAT-KON™ compound, an excellent material for automotive batteries. SABIC also retained its EcoVadis Gold rating for sustainability performance, placing us among the top five percent of global companies assessed.

2024 also coincided with a significant milestone: 30 years of SABIC Technology & Innovation (T&I). Over three decades, T&I has turned SABIC into a global leader in advanced materials. Our R&D advancements continue to drive our business and contribute to breakthroughs in circular and low-carbon processes and products.



Executing our strategy requires a strong leadership culture that empowers employees at every level. In 2024, we sharpened our focus on leadership development through initiatives such as our Leadership Boot Camp, which is designed to instill the right mindset to make the work environment conducive to quick decision-making, open but respectful conversations, and life-long learning. At the same time, we strengthened career development pathways by integrating structured competency-based strategies and fostering meaningful talent discussions across the organization. Our leadership model ensures that growth

opportunities are accessible to all employees, equipping them to take ownership of their careers and contribute to a culture of innovation and continual learning.

At the same time, operational excellence is fundamental to running our sites safely, efficiently, and responsibly. In 2024, we concluded the year with our best-ever safety performance, achieving a Total Recordable Injury and Illness Rate of 0.09 with zero fatalities among employees and contractors. But our commitment to safety extends beyond compliance; it is embedded in how we work. We focus on leadership accountability and regional, asset-specific safety improvements rather than only broad, group-level averages and corporate metrics.

Recognizing the need to safeguard our data and infrastructure, we also strengthened our cybersecurity framework across corporate and manufacturing sites. Alongside this, we bolstered our governance framework with the introduction of a new Board-approved Code of Ethics and obtained our third consecutive Ethisphere Compliance Leader certification.



As a company rooted in the Gulf region, we stand apart as a bridge between emerging and developed markets. Our long-term success hinges on our ability to anticipate change, adapt with agility, and build on our competitive strengths. At SABIC, we see these shifts in the sector as opportunities to grow and lead, to drive change rather than simply react to it. Our impact goes beyond supplying materials; we are shaping the next era of the sector’s transformation, aligning our strategy with Saudi Vision 2030 to advance economic diversification, industrial development, and sustainable growth. As our growth strategy moves into high gear in 2025, our focus remains on execution – turning ambition into action.

I want to express my gratitude to all who make SABIC what it is – employees, customers, shareholders, and partners. Your trust, dedication, and collaboration drive our progress and make it possible to deliver on our ambitions. Together, we will continue shaping the future of our industry while building a stronger, more resilient SABIC that creates lasting value.

SABIC ON THE CAPITAL MARKETS

OUR GROWTH STORY

ROBUST FINANCIALS AND STRONG BALANCE SHEET

SABIC has consistently maintained an A+/A1 credit rating on a standalone basis, which is the highest in the industry. This supports our capital discipline and aspiration to maintain stable to growing dividends.

DIVERSIFIED AND ADVANTAGED PORTFOLIO

SABIC's broad product and asset portfolio, combined with advantaged assets, strengthens our ability to navigate cyclical markets while creating value for shareholders.

AMBITIOUS GROWTH STRATEGY

Our production volumes have increased nearly 10-fold between 1985 and 2024.

NATIONAL CHEMICALS CHAMPION

We contribute to Saudi Vision 2030 as both a global leader and the national chemicals champion.

DIVERSIFIED GLOBAL MARKET AND CUSTOMER RELATIONSHIPS

Revenues are generated from more than 140 countries. This is only possible with a strong and reliable supply chain network and long-term relationships with customers.

INNOVATION AND SUSTAINABILITY

SABIC was founded on the basis of sustainability, creating value from natural gas that would otherwise be flared. Today, sustainability remains a key driver in the way we develop new products/solutions and innovate our manufacturing technologies.



SHAREHOLDER STRUCTURE

At the end of 2024, 70% of SABIC's shares were held by Aramco Chemicals Company, a wholly owned subsidiary of Saudi Aramco, with the remaining 30% in free float. Our foreign investor base expanded from under 1% in 2018 to 6.17% by the end of 2024, now comprising nearly 20.5% of our free float. This illustrates how our international investment grew significantly alongside greater global investor interest in Saudi Arabia following the country's reclassification as an emerging market in 2018.

This growth reflects confidence in SABIC's ability to create value. With 87% of revenues generated outside Saudi Arabia across more than 140 countries, our global presence is anchored by a reliable supply chain and strong customer relationships. We maintain a consistent track record of stable-to-growing dividends, supported by a ~5.03% trailing 12-month dividend yield, robust free cash flow, and a conservative leverage profile with capacity to support future growth.

Some shares are held by SABIC's Board members and senior executives. Apart from Aramco Chemical Company, SABIC is not aware of any shareholder with direct or indirect control over the company. Additionally, no other individuals or entities, aside from the Board, senior executives, and their relatives, have reported changes to their shareholdings during 2024.



In 2024, 14 analysts covered SABIC, with 7 recommending buying the stock, 6 recommending holding, and 1 recommending selling.

Over the last 10 years, SABIC's Total Shareholder Return was 34.2% despite the inherent cyclicality of the chemicals industry.



Five-year overview and dividend	2024	2023	2022	2021	2020
Number of registered shares issued (million)	3,000	3,000	3,000	3,000	3,000
Number of registered shares eligible for dividend (million)	3,000	3,000	3,000	3,000	3,000
Share price at the end of the year (ﷻ)	67	83.5	90.4	116	101.4
Highest of the year (ﷻ)	89	97.4	141.4	136.6	103.4
Lowest of the year (ﷻ)	66.5	75.3	79.2	97.9	61.9
Annualized volatility	22.5	22.1	62.2	38.7	41.5
Market capitalization at year-end (ﷻ Mn.)	201,000	250,500	268,200	348,000	304,200
Market capitalization at year-end (US\$ Mn.)	53,600	66,800	71,520	92,800	81,120
Dividend declared per share (ﷻ)	3.4	3.4	4.25	4	3

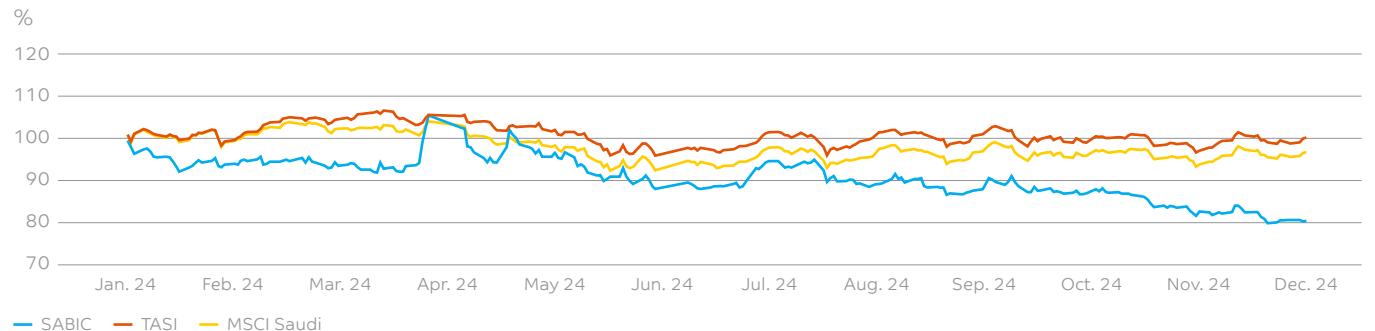
SHARE PERFORMANCE

SABIC's share price opened the year at ﷻ 83.6, peaked at ﷻ 89.00 on April 4, and traded broadly in line with TASI until early June. The stock hit its lowest point of ﷻ 66.50 on December 19, reflecting bearish petrochemicals market sentiment, and closed the year at ﷻ 67. Over the year, SABIC's share price declined by 19.9%.

SABIC was one of the most actively traded stocks on the Saudi Exchange in 2024, with a traded value of ﷻ 32.8 Bn. (US\$ 8.7 Bn.), and accounted for 13% of the weight within the materials sector.

SABIC share price performance vs. TASI and MSCI Saudi (%)*

As of Dec. 31, 2024



*Rebased to 100 as of January 1, 2024, to show relative price movement over the year.

DIVIDEND DISTRIBUTION

Distributing stable-to-growing, competitive dividends to shareholders over the long term remains a key priority.

Under our new mechanism for interim dividend distribution, interim dividends for the first half of the year will be announced following the approval of interim financial results for the second quarter of that same year. Similarly, the interim dividend distribution for the second half of the year will be announced after the annual financial results for the same year are finalized. This approach aligns with global best practices, reduces the time between announcement and distribution, and enables the Board to make dividend decisions based on financial statements reflecting company performance over the reporting period.

Cash dividends were distributed as outlined in the Notes to the Consolidated Financial Statements. [Read more about our dividends here.](#)

DIVIDEND DISTRIBUTION DETAILS FOR 2024

Dividend cycle	Dividend per share (ﷲ)	Percentage of distribution to share nominal value (%)	Number of shares	Date of eligibility	Total distributed dividends (ﷲ)	Distribution date
H2 2023	1.6	16	3,000,000,000	February 12, 2024	4,800,000,000	March 4, 2024
H1 2024	1.7	17	3,000,000,000	September 3, 2024	5,100,000,000	September 24, 2024
H2 2024	1.7	17	3,000,000,000	February 11, 2025	5,100,000,000	March 4, 2025



INVESTOR RELATIONS

SABIC maintains strong engagement with capital market participants, including institutions, retail investors, and financial analysts. Our 2024 Annual General Meeting (AGM) achieved over 78.9% shareholder participation through e-voting.

In 2024, we strengthened our investor engagement by participating in 16 conferences and roadshows, ensuring robust physical and virtual interaction with the global investment community. Throughout the year, we engaged with investors across the U.S., Europe, and Asia, participating in a diverse range of regional, emerging market, and industry-specific conferences. In total, we facilitated over 40 interactions, reaching nearly 600 investors and analysts, further strengthening relationships and addressing topics critical to SABIC's growth agenda. Our investor engagement calendar reflects our commitment to consistent communication with the global investment community, leveraging regional and international opportunities to enhance transparency and foster trust.

We provide comprehensive information through our website, and shareholders can contact the Investor Relations (IR) team directly via email (IR@SABIC.COM), telephone (+966 112 258 000), or mobile (+966 530 013 051). To enhance shareholder satisfaction, a dedicated IR Call Center was established in 2022, accessible through SABIC's page on the Saudi Exchange website.

SHAREHOLDER REGISTER REQUESTS

Number of company applications for the register of shareholders and the dates and rationale of such applications

No.	Application rationale	Application date
1.	Shareholder data analysis	January 2, 2024
2.	Shareholder data analysis	January 31, 2024
3.	Dividends entitlement	February 14, 2024
4.	Shareholder data analysis	February 29, 2024
5.	Shareholder data analysis	March 31, 2024
6.	Annual General Meeting (AGM)	April 29, 2024
7.	Shareholder data analysis	May 31, 2024
8.	Shareholder data analysis	June 30, 2024
9.	Shareholder data analysis	August 7, 2024
10.	Dividends entitlement	September 5, 2024
11.	Shareholder data analysis	September 30, 2024
12.	Shareholder data analysis	November 2, 2024
13.	Shareholder data analysis	November 24, 2024
14.	Shareholder data analysis	December 2, 2024

OUR FINANCING POLICY

Our [financing policy](#) aims to always ensure that our activities support effective, efficient, and prudent financial management and controls, in line with SABIC's strategic and business objectives.

We continuously evaluate the optimal capital and financing structure to align with our strategic plans and growth objectives. At the end of the year, SABIC maintained a strong net cash position of 3.01 Bn., with a net debt-to-EBITDA ratio of -0.15x.

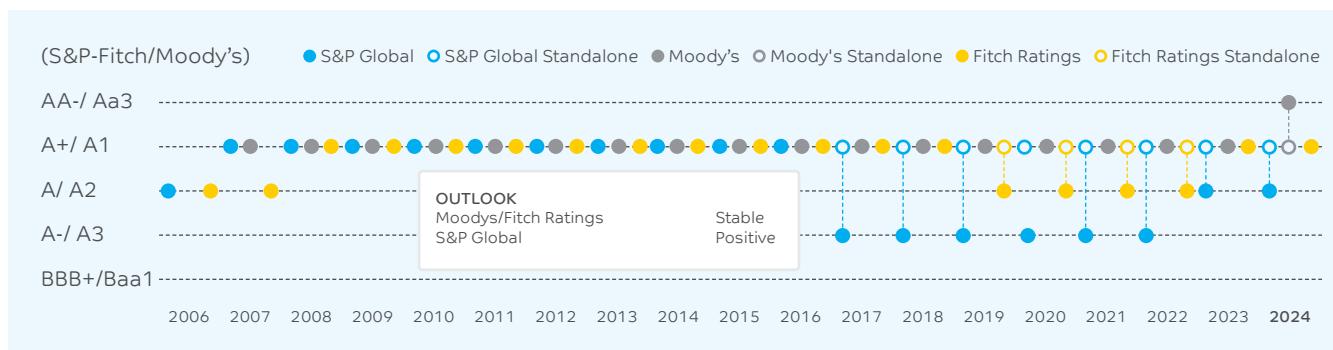
Overview of SABIC's main bonds

ISIN Code	XS1890684761	XS2228112954	XS2228113762
Coupon	4.5%	2.15%	3%
Issuer	SABIC Capital II BV	SABIC Capital II BV	SABIC Capital II BV
Format	144A/RegS Senior Unsecured	RegS Senior Unsecured	RegS Senior Unsecured
Volume	US\$ 1 Bn.	US\$ 500 Mn.	US\$ 500 Mn.
Term	2018-2028	2020-2030	2020-2050
Listing	Ireland	Ireland	Ireland

SABIC RATINGS

CREDIT RATINGS

Standalone credit ratings have consistently remained in the A+/A1 band, positioning us among the highest-rated global chemical companies. In 2024, our long-term credit rating was upgraded to Aa3 by Moody's following the upgrade of Saudi Arabia's sovereign rating, reflecting our resilience and strong financial position.



ESG RATINGS

We participate in a number of environmental, social, and governance (ESG) ratings and are listed in several sustainability indices.

- We are rated BBB by MSCI ESG, qualifying us for inclusion in the MSCI ESG indices.
- In 2024, our Sustainalytics score was 24.4, placing us at medium risk, in line with our chemical industry peers.
- SABIC's ESG score, as reflected in the Bloomberg ESG Data Index, continues to rank among the leaders in the Basic and Diversified Chemicals sector.

Shaping a thriving workplace
22Solutions for solar panels
24Chemists of the future
25

2024 STORIES OF PRIDE



Beyond the numbers are the stories that define us – our drive to innovate, build a resilient culture, and create meaningful partnerships. Our stories of pride take a deeper look at how we are shaping the future of chemistry.

INSPIRE 2024: SHAPING A THRIVING WORKPLACE

Inside the lobby of SABIC's iconic building in Jubail, Saudi Arabia, stands a one-of-a-kind bench. At about ten feet in length, this sleek blue-orange seat is no mere piece of furniture. It also symbolizes a space for the future.

This bench is a permanent and functional art installation that emerged from a collaborative internal effort to showcase the creativity and talent of our employees. Crafted from our very own LNPT™ ELCRIN™ 6F006IIQ material obtained from recycled PET bottles, with expert input from SABIC teams across the globe, the custom 3D-printed seating prototype was specifically designed and printed for our "Inspire 2024" conference on March 7 to mark International Women's Day (IWD). The bench design incorporates the dynamic flow lines of SABIC's iconic logo, symbolizing themes of belonging, community, and partnership.



Shaping a thriving workplace | Solutions for solar panels | Chemists of the future



Inspire 2024 brought together hundreds of attendees, including some of SABIC's most senior leaders, and reached thousands more virtually. This full-day event featured speakers, panels, and workshops focused on elevating women and breaking down bias in the workplace. Guest speaker Angela Peacock's powerful keynote, titled "Is it Me?", unpacked unconscious biases, providing actionable tools for fostering inclusivity. Author Celine Schillinger emphasized the power of embracing diverse networks and fostering "chosen togetherness". And keynote speaker Dr. Heidi Al-Askary celebrated the evolution of women's leadership globally while emphasizing the need for investment in equity-driven approaches.

The conference underscored SABIC's efforts to foster a sense of belonging for all, both within its ranks and the broader chemical industry. Over the past few years, the company has collaborated with Saudi universities to encourage more women to pursue degrees in chemical engineering and STEM fields. Programs like the women's network (SHE) also reflect SABIC's long-term vision to make its workplaces inclusive and thriving.

Inspire 2024 also celebrated a decade of progress for women in SABIC's Saudi Arabian operations, in line with ambitious Saudi Vision 2030 goals of driving women's participation in the national workforce. As Dr. Al-Askary noted, events such as these send a powerful signal about the country's aspirations.

Inspire 2024 closed with an encouraging call to "choose to include" during a fireside chat with a live panel of leaders, concluded by SABIC's CEO Abdulrahman Al-Fageeh. As Faisal Al-Suwailem, Executive Vice President, Corporate Human Resources, noted, "SABIC aims to be a preferred employer in the chemical industry. Our accelerating journey of empowering women's employment in the Middle East is a key part of how we are paving the way towards this ambition."



Designed to resemble the flow lines of SABIC's logo, which represent speed and movement, the bench in Jubail, Saudi Arabia, embodies the theme of belonging, community, and partnership.



SOLUTIONS FOR SOLAR PANELS



2024 saw the inauguration of one of the world's first and largest solar installations using fully recyclable plastic materials at SABIC's manufacturing site in Genk, Belgium.

The lightweight plastic solar panels have been developed in a collaboration between SABIC and Solarge, a Dutch start-up in circular solar panels, and use SABIC's proprietary polypropylene (efPP) compounds. Unlike traditional panels, these panels are entirely free from intentionally added PFAS, lighter, and composed of fully separable layers, and feature a design that ensures every component can be disassembled and recycled at the end of its 25-year lifespan.

The panels, manufactured out of materials produced at SABIC's Genk facility, boast a 50% weight reduction compared to conventional glass-based panels and a 25% lower carbon footprint, making them excellent candidates for industrial roofs with limited load-bearing capacities.

General Manager of Polymers Technology & Innovation Lada Kurelec highlighted the company's role: "This project embodies two key drivers for SABIC: innovation and collaboration to meet market needs."

The panels were first piloted on the Genk facility's roof in 2023, with an initial 50-panel installation. The success of the pilot paved the way for the rapid and full-scale deployment of 4,600 panels covering the entire facility's rooftop, capable of generating 2,000 megawatt hours of renewable electricity annually – enough to power 700 households. "The energy generated from the new solar panels will primarily supply the plant itself, reducing Scope 2 CO₂ emissions," explained Lada Kurelec.

Solarge CEO Jan Vesseur shed light on the broader impact of the project, highlighting the power of industry partnerships: "Our recyclable panels unlock new possibilities for weight-restricted roofs. This collaboration with SABIC exemplifies how innovation and sustainability can drive global energy transitions."



CHEMISTS OF THE FUTURE



Nurturing young minds is not just a moral imperative – the business case for it is also demonstrably strong. Recognizing this, SABIC has worked over the years to steer a new generation of chemists toward a greener future, instilling in them values that are central to SABIC’s own vision for itself, the industry, and the planet at large.

One example is our flagship corporate social responsibility program “Lights of Our Future”. In 2024, we celebrated its 10th anniversary in China, marking a decade of inspiring youth to embrace chemistry since the program’s first inception in the country.



The program, which has reached over 19,000 students in 80 schools in China over the past decade, is a collaboration with Junior Achievement (JA), a nonprofit organization specializing in student education in work readiness, entrepreneurship, and financial literacy. The curriculum was developed with the support of nearly 1,000 SABIC employees, who collectively volunteered approximately 13,000 hours over the years, and features interactive lessons and problem-solving exercises.

“For over a decade, the Lights of Our Future program has encouraged environmental awareness and a passion for sustainability among China’s youth,” explained Justin Wang, SABIC Vice President and Regional Head, China. “We have strengthened our connection with local communities and provided our employees with meaningful volunteer opportunities. SABIC’s purpose of Chemistry That Matters™ continues to be our driving force.”



The program is part of SABIC's broader approach to blending chemistry and practical application in driving research. Over the years, SABIC has collaborated with some of the world's foremost academic institutions, such as MIT, Peking University, and King Saud University, in a bid to accelerate research in disruptive technologies and advance the global knowledge pool in science and engineering.

Another highlight this year, marking SABIC's longstanding partnership with Mawhiba (the King Abdulaziz and His Companions Foundation for Giftedness and Creativity), was hosting the 56th iteration of the International Chemistry Olympiad. The event brought together 333 of the brightest young chemists from 90 countries, supported by 260 mentors and 42 members of the scientific community, to compete at the highest level and showcase their skills and knowledge.

"Chemistry plays a vital role in driving societal progress, and events like the Olympiad are a powerful way to celebrate young talent and inspire the next generation of chemists who will shape the chemistry of tomorrow," said the event organizers. As the host, SABIC was proud to provide its world-class facilities and take a leading part in organizing an enriching experience for participants. Beyond the competition, students engaged in more than 12 cultural and industry visits, including museum tours and a special trip to SABIC's research center, offering a broader perspective on chemistry's impact on innovation and sustainability.

Through these and various other multi-faceted initiatives, SABIC is shaping the future of chemistry, having already laid the groundwork for the next generation of innovators to grow the industry with the planet's wellbeing in mind.



SABIC CEO Abdulrahman Al-Fageeh honors winners at the 56th International Chemistry Olympiad, hosted for the first time in Riyadh, through a partnership between the Saudi Ministry of Education, King Saud University, Mawhiba, and SABIC.

Strategy	Materiality	Stakeholder engagement	Risks and opportunities
28	36	38	43

STRATEGIC APPROACH

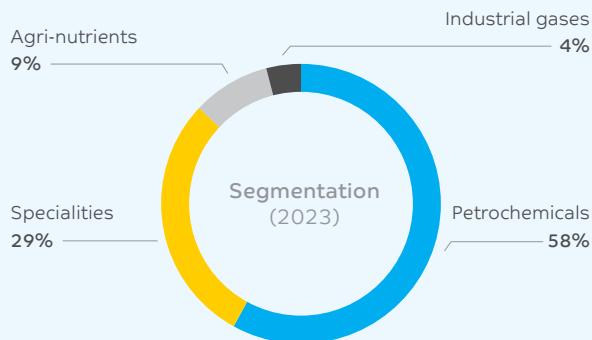


As a global chemicals leader and Saudi Arabia's national chemicals champion, SABIC is leveraging its strengths – scale, innovation, and partnerships – to drive growth, sustainability, and long-term value creation in a rapidly evolving global market.

STRATEGY

Despite facing near-term pressures such as soft demand, oversupply, and economic uncertainties, the chemical industry remains an attractive sector, with growth consistently outpacing global real GDP. The industry spans four primary segments: petrochemicals, agri-nutrients, specialties, and industrial gases. Success in these sectors hinges on a combination of advantages, including scale, global reach, cost, portfolio, technology, and functional excellence – with people and their capabilities at the heart of it all.

GLOBAL CHEMICAL INDUSTRY SEGMENTATION AND GROWTH



Annual growth (2023-2030)

Petrochemicals	2.7%
Specialties	2.8%
Agri-nutrients	0.9%
Industrial gases	2.8%

Sources: Capital IQ, S&P Global, SABIC

However, the industry is in flux, reshaped by broader megatrends, including China's transformative drive for structural self-sufficiency, changing trade dynamics, a growing focus on sustainability, the energy transition, digitalization, and shifting demographics. These trends have implications for the chemical industry in several ways. Asia is becoming a demand engine for chemicals globally, fueled by rapid industrialization, urbanization, and rising consumption across key sectors. China

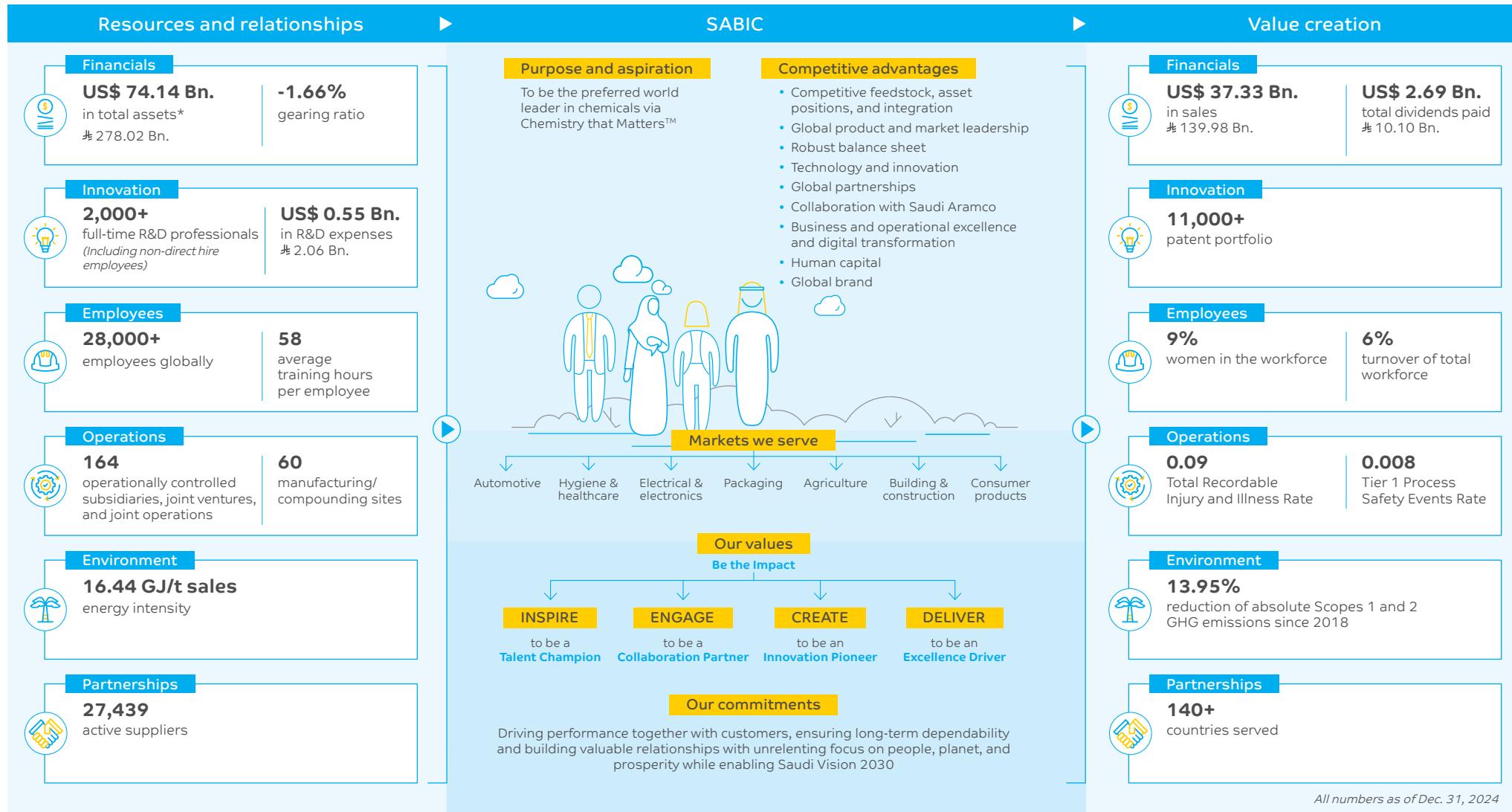
is strengthening self-sufficiency through supportive policies and technological advances. Petrochemicals growth is increasingly tied to liquid feedstocks, resulting in oversupply, rising competitive intensity, and greater commoditization. The rise of the U.S. as a vigorous energy and feedstock hub, coupled with structural competitiveness challenges in Europe, is creating regional disparities. The need to help address climate change has heightened demand for recycled and low-carbon products. Localization has also gained momentum, with a focus on localized manufacturing and supply chains. At the same time, rapid technological advancements are driving efficiency and growth across the sector.

Saudi Arabia is undergoing rapid transformation, driven by the priorities of Saudi Vision 2030. This progress is creating opportunities for the localization of chemicals production and global chemical growth by leveraging Saudi Arabia's strong emphasis on sustainability and support from the country's leadership. Additionally, Saudi Aramco's advancing downstream strategy offers meaningful synergies with SABIC, particularly in chemicals and liquids-to-chemicals growth, both within Saudi Arabia and globally.

SABIC's corporate strategy takes into account the company's position, industry dynamics, and the aspirations of Saudi Arabia and shareholders. Guided by our aspiration to be the preferred world leader in chemicals through Chemistry that Matters™ for all stakeholders, we aim to strengthen our position as a leading company, underpinned by a relentless focus on shareholder value creation.



SABIC BUSINESS MODEL



STRATEGIC LEVERS

Our strategy is driven by four levers: transformation, portfolio management, growth, and value creation.

TRANSFORMATION

Transformation is the priority lever of our strategy. SABIC recognizes the need to transform to remain competitive and resilient. The first phase of this transformation, carried out from 2015 to 2023, has already delivered value. Building on this foundation, we launched a new transformation program in 2024 to address emerging challenges across both external and internal contexts. This program focuses on enhancing cost efficiency and functional excellence while addressing underperforming businesses, functions, and regions. It is supported by our ongoing digital transformation, which acts as a key enabler for driving efficiency. This SABIC-wide transformation program is sponsored by the CEO with the aim of developing detailed transformation initiatives and a bankable plan to capture, realize, and sustain the company's full potential, driven by structural capability enhancements. The program also integrates with and leverages other strategic efforts, including the SABIC-Saudi Aramco integration program and SABIC's benchmarking initiative, to ensure alignment and maximize impact.

PORTFOLIO MANAGEMENT

The second key strategic lever of our strategy is to enhance SABIC's core portfolio while potentially exiting or monetizing the non-profitable or non-core portfolios. These efforts aim to sharpen management focus, recycle cash from divestments into growth, and boost overall return on capital employed (ROCE).

For the core portfolio, we will drive progress through improvements in customer centricity, focusing on connectivity, streamlined interactions, and further technical services for products and applications. We will enhance our technology position to develop unique products and applications. We will also address carbon neutrality, the growth of our circular product offerings and sales, and the development of emerging low-carbon businesses such as low-carbon ammonia and methanol.

For the non-profitable portfolio, we will transform it for profitability, exit, or monetize. For the non-core portfolio, we will consider selective exit or monetization.

GROWTH

Our third strategic lever is growth. We aim to invest selectively in highly attractive projects aligned with our core portfolio and growth regions, leveraging regional competitive advantages such as feedstock, capital efficiency, and market access. To achieve this, we will create win-win partnerships with regional and global chemical companies. As the chemicals arm of Saudi Aramco, SABIC will also enable Saudi Aramco's downstream strategy through investments, sales and marketing, technology licensing, manufacturing support and servicing, and infrastructure sharing, creating value for shareholders.

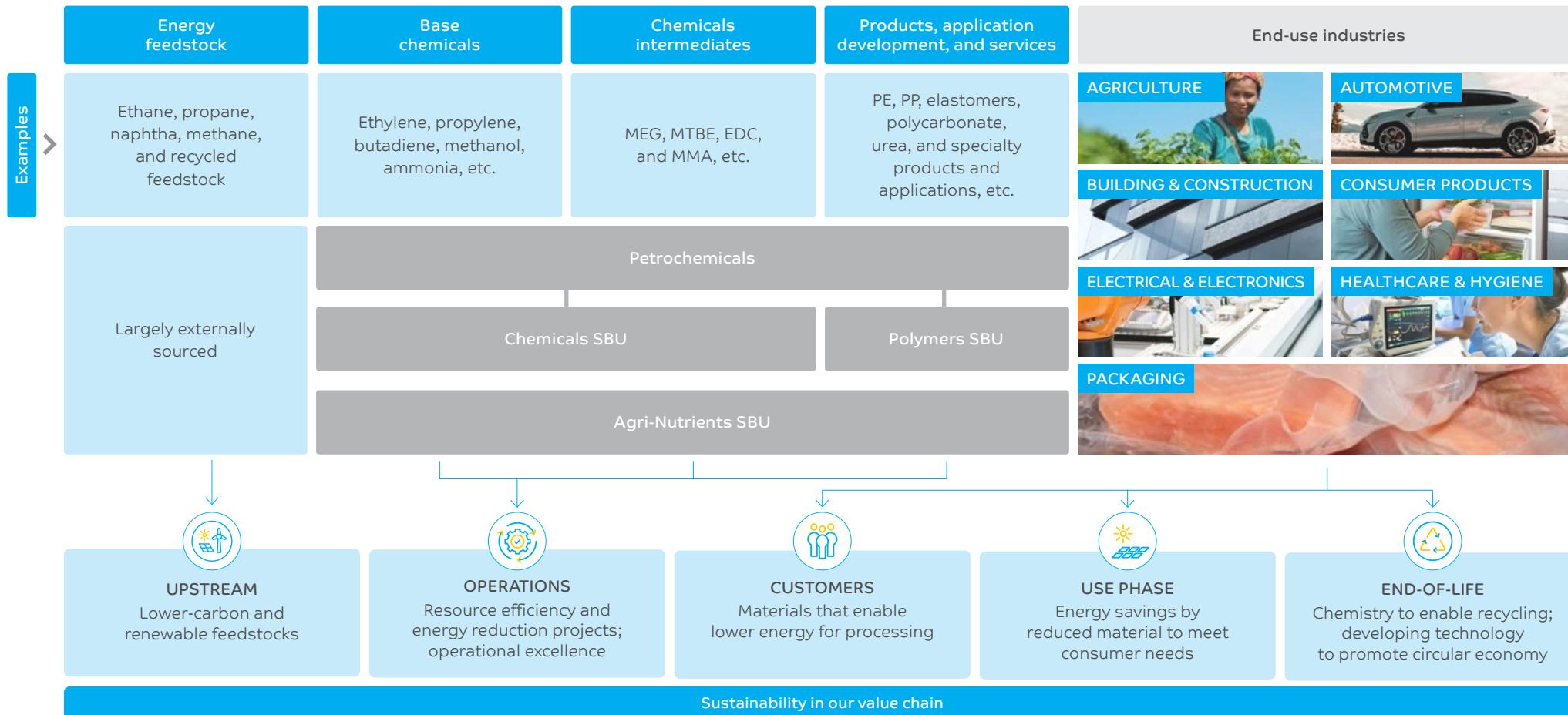
VALUE CREATION

Our value creation lever is underpinned by the other three levers, each interconnected with the others to drive our progress – creating a better company through transformation, a more focused company through portfolio management, and a stronger market and industry leader through growth. Our business value creation happens through competitive returns on capital employed and internal rates of return (IRR), as well as shareholder value creation through consistent dividends and strong total returns. At the same time, we will maintain an appropriate risk profile with a robust, efficient balance sheet designed to navigate the cyclical nature of the chemical industry.

STRATEGIC BUSINESS UNITS AND SEGMENTS

Following our ongoing transformation journey, our structure is now built around three Strategic Business Units (SBUs) – Chemicals, Polymers, and Agri-Nutrients – that operate across the chemical value chain, providing products, applications, and solutions to a wide range of end-use industries.

SABIC VALUE CHAIN PRESENCE AND STRATEGIC BUSINESS UNIT FOCUS





PETROCHEMICALS: CHEMICALS

SABIC holds global leading positions in olefins, glycols, and oxygenates – achievements that reflect decades of growth and value creation. We aim to enhance value and grow our chemicals business by:

- Profitably growing through competitive feedstock, assets and platforms, selective integration, advanced technology, strategic partnerships, and synergies with Saudi Aramco.
- Progressing toward circularity through targeted investments and innovation.
- Enhancing operational excellence across our existing and growth businesses, while ensuring safety and reliability.
- Sustaining and enhancing product leadership in key global markets.

To achieve these goals, we evaluate multiple growth opportunities that align with our unique advantages. Our latest investment in the SABIC Fujian Petrochemical Complex in China is an example of how we are executing our value creation strategy and strengthening our commitment to growth in the region. In Saudi Arabia, we are evaluating multiple growth opportunities to maximize the benefits of hydrocarbon resources for our shareholders. These efforts aim to enhance SABIC's global position, support local and global customer needs, develop human capabilities, preserve technical expertise, and contribute to Saudi Vision 2030.



PETROCHEMICALS: POLYMERS

SABIC holds leading global positions in key polymers, particularly in polyolefins, engineering thermoplastics, and specialty materials. We are realizing our ambition as a global polymers leader by focusing on:

- Strengthening our portfolio, technology, and market-leading positions globally.
- Enhancing commercial, supply chain, and operational excellence.
- Driving differentiation across applications and industry segments.

Within the Polymers SBU, the Specialties Business Unit (BU) focuses on high-performance plastics and is a global leader in this space, with close customer relationships and partnerships with multiple original equipment manufacturers (OEMs). Its advantages include a strong emphasis on customer centricity, leading technology and innovation capabilities, and an advanced portfolio of products, applications, and services, positioning SABIC as a reliable supplier in fast-growing markets and reinforcing our role as the “first to be specified” innovation leader.



AGRI-NUTRIENTS

SABIC Agri-Nutrients Company was launched on January 1, 2022, following the consolidation of all related investments and assets. Since its establishment, the company has made steady progress in positioning itself for future opportunities driven by the energy transition, while capitalizing on the current nitrogen upcycle. It aims to strengthen its leadership in global fertilizer markets, establish a foothold in the evolving low-carbon ammonia sector, and fulfill its role as a national champion supporting Saudi Arabia's Vision 2030. To achieve these goals, SABIC Agri-Nutrients leverages its competitive assets and feedstock platforms, operational excellence, global leadership, and technology and innovation capabilities, while extending its position along the value chain and offering differentiated products and solutions to farmers.

IN FOCUS



SUCCEEDING THROUGH COLLABORATION: SHARED SERVICES

Collaboration drives our ability to grow and transform as we pursue our vision of becoming the preferred world leader in chemicals. Since its establishment in 2004, the Shared Services function has been integral to SABIC's operations, driving efficiency through its integrated service delivery network and skilled team of professionals. Shared Services' centralized model covers critical functions such as global procurement, global information technology, facilities management, accounting services, employee services, engineering and project management services, and manufacturing services. As part of this model, SABIC operates a unified ERP system that integrates the company's major business processes globally. This model creates consistent, standardized operational processes, strengthening governance, compliance, and cost control. These efforts empower SABIC to manage resources effectively, deliver improved services, and establish a resilient foundation for growth.

While retaining its core focus on cost optimization, Shared Services is a value-creating function aligned with strategic levers in service of the company's broader ambitions. For instance, Shared Services' adaptable "plug-and-play" model supports the integration of future acquisitions. Furthermore, by incorporating technologies such as artificial intelligence, advanced analytics, and robotics, and supporting localization efforts, SABIC is leveraging its shared services model to navigate global megatrends shaping the chemicals industry and strengthen its long-term position.



BUILDING COMPETITIVE AND SUSTAINABLE ASSETS: ENGINEERING AND PROJECT MANAGEMENT

Responsible and efficient asset construction is central to our strategy for sustainable growth and value creation. Our Engineering and Project Management (E&PM) function ensures high-quality, on-time, and on-budget asset delivery while maintaining the highest safety and environmental standards.

In 2024, E&PM successfully supported 35 mega projects, including SABIC Fujian, our flagship petrochemical complex. Additionally, E&PM executed 51 retrofitting projects to enhance environmental performance, safety, and efficiency across our existing asset base.

Recognizing the value of collaboration, E&PM's operating model integrates internal expertise with external strategic alliances, helping to manage costs, accelerate timelines, and enhance technical capabilities. We work closely with Saudi Aramco to drive the adoption of industry-leading methodologies, exchanging best practices in project management, engineering standards, and talent development.

Supporting local content is a consistent priority for SABIC. E&PM has localized drafting and drawing capabilities, training 40 Saudi drafters – including 34 women – to strengthen workforce diversity and technical expertise. Additionally, we maximize the use of locally sourced materials and services in project execution, contributing to economic growth and industrial development.

Every project undergoes sustainability assessments to address economic, social, environmental, and health-related risks and opportunities. This precise approach positions us for long-term value creation while supporting environmental stewardship and community welfare.



UNLOCKING VALUE THROUGH SYNERGIES: SAUDI ARAMCO AND SABIC

Since Saudi Aramco's acquisition of a 70% stake in SABIC on June 16, 2020, we have collaborated closely to unlock synergies and drive value creation. This partnership has expanded our product portfolio, supply chain footprint, manufacturing capabilities, and market reach, resulting in a cumulative synergy value of $\text{ﷲ} 9.66$ Bn. (US\$ 2.57 Bn.) as of December 31, 2024, including $\text{ﷲ} 3.04$ Bn. (US\$ 0.81 Bn.) realized in 2024 alone. These efforts position us to achieve a value of US\$ 1.5-1.8 Bn. by 2025, delivering value through cost and capital optimization, revenue growth, and transformational opportunities.

[🔗 Read more about our synergies with Saudi Aramco here.](#)

PROJECTS

This project list is not exhaustive but provides a glimpse into our ongoing initiatives. SABIC diligently evaluates projects aligned with strategic objectives, technical feasibility, and commercial viability. Shareholders are informed in a timely manner when major strategic milestones are reached.

Project	Description
Growth and expansion	
SABIC-Fujian project China 	<p>In 2022, SABIC signed multiple licensing and engineering agreements to develop process design packages (PDPs) for a world-class mega petrochemical complex in China. In January 2024, SABIC announced the final investment decision for the SABIC Fujian Petrochemical Complex (Sino-Saudi Gulei Ethylene Complex Project) in Fujian province, China.</p> <p>SABIC Fujian Petrochemicals Co., Ltd., a 51:49 joint venture between SABIC Industrial Investment Company (wholly owned by SABIC) and Fujian Fuhua Gulei Petrochemical Co., Ltd. (held by Fujian Energy and Petrochemical Group), will develop the complex in Fujian's Gulei Industrial Park. This is SABIC's largest investment in China and the largest foreign investment in Fujian.</p> <p>The complex will feature a mixed-feed steam cracker with an annual ethylene capacity of up to 1.8 million tons, supported by a series of world-class downstream facilities, including ethylene glycol (EG), polyethylene (PE), polypropylene (PP), polycarbonate (PC), and several other units. The project is expected to be completed in 2026.</p>
Engineering thermoplastic compounding plant China 	<p>In August 2024, SABIC signed a potential investment agreement with the Fujian government to establish an engineering thermoplastic compounding plant in the Gulei Port Economic Development Zone, Zhangzhou, Fujian. The plant will primarily produce pelletized LEXAN™ polycarbonate (PC) and CYCOLOY™ PC/ABS blends for advanced material applications. It will include compounding lines, color development capabilities, and advanced equipment to support customers and partners in developing solutions for engineering plastics.</p>

Project	Description
Growth and expansion	
MTBE plant at Petrokemya Saudi Arabia 	<p>Construction is underway on the world's largest methyl tert-butyl ether (MTBE) plant at SABIC's fully owned manufacturing subsidiary, Petrokemya, in Jubail, Saudi Arabia. The project will leverage SABIC's in-house technology to replace existing isobutane dehydrogenation technology and modify the existing isomerization and MTBE synthesis units to achieve an annual MTBE capacity of 1,000 kilotons (kt). Mechanical completion is expected in 2025.</p>
SSNC expansion South Korea 	<p>SABIC SK Nexlene Company Pte Ltd (SSNC) has successfully completed the debottlenecking of its Nexlene plant in Ulsan, Korea. This project increases production capacity and introduces C4 POE capability, supporting the delivery of high-value products to customers.</p>
ULTEM™ resin manufacturing plant Singapore 	<p>SABIC launched its new ULTEM™ resin manufacturing facility in Singapore, marking its first advanced specialty chemical manufacturing site in the region. The facility supports SABIC's goal of expanding global ULTEM™ resin production to meet growing demand across the Asia-Pacific region, including Japan and China. It will serve high-tech industries such as aerospace, healthcare, 5G, artificial intelligence (AI), and electric vehicles (EVs).</p>

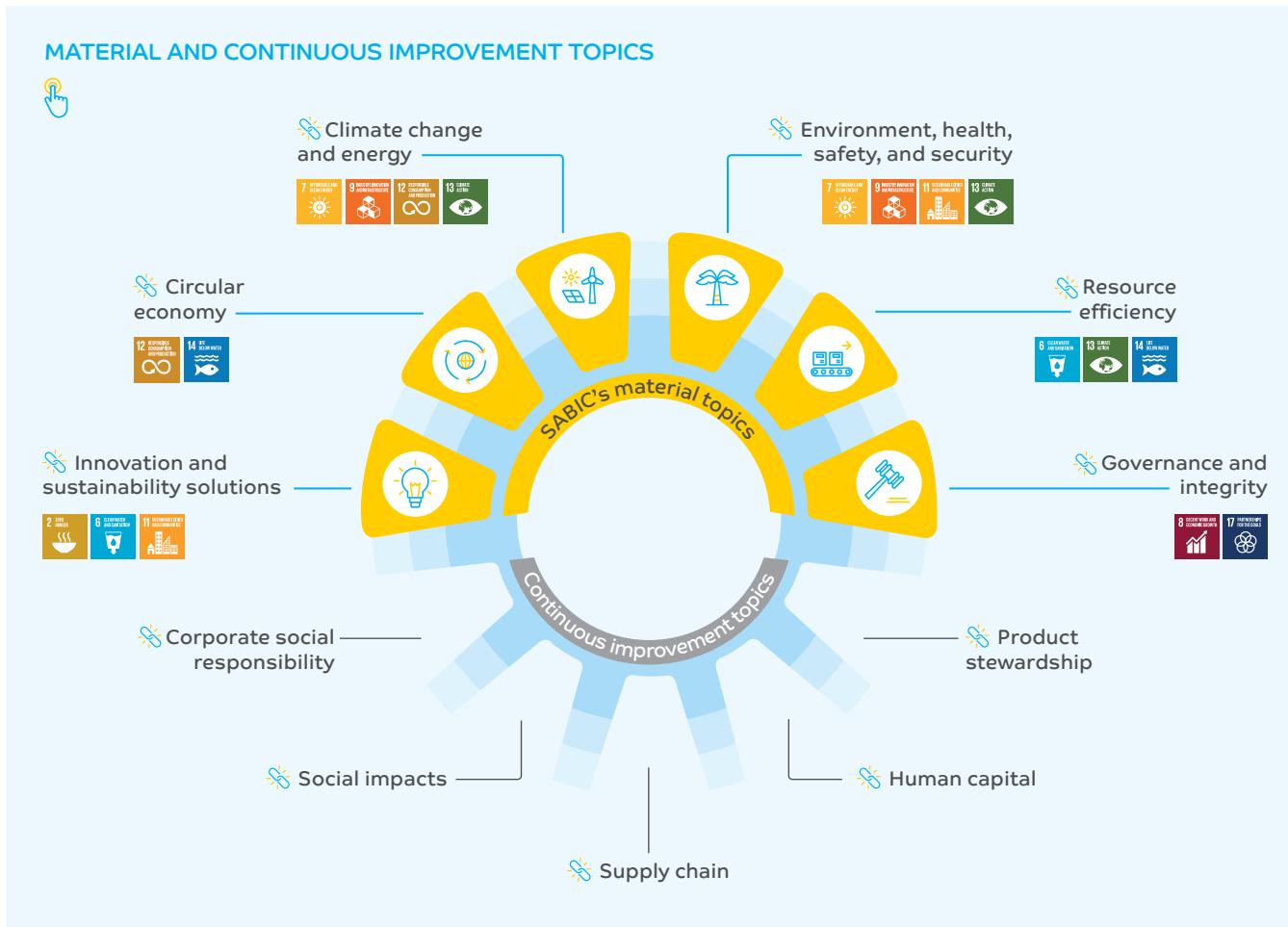
Project	Description
Sustainability	
<p>Electrically heated steam cracker furnace (demonstration plant)</p> <p>Germany</p> 	<p>In April 2024, SABIC, BASF, and Linde inaugurated the first large-scale demonstration plant for electrically heated steam cracker furnaces at BASF's Ludwigshafen site. Designed to operate using 6 megawatts of renewable electricity, the plant aims to validate the technology's potential to reduce operational Scopes 1 and 2 CO₂ emissions compared to conventional steam crackers. The facility integrates two furnace designs, enabling real-time testing of innovative heating methods, and will gather critical data for scaling the technology to industrial maturity.</p>
<p>Integrated advanced recycling hub</p> <p>The Netherlands</p> 	<p>SABIC has been building an integrated advanced recycling hub in Geleen, the Netherlands, and, in 2024, successfully commissioned its new demonstration hydrotreater at the site. The hydrotreater unit, wholly owned by SABIC, processes pyrolysis oil from post-consumer mixed plastics into on-specification cracker feedstock, which is used in SABIC's olefins cracker to produce certified circular polymers. While currently a demonstration plant, this hydrotreater marks a step forward in SABIC's efforts to scale up advanced recycling and offer drop-in material solutions for customers.</p>

Project	Description
Strategic portfolio optimization	
<p>Sale of SABIC's stake in Aluminium Bahrain B.S.C. (Alba)</p> <p>Bahrain</p> 	<p>SABIC Industrial Investment Company, a wholly owned subsidiary of SABIC, signed an agreement to sell its 20.62% shareholding in Aluminium Bahrain B.S.C. (Alba) to Saudi Arabian Mining Company (Ma'aden). The transaction aligns with SABIC's strategy to optimize its portfolio, focus on core chemical businesses, and reallocate capital towards growth initiatives in the chemicals industry. For details, refer to Consolidated Financial Statements Note 35.1.</p>
<p>Functional Forms divestment (Film & Sheet Business)</p> <p>Global</p> 	<p>On September 1, 2024, SABIC completed the sale of its Functional Forms (FF) business to the Röhm Group. This downstream polycarbonate resin extrusion business, distinct in complexity and product offerings from SABIC's core commodity and specialties plastics businesses, aligns closely with Röhm's downstream segments. The transaction supports SABIC's strategy to optimize its portfolio, focusing on petrochemicals, specialties, and agri-nutrients. For details, refer to Consolidated Financial Statements Note 35.2.</p>
<p>Hadeed divestment</p> <p>Saudi Arabia</p> 	<p>SABIC finalized the transfer of its 100% ownership in the Saudi Iron and Steel Company (Hadeed) to the Public Investment Fund (PIF), following the fulfillment of all regulatory approvals and conditions. As announced in September 2023, the transaction is finalized using a Completion Accounts Mechanism. For details, refer to Consolidated Financial Statements Note 34.</p>

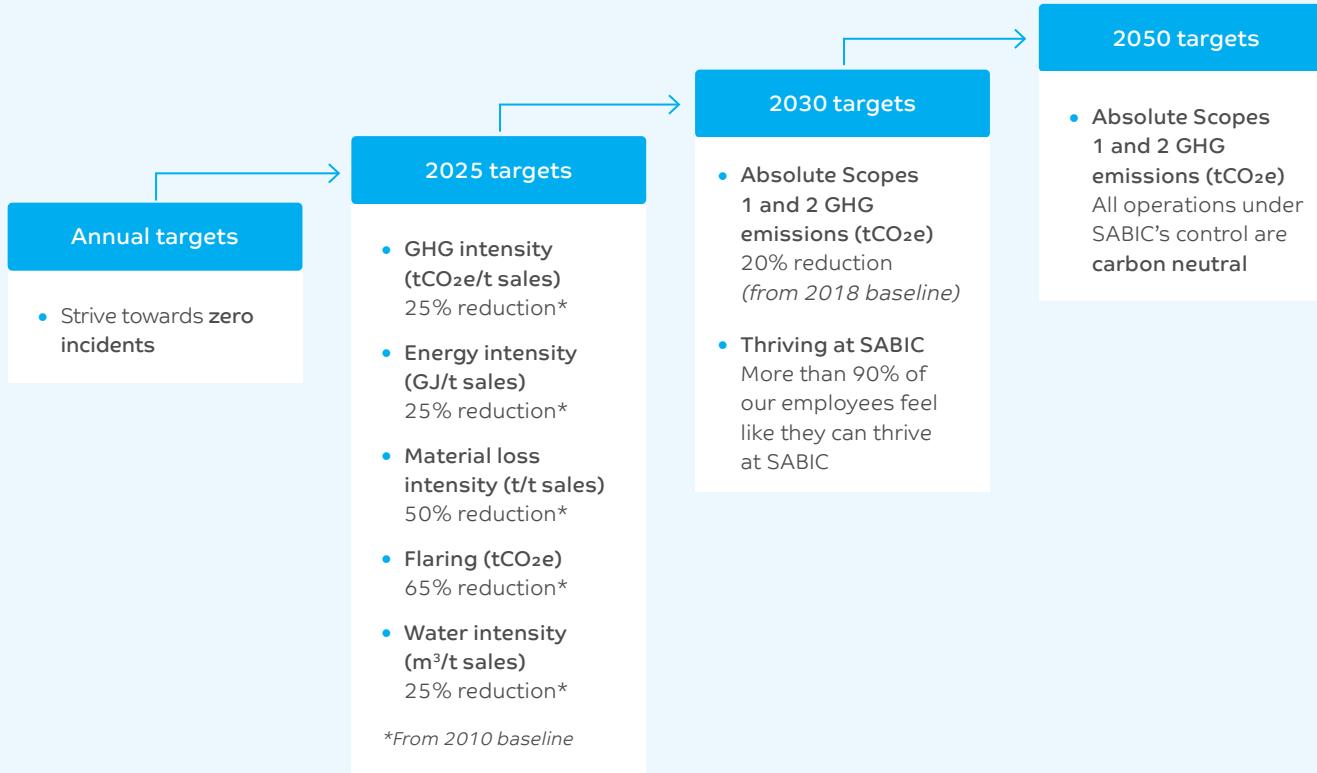
MATERIALITY

The six material topics that are covered in this year's report are resource efficiency; climate change and energy; innovation and sustainability solutions; circular economy; governance and integrity; and environment, health, safety, and security. These six areas are aligned with 10 of the 17 UN Sustainable Development Goals (SDGs) where we believe our business can have the greatest impact. We have identified five additional focus areas for continuous improvement, addressing key stakeholder issues: creating a thriving and diverse workplace for our employees; enhancing our social impact through local content initiatives; fostering engagement and volunteerism through corporate social responsibility programs; strengthening relationships with our suppliers; and maintaining excellence in our product stewardship program.

Over the past 13 years, our sustainability reporting was prepared in accordance with internally developed criteria, inspired by recognized frameworks including those established by the Greenhouse Gas (GHG) Protocol, Occupational Safety and Health Administration (OSHA), and the Global Reporting Initiative (GRI). Rapidly evolving regulatory requirements are ushering in a new era in sustainability reporting. A double materiality assessment, which considers both financial and impact materiality, as well as a stakeholder analysis, is currently being conducted to evaluate the impacts, risks, and opportunities that will form the basis of our European holding company reporting under the EU Corporate Sustainability Reporting Directive (CSRD) starting in 2025.



KEY NON-FINANCIAL TARGETS



STAKEHOLDER ENGAGEMENT

Our approach to stakeholder engagement focuses on understanding our impact, addressing priorities and expectations, and identifying opportunities for collaboration and value creation. By regularly gathering feedback from stakeholder groups, we aim to balance diverse interests, requirements, and expectations effectively.

	Most relevant material topics	Engagement channels	Stakeholder expectations and focus areas
 <p>Shareholders and investors</p>	<ul style="list-style-type: none"> • Governance and integrity • Innovation and sustainability solutions 	<ul style="list-style-type: none"> • Annual General Meeting • Conferences • Non-deal roadshows • Earnings calls • One-on-one engagements • Investor Day • Investor Relations section of our website 	<ul style="list-style-type: none"> • Value creation and performance: Long-term value creation, economic performance, transparent reporting of financial and operational KPIs. • ESG: Integration of ESG into corporate strategy, progress on sustainability goals. • Governance and transparency: Transparent decision-making, corporate governance aligned with stakeholder and regulatory requirements, representation of minority shareholders. • Capital management: Effective capital allocation, clear dividend policies, transparency in management practices. • External risks: Addressing geopolitical volatility and macroeconomic challenges, including high interest rates. • Ethics and compliance: Strong business ethics and anti-corruption measures.
 <p>Customers</p>	<ul style="list-style-type: none"> • Innovation and sustainability solutions • Circular economy • Climate change and energy • Product stewardship 	<ul style="list-style-type: none"> • Conferences and forums • Industry trade shows • Customer surveys • Commercial contacts • Customer events and visits • SABIC corporate website and e-commerce portal 	<ul style="list-style-type: none"> • Customer needs and satisfaction: Supporting customer requirements through reliable service, product quality, and strong partnerships. • Product supply and assurance: Ensuring safe, secure, and reliable product supply with robust quality assurance practices; promoting responsible chemical handling and product stewardship. • Circular solutions: Continuing to develop materials and reducing product carbon footprints. • ESG: Addressing ESG topics through reporting and transparency and advancing sustainability across the value chain.

Most relevant material topics

Engagement channels

Stakeholder expectations and focus areas

**Employees and their families**

- EHSS
- Human capital
- Governance and integrity

- Global employee survey
- Annual performance reviews
- Employee conversations (TALK5)
- Competency assessment framework
- Compliance reporting process (Speak Up)
- Ethics and compliance program
- Integrity culture survey
- Employee networks
- Work councils and committees
- Our intranet and “Enrich Your Experience” (EYE) video content portal

- **Employee development and growth:** Performance frameworks, training programs, professional development opportunities, and career solutions to support the employee journey.
- **Compensation and benefits:** Competitive pay, educational benefits like the SABIC Scholarship Program, and comprehensive health and wellness services.
- **Engagement and wellbeing:** Open communication channels, employee engagement initiatives, and fostering work-life balance through post-COVID-19 workplace expectations.
- **Sense of belonging:** Fostering environments where employees feel respected, have a sense of belonging, and can thrive.
- **Leadership and values:** Embedding the SABIC Leadership Way model to reflect core values and inspire leadership across all levels.
- **Safety and security:** Occupational safety initiatives, job security, and access to safe reporting mechanisms free from retaliation.
- **Saudi Vision 2030:** Partnering with employees to support Saudi Vision 2030 goals.

**Suppliers and alliance partners**

- Governance and integrity
- Climate change and energy
- Supply chain

- SABIC supplier portal
- Vendor meetings
- Industry conference and exhibitions
- Compliance training for suppliers and other third parties
- Cooperation in associations

- **Partnerships and collaboration:** Building and maintaining long-term, transparent relationships with suppliers and alliance partners.
- **Procurement process:** Ensuring fairness, clarity, and efficiency in procurement, including timely payments.
- **Technology and innovation:** Leveraging advanced technologies to enhance collaboration and supply chain visibility.
- **Compliance:** Supporting adherence to the Supplier Code of Conduct, promoting labor safety and rights, and advancing energy efficiency and pollution prevention.

**Governments and regulatory bodies**

- Governance and integrity
- Climate change and energy
- Corporate social responsibility
- Social impacts

- Engaging with governments and global forums
- Participation in industry associations
- Providing support and expertise for development of regulations, programs, and national projects

- **Compliance and transparency:** Adhering to laws and regulations, timely information disclosure, and regular reporting.
- **Safety and environmental protection:** Ensuring safe operations and promoting environmental stewardship.
- **Policy and advocacy:** Advocating for smart, responsible policies in key markets and navigating evolving regulatory environments.
- **Government engagement:** Collaborating with governments to support compliance, sustainable development, and stakeholder needs.
- **Community and economic contributions:** Promoting local employment, community aid, and industrial innovation.
- **Leadership and training:** Sharing leadership experiences and driving people development through alliances, including SABIC Academy partnerships with the Saudi government.

	Most relevant material topics	Engagement channels	Stakeholder expectations and focus areas
 <p>Community and society</p>	<ul style="list-style-type: none"> • EHSS • Governance and integrity • Corporate social responsibility 	<ul style="list-style-type: none"> • Local employment portals • Employee and leadership engagement with the community • CSR programs • Media (social, traditional) • Compliance reporting process (Speak Up) • Regular press conferences • Meetings with local suppliers 	<ul style="list-style-type: none"> • Communication and engagement: Developing channels to effectively engage with and address the needs of diverse communities. • Quality of life: Enhancing quality of life in local communities and addressing environmental and social issues. • Skills and employment: Promoting skills development and local employment; procurement from local businesses. • Community partnerships: Building partnerships with local organizations, supporting SMEs, students, and female workers through initiatives like the Pearl Initiative and NUSANED™. • Corporate Social Responsibility (CSR): Advancing global CSR initiatives across four focus areas – Science and Technology in Education, Health and Wellness, Environmental Protection, and Water and Sustainable Agriculture – guided by a dedicated CSR department and policy.
 <p>External initiatives, collaborations, and trade associations</p>	<ul style="list-style-type: none"> • Governance and integrity • Innovation and sustainability solutions • EHSS 	<ul style="list-style-type: none"> • Meetings • Workshops • Conferences, forums, and summits 	<ul style="list-style-type: none"> • Environmental sustainability: Pursuing efforts to reduce GHG emissions, address climate change, and align with UN Sustainable Development Goals (SDGs). • Industry collaboration: Seeking solutions to industry-specific issues like environmental challenges and plastic waste, fostering cooperation and consensus through advocacy coalitions and trade associations. • Innovation and entrepreneurship: Investing in new technologies, entrepreneurial ventures, and establishing venture capital channels. • Governance and compliance: Supporting new partnership models with robust intellectual property and governance frameworks aligned with prevailing laws and regulations. • Human rights: Integrating human rights into collaborative efforts and providing stakeholders with resources and updates through our human rights portal.

PARTNERSHIP ECOSYSTEM

We collaborate with diverse partners to share knowledge, promote awareness, and develop innovative solutions with the broader aim of elevating industry and resilience. Read more about our collaborations with people, communities, and partners and our engagement with governments and political stakeholders.

[People and collaborations](#)

Innovation

ACADEMIA

- Dutch Polymer Institute (Netherlands)
- Gdansk University of Technology (Poland)
- National Interuniversity Consortium of Materials Science and Technology (INSTM) – University of Naples (Italy)
- King Abdullah University of Science and Technology (Saudi Arabia)
- King Saud University (Saudi Arabia)
- Shanghai Research Institute of Chemical Industry (China)
- Technische Universiteit Eindhoven (Netherlands)
- University of Alberta (Canada)
- University of Houston (USA)
- Virginia Polytechnic Institute and State University (USA)

FIRST ADOPTERS

- BASF
- Linde
- TotalEnergies

[Ventures](#) | [Joint ventures](#)

Strategic focus areas

SUSTAINABLE VALUE CHAINS

- CDP climate, water, and supply chain programs
- Clean Development Mechanism, Designated National Authority (CDM-DNA)
- EcoVadis
- Houston Energy Transition Initiative (HETI)
- Saudi Ministry of Energy Circular Carbon Economy National Program
- Together for Sustainability (TfS)

PLASTIC WASTE

- Alliance to End Plastic Waste (AEPW)
- International Sustainability and Carbon Certification Association (ISCC)
- Operation Clean Sweep® (OCS)

COMPETENCY BUILDING

- Center for Creative Leadership
- Duke Corporate Education
- International Institute for Management Development (IMD)
- Thunderbird School of Global Management

GOVERNANCE AND INTEGRITY

- Ethisphere Institute
- Pearl Initiative

Advocacy and industry partnerships

GLOBAL

- Association of International Chemical Manufacturers (AICM)
- Global Impact Coalition (GIC)
- Hydrogen Council
- International Council of Chemical Associations (ICCA)
- Methanol Institute
- Polyolefin Circular Economy Platform (PCEP)
- UN Global Compact
- World Business Council for Sustainable Development (WBCSD)
- World Economic Forum (WEF)
- World Plastics Council (WPC)

AMERICAS

- American Chemistry Council (ACC)

EUROPE

- Dutch Chemical Industry Association (VNCI)
- European Chemical Industry Council (Cefic)
- European Petrochemical Association (EPCA)
- Petrochemicals Europe (PE)
- Polyolefin Circular Economy Platform (PCEP)
- Plastics Europe (European Plastic Industry Association)
- Sustainable Fuels Europe
- UK Chemical Industries Association (CIA)
- Value Balancing Alliance (VBA)

ASIA

- All India Plastics Manufacturers Association (AIPMA)
- Boao Forum for Asia
- China Petroleum and Chemical Industry Federation (CPCIF)

MIDDLE EAST

- Gulf Petrochemicals Association (GPCA)
- Future Investment Initiative (FII)
- Saudi Green Initiative (SGI)

IN FOCUS



PIONEERING DECARBONIZATION TECHNOLOGIES: FIRST ADOPTER

SABIC's First Adopter Program lays the groundwork for the commercial implementation of cutting-edge decarbonization technologies – electrification, carbon capture, and hydrogen – across our olefin cracker assets over the next decade. This initiative ensures we are prepared to scale these innovations with a clear understanding of the cost, performance, and infrastructure required.

A flagship project is the development of the world's first large-scale electrically heated steam cracker furnace, in partnership with BASF and Linde, groundbreaking technology that has the potential to significantly reduce emissions. Additionally, in collaboration with Scientific Design and Linde, we are progressing on the decarbonization of the ethylene glycol process, leveraging our proprietary carbon capture technology already proven at the world's largest CCU plant.



MEASURING IMPACT: VALUE BALANCING ALLIANCE

As a member of the Value Balancing Alliance (VBA) since early 2023, SABIC has contributed to advancing methodologies for measuring corporate value. In 2024, we piloted the VBA's "Impact accounting framework," using targeted data from upstream, operations, and downstream to evaluate environmental, social, and economic indicators.

This pilot provided valuable insights into SABIC's contributions to GDP and the social and environmental impacts across our value chain. It also supports our efforts to integrate ESG considerations into our business, offering a meaningful approach to understanding how these metrics contribute to enterprise value.



PURSUING COMPLIANCE EXCELLENCE: ETHISPHERE INSTITUTE

As a member of the Ethisphere Institute, SABIC reaffirms the need for ethical business practices that foster corporate culture, trust, and success. Since 2019, we have received Ethisphere's "Compliance Leader Verification" consecutively, recognizing our compliance practices.

RISKS AND OPPORTUNITIES

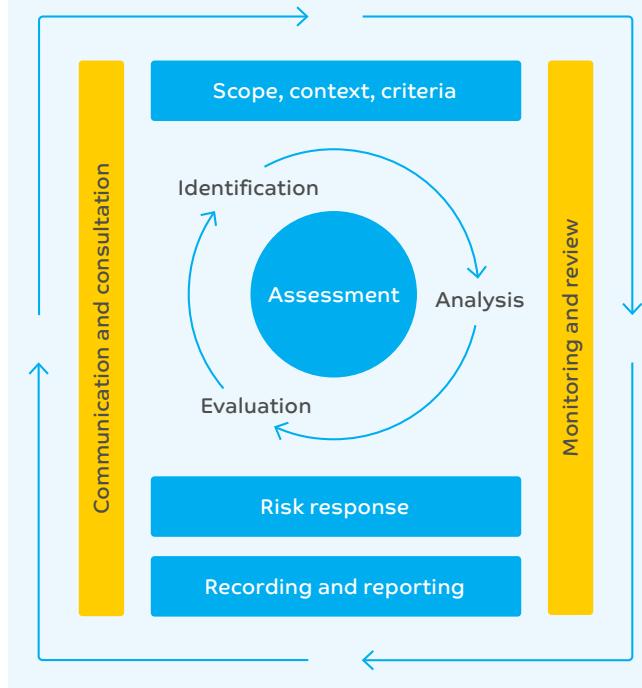
ENTERPRISE RISK MANAGEMENT AND GOVERNANCE

Enterprise Risk Management (ERM) plays a crucial role in implementing an inclusive approach to risk management and business continuity. This includes identifying risks, collaborating with stakeholders across resilience phases to assess potential risks, and proactively mitigating them or reducing their impacts if they occur. Our focus is on securing the resilience of critical infrastructure to ensure continuity in providing essential products and services.

SABIC pursues its strategic objectives to maximize shareholder value by taking calculated risks within the organization's risk management framework. The ERM department provides leadership with early warnings of potential and emerging risks from internal or external events that could impact the company's strategic goals.

SABIC has a well-established risk management policy supported by an integrated governance system. Guided by international best practice standards, such as ISO and COSO, amongst others, SABIC's risk management process aims to effectively identify, understand, and manage threats to the company and its performance, while capitalizing on opportunities to advance strategic goals. This process also aids in establishing risk limits and controls and setting monitoring and reporting rhythms to enable business units and corporate functions to meet their objectives.

SABIC'S RISK MANAGEMENT PROCESS



The risk management policy and framework are reviewed periodically to account for changes in market conditions and SABIC activities, informed by:

- International standards
- International mandates
- External context parameters
- Internal audits

- Corporate governance reviews
- Stakeholders (e.g., regulators, shareholders, partners, customers, and suppliers)

Based on these inputs, our ERM team implements enhancements required immediately and earmarks those to be considered for future adjustments to the framework and policy. The framework includes tools and mechanisms for managing and overseeing various risk categories faced by SABIC and its global affiliates.

The Chief Executive Officer (CEO) is responsible for implementing the policy and framework, while the SABIC Board of Directors, through its Sustainability, Risk, and EHSS Committee, monitors the framework's application and assesses major business risks. This committee meets on a quarterly basis to review our ERM department's detailed reports on the company's top risks, assess the effectiveness of the risk management system, and make recommendations to the Board on the efficacy of measures taken to minimize the impact of all risks. On the other hand, the Board Audit Committee (BAC) oversees internal control systems, including: (i) reviewing internal and financial controls and risk management systems, ensuring their effectiveness through regular reporting, and monitoring the execution of actions; and (ii) reporting to the Board on the adequacy of these control systems.

Furthermore, all SABIC business units and corporate functions submit quarterly coordinated reports to the Executive Risk Management Committee, covering risks at strategic, tactical, and operational levels. All ERM activities are supported by SABIC's Global Risk Champion Network, which is composed of senior business leaders who have been assigned additional responsibilities to coordinate periodic risk assessments, strengthen the connection between risk management and business objectives, and enhance the culture of risk management within their respective entity.

Integrating SABIC's risk management framework and processes into company-wide decision-making processes supports a standardized framework for risk identification, assessment, mitigation approaches, risk tolerance, and monitoring/reporting rhythms to enable the SBUs/corporate functions to improve the likelihood of achieving their objectives. It also demonstrates to stakeholders (e.g., regulators, shareholders, partners, customers, and suppliers) the company's effective risk management. Embedding risk management process into the Operations Management System (OMS) also provides a risk management framework applicable to manufacturing affiliates and sites.

We conduct periodic bottom-up risk assessments across our SBUs, corporate functions, sales offices, and annual business planning, including risk quantification. Our risk management processes also support our growth projects and key initiatives, helping manage risks throughout their execution.

RISK CULTURE AND EXCELLENCE

In pursuit of its goals, SABIC upholds a zero-tolerance policy toward any actions compromising the safety and security of employees, contractors, the public, or the environment. SABIC also has zero tolerance for any actions that could lead to issues related to integrity, ethical and regulatory non-compliance, and breaches and/or infringement of intellectual property.

SABIC fosters a strong risk culture, viewing employees as custodians of this culture and entrusting them to uphold the company's standards and maintain risk mindfulness in executing SABIC's strategy. We continuously aim to enhance risk management awareness among employees, promoting their understanding and empowerment to identify and manage risks effectively. SABIC ERM has executed several risk culture tools to enhance awareness within the company. Through training, standards, and procedures, SABIC ERM

strives to create a disciplined and constructive control environment where employees understand their roles and responsibilities. Periodically, SABIC conducts surveys across its business units and corporate functions to assess risk management maturity and drive initiatives that advance risk maturity further.

During 2024, SABIC continued its efforts to enhance its culture:

- Provided refresher programs on risk management for the boards of operated and non-operated joint ventures (JVs).
- Launched the ERM Culture Capability Building (CCB) program to enhance risk management skills across the organization.
- Held the third Manufacturing Day workshop to engage manufacturing leadership and SABIC affiliate presidents, sharing best practices.
- Conducted a "risk champion" program to improve ERM implementation and foster global knowledge sharing across SABIC.

- Published tools to support culture enhancement, including biannual ERM risk intelligence reports, videos, and newsletters.
- Supported global entities and projects in Business Continuity Management (BCM) and developed Business Continuity Plans (BCPs) to boost resilience against major disruptions, such as IT outages.
- Achieved ISO 22301:2019 certification for SABIC's Business Continuity Management department.
- Collaborated with government and private sector entities to enhance ERM practices through expert advice and knowledge exchange.

These initiatives demonstrate our commitment to building a strong strategy, especially to strengthen our resilience against geopolitical instability and a volatile global energy market. They are also part of our broader efforts in knowledge exchange and championing risk management in the region.



Through training programs, workshops, and knowledge-sharing events, SABIC strengthens risk awareness and resilience across the organization.

2024 RISK LANDSCAPE

In 2024, petrochemical companies faced intensified supply chain and energy cost risks due to geopolitical uncertainties and a global economic slowdown. Challenges included disruptions to feedstock supply, surging shipping costs, and labor shortages. Rising energy prices and heightened competition for resources further strained production costs.

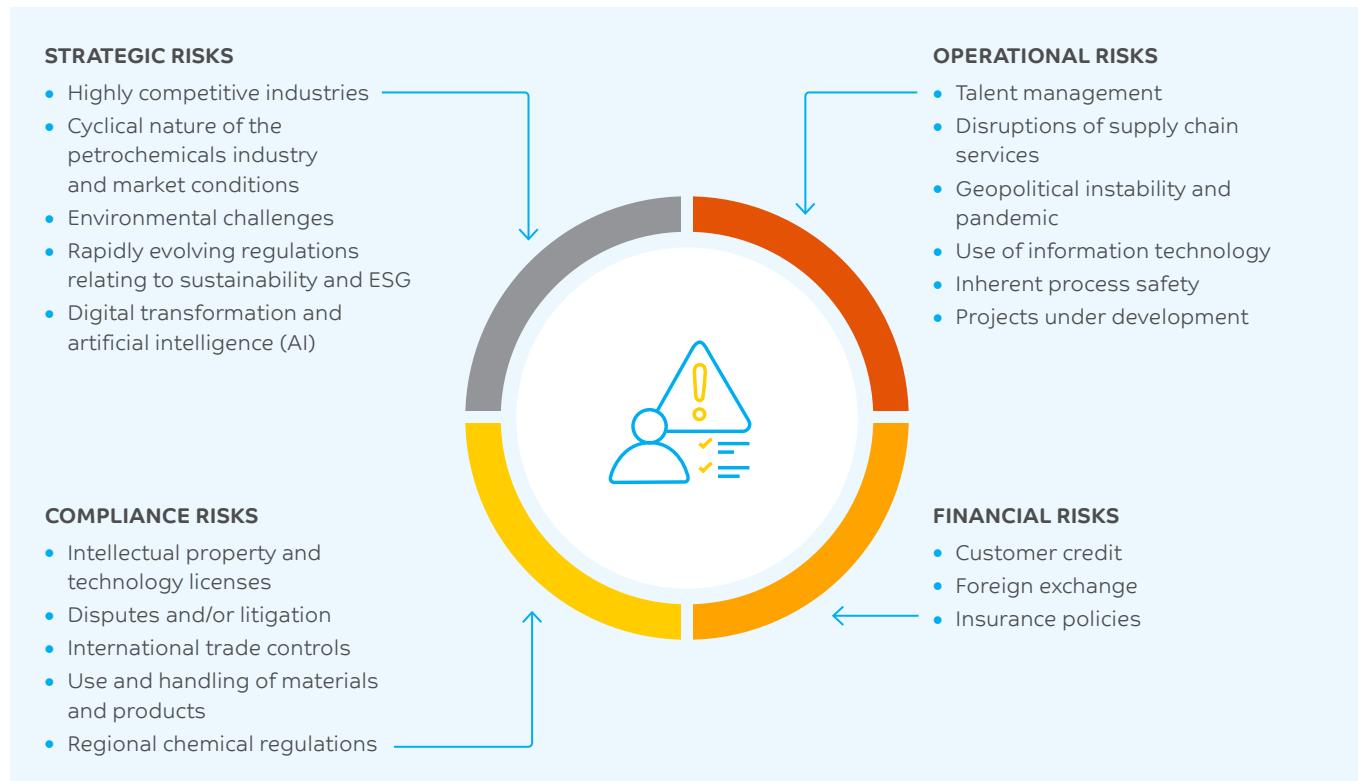
EMERGING RISKS

SABIC continues monitoring the impacts of changing external and internal environments to identify and assess emerging risks with development of response plans. Noteworthy issues of focus included the attacks in the Bab-el-Mandeb Strait, new regulations related to sustainability, and protectionist measures heightened by several elections taking place around the world in 2024. Additionally, recent advances in artificial intelligence have the potential to pose unfamiliar risks to our business and operations. In each case, effective assessment is carried out to ensure business continuity and resilience.

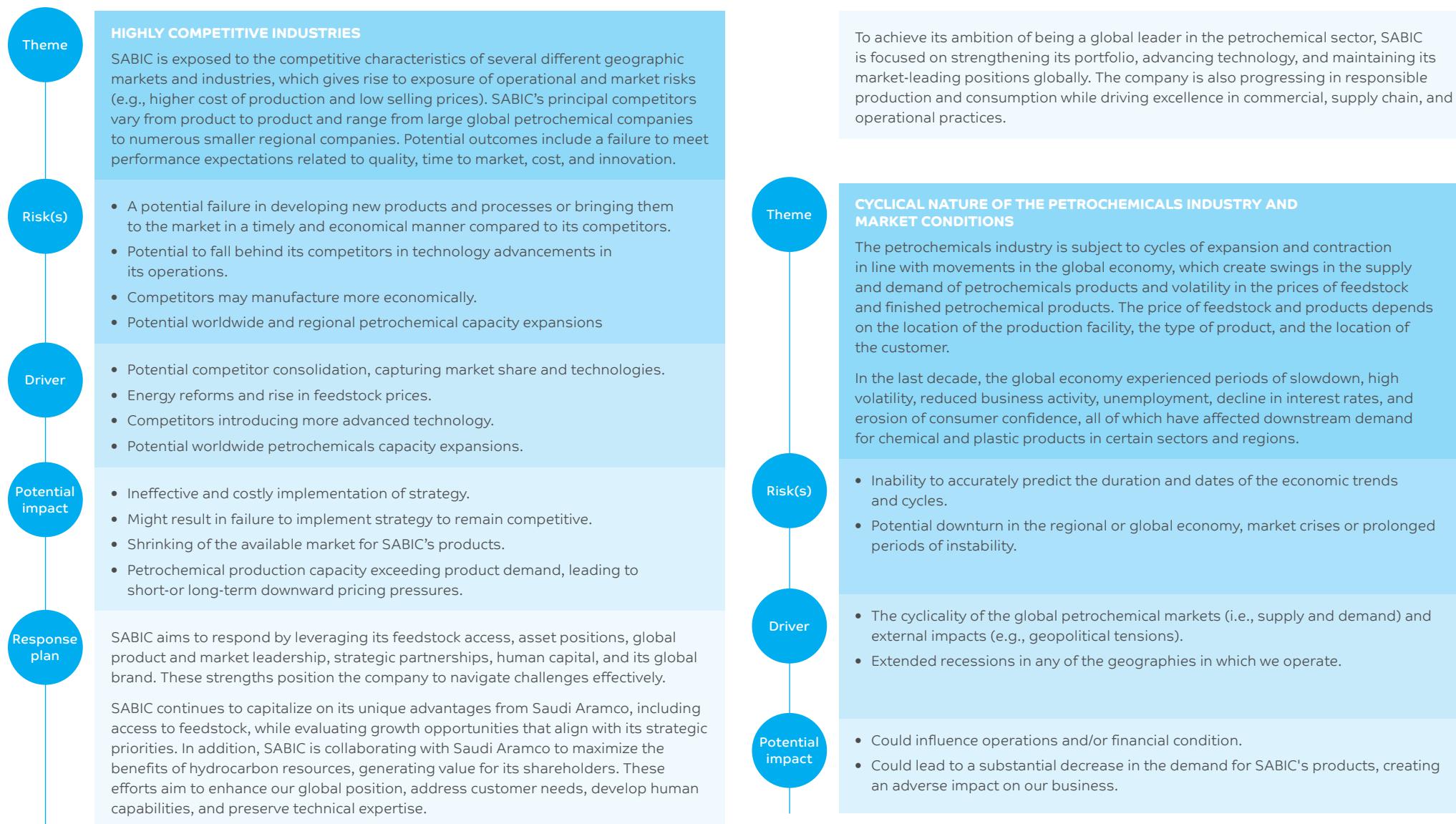
The impact of global and regional conflicts during 2024 on supply chains is evidenced by the constraints on energy and goods supply and the disruption of major transportation routes, raising prices across the board. SABIC has developed response plans to minimize these impacts, which include updating inventory, considering alternative shipping routes, and utilizing storage vessels.

RISK FACTORS

SABIC may face inherent risks in the global oil, gas, and petrochemical sectors, as well as from current and potential future regulations and to opportunities related to ESG. The impacts of these risks – both threats and opportunities – are managed through a range of strategic approaches. However, some of these factors remain beyond the company's control and could negatively affect its business, financial results, and operating conditions.



STRATEGIC RISKS



Response plan

SABIC conducts continuous horizon scanning for any upcoming/expected changes, related to the petrochemicals industry and market to maneuver our business model accordingly. SABIC builds lasting resilience through analysis of long-term trends and implications and then makes an informed and deliberate strategic choice. We revisit our product portfolio and conduct scenario planning to build a product portfolio that can withstand changes.

Response plan

SABIC continues to monitor progress against the company's own climate ambitions, cognizant of the challenges imposed by technology and economics.

SABIC evaluates physical environmental risks to identify vulnerabilities and strengthen the resilience of its operations. These risks are classified as acute (event-driven, such as cyclones and floods) or chronic (long-term changes like rising temperatures). Environmental risks and opportunities are evaluated across short- (0–1 years), medium- (1–3 years), and long-term (4–10 years) horizons, considering consequence (cost impact) and likelihood (probability of occurrence due to climate changes, shifts in policies, or market dynamics). These assessments guide strategic decisions on approaches to mitigation and climate resilience.

SABIC is working with regional authorities and industry partners to conduct detailed studies on the implications of climate change. These efforts are part of SABIC's broader approach to building a comprehensive understanding of environmental impacts and strengthening long-term asset resilience, including the review and revision of business continuity plans, health and safety guidelines, and emergency response plans following environmental risk assessments.

Theme

ENVIRONMENTAL CHALLENGES

Climate change poses a threat to the global economy, impacting businesses and financial institutions. Physical risks are the direct impacts of climate change, such as extreme weather events, rising sea levels, and changes in temperature and precipitation patterns.

These risks can damage infrastructure, disrupt supply chains, and lead to increased insurance claims. Transition risks are risks associated with the shift to a low-carbon economy, such as changes in government policies, technological advancements, and consumer preferences.

Risk(s)

Challenges in executing our GHG emissions reduction roadmap.

Driver

Issues concerning environmental change adaptation and mitigation through regulation and stakeholder expectations.

Potential impact

Could impact SABIC's business and operations; increased regulatory burden of tracking and reporting.

Theme

RAPIDLY EVOLVING REGULATIONS RELATING TO SUSTAINABILITY AND ESG

In recent years, there has been a growing awareness of the impacts of business activities on the environment and society. This has led to changes in regulation and public expectations, which are creating new risks and opportunities for businesses. We recognize that our success increasingly depends on integrating ESG principles into every aspect of our business. SABIC is working on reducing its environmental impact, including greenhouse gas emissions, water usage, and waste generation, recognizing that these changes may require new technologies, capital investments, supply chain participation, and increased operating costs.

Risk(s)

Potential delay in delivering against sustainability or carbon-neutral goals and ESG reporting.

Driver

Rapidly-evolving regulations, capital availability, aging plants or lack of mature technology.

Potential impact

A negative impact on SABIC's reputation and a decreased demand for goods and services.

Response plan

SABIC adapts to evolving regulations by regularly reviewing and updating its business model. The company follows a complex network of reporting regulations, ratings, and disclosure frameworks. SABIC focuses on running a responsible and profitable business for the long-term. The strategy is guided by four key factors: addressing stakeholder needs, meeting evolving regulations, enabling responsible long-term growth, and driving a sustainable portfolio. SABIC integrates ESG principles across business functions.

In the coming years, SABIC will continue to analyze emerging legislation, including recent EU regulations, to assess their impact on the company's business. In parallel, the company is continuing efforts to reduce GHG emissions and align with the UN Sustainable Development Goals (SDGs).

SABIC ensures suppliers undergo a financial and technical qualification process as part of its Supplier Life Cycle and Performance Management (SLM) program. This program includes a due diligence process to confirm that suppliers meet our procurement standards and incorporates an evaluation of environmental sustainability.

Theme

DIGITAL TRANSFORMATION AND ARTIFICIAL INTELLIGENCE (AI)

The petrochemicals industry is moving quickly to harness the potential of digitalization, and SABIC must keep pace, or be a leader, with respect to its competitors. Effective utilization of digitalization and the power of big data, machine learning, and artificial intelligence will help SABIC to achieve superior market intelligence.

Risk(s)

Potential delays in improving the reliability of manufacturing plant operations and enhancing market analytics studies.

Driver

Effectiveness of big data/analytics tools and manufacturing automation.

Potential impact

Could lead to slow enhancement of operations productivity and efficiency, as well as market analytics.

Response plan

To achieve its digitalization ambitions, SABIC's Global Digitalization team leverages big data, machine learning, and artificial intelligence (AI) technologies to enhance business processes, drive value chain efficiencies, foster innovation, unlock growth opportunities, and gain a competitive edge. These efforts also strengthen SABIC's ability to meet evolving customer needs.

A cornerstone of our digital transformation strategy is the Digital Operations Platform, developed through the SABIC Transformation and Renovation (STAR) program. This platform underpins the company's future processes, applications, and systems, serving as the foundation for its digital evolution. SABIC is advancing its digitalization agenda through various initiatives, including an AI-powered monitoring system that operates across its global plants, predicting potential equipment failures and enabling proactive maintenance. Additionally, the company has implemented AI and automation tools such as the Electronic Safe Work Permit (eSWP), Operator Round Automation (ORA), and the Hazard Prediction System (HPS) to maintain high EHSS standards and mitigate associated risks.

SABIC also employs advanced AI-powered tools for sales and operations planning, optimizing demand forecasting, inventory management, and production planning to enhance customer satisfaction and operational efficiency. A centralized digital tool further supports SABIC's research activities by preserving and providing accessible research data, functioning as a comprehensive search engine for research documents, patents, and external literature.

OPERATIONAL RISKS

Theme	TALENT MANAGEMENT
	SABIC’s future success depends in part on its ability to hire, integrate, and retain highly skilled employees. Experienced and capable employees in the industries in which SABIC operates remain in high demand, and there is continuous competition for their talents. Adoption and optimization of emerging technologies hinge on access to new skills that either are in short supply or require comprehensive upskilling and reskilling of existing employees.
Risk(s)	SABIC might be unable to attract and retain the right talent at the right time to support its current and growing business.
Driver	Talent market demand (e.g., availability of qualified employees or the unexpected loss of key and skilled personnel).
Potential impact	Could affect business and operations (e.g., implementing new manufacturing technologies, developing new products, and improving customer engagement, etc.).
Response plan	<p>SABIC prioritizes recruiting qualified employees and minimizing the unexpected loss of key and skilled personnel who are essential to implementing new manufacturing technologies, developing products, and improving customer engagement.</p> <p>SABIC strives to:</p> <ul style="list-style-type: none"> Promote a safe and healthy work environment. Understand, monitor, and manage the tone, incentives, and actions that drive the desired behavior within the organization. Foster a sense of belonging in a large, global enterprise and continuously improve the workplace so everyone can thrive. <p>SABIC’s human resource priorities are guided by employee feedback and strategic leadership objectives, focusing on addressing critical organizational competencies.</p>

Key initiatives include strengthening leadership capabilities, such as the “Boot Camp 2024” program designed to guide leaders through transformative change, and empowering employee career progression through structured competency-based strategies and career pathways like the “Career Co-Ownership” initiative. To further support development, SABIC provides continuous training programs for employees, offering higher education opportunities, class-based and online competency-based learning, and advanced courses in manufacturing, supply chain, sales, and marketing. The company also emphasizes upskilling and reskilling employees for seamless adoption of evolving digital technologies.

To attract and retain top talent, SABIC offers competitive compensation and benefits through its Total Rewards program. This program links pay and benefits to individual and company performance, meets employees’ individual and family wellbeing needs, and supports a healthy work-life balance. Additionally, comprehensive medical insurance plan is a key element of its employee value proposition and plays a vital role in its talent retention strategy.

Theme	DISRUPTIONS OF SUPPLY CHAIN SERVICES
	SABIC’s operations rely on the transportation of materials by sea and overland while seeking cost efficiencies in the distribution of its finished products. Any issue affecting cargo transportation (e.g., interruption in marine routes, dangerous conditions, natural disasters, labor market, or insurance, etc.) could reduce SABIC’s advantage compared to that of regional producers.
	Supply chain uncertainty, including the viability of key suppliers, scarcity of supplies, energy sources, unpredictable shipping and distribution logistical issues, and/or the lack of price stability in the supply chain ecosystem, may make it difficult to deliver products or services at acceptable margins.
Risk(s)	Potential delivery delays and increases in shipment costs.
Driver	Interruption in marine routes, logistics service interruptions, decline in schedule reliability, and volatile freight rate levels.

Potential impact
Could result in financial losses and reputational damages.

Response plan
SABIC aims to respond by maintaining healthy inventory levels, secured capacity, and balanced service levels while managing costs effectively. The company collaborates closely with Saudi authorities to streamline export processes and ensure consistent lead times. SABIC also focuses on increasing localization to support small and medium enterprises (SMEs) and Saudi companies in the supply chain, strengthening Saudi Arabian infrastructure and enhancing export capabilities.

SABIC's global optimization program spans the entire supply chain, leveraging its global network and strong partnerships with logistics providers to enhance efficiency. The company's supply chain strategic roadmap is built around three core priorities: operational excellence, digitalization, and sustainability.

To support this strategy and mitigate the impact of disruptions, SABIC expanded its supply chain visibility tool to cover additional transport modalities and markets, improving delivery reliability and providing customers with real-time track-and-trace capabilities. Additionally, the company has invested in a regionally focused operating model with hubs in China, the rest of Asia, Middle East and Africa, Europe, and the Americas, ensuring a high level of reliability, agility, and efficiency in delivering products globally. To ensure resilience, SABIC has developed business continuity plans for major supply chain risk scenarios, which are regularly exercised and monitored.

Risk(s)
Constraints on energy and goods supply and disruption of major transportation routes.

Driver
Geopolitical instability or pandemic restrictions.

Potential impact
Could impact our ability to forecast business and operation performance in the near to mid-term future, cause delays in fulfilling customer demand, and lead to increased costs.

Response plan
SABIC's decisions about where to build its manufacturing plants are always based on regional geopolitical stability, tax and feedstock incentives, and technological and logistical advantages. SABIC has a global crisis management system, managed by teams at global, regional, and site levels, to effectively address any incidents and potential crises. This system promotes awareness and readiness through site-specific training and exercises, supported by the latest IT tools.

In the event of geopolitical instability, SABIC starts by establishing a crisis-management team to take the lead in gathering internal and external perspectives, identifying potential risks, and developing mitigation strategies. A continuous update is provided to the SABIC Board and executives on the situation, and the ongoing situation is reviewed. SABIC has developed business continuity plans, which are exercised and monitored regularly, to counter scenarios that could impact its operations and supply chain.

Theme
GEOPOLITICAL INSTABILITY AND PANDEMIC
Unrest and conflict may cause uncertainty in forecasting performance in the near- to mid-term future. Any shutdown or compromise of shipping routes would substantially impede SABIC's ability to transport products.

The long-stretched Russia-Ukraine war and other geopolitical unrest events are impacting energy and commodity prices. COVID-19 concerns are fading and supply chain stresses easing, but the long-term impacts of both will govern the evolution of global trade and the world economy as countries and companies seek greater independence from reliance on external or potentially hostile suppliers of key technologies and materials.

Theme
USE OF INFORMATION TECHNOLOGY
SABIC is exposed to various IT-related risks, such as the loss or theft of data, cyberattacks, systems failure, and technical obsolescence of IT systems. The non-availability, violation of confidentiality, or the manipulation of data in critical IT systems and applications can lead to the uncontrolled outflow of data and expertise and have a direct impact on operations and financial condition.

Risk(s)
Cyberattacks and leakage of confidential information/data.

Driver

Sophisticated cybercrimes and improper use of IT systems and networks.

Potential
impact

Could impact confidentiality, availability and integrity of data, operations and infrastructure of the IT systems, networks, facilities, production downtime, and operational disruptions.

Response
plan

SABIC has developed a sophisticated cybersecurity system to safeguard its global facilities and infrastructure from potential cyberattacks. The cybersecurity and global digitalization teams manage various systems, projects, and processes to assess risks and address security issues, enhancing cybersecurity defenses, improving resilience, strengthening data protection measures, maintaining regulatory compliance, and promoting cybersecurity awareness across the organization.

The CyberTrust program integrates cybersecurity requirements into the procurement life cycle, providing guidance and certification to ensure third parties meet SABIC's cybersecurity standards before onboarding.

SABIC has also implemented several data protection initiatives, including data classification and data loss prevention (DLP). These measures protect intellectual property and secure data privacy by applying appropriate sensitivity and classification levels to data, enabling its secure usage, processing, and storage.

In addition, SABIC conducts regular training and awareness programs for employees on identifying and preventing cyberattacks. Other measures include maintaining up-to-date versions and backups for IT systems and frequently performing cybersecurity attack simulations.

Theme

INHERENT PROCESS SAFETY

The nature of petrochemical operations exposes SABIC to environmental, health, safety, and security (EHSS) risks. SABIC and its affiliates must comply with applicable laws and regulations related to EHSS. These laws and regulations set various standards regulating certain aspects of EHSS quality. Violating these standards could result in various liabilities (e.g., obligations, remediation facilities, civil and criminal penalties).

Risk(s)

Personal and process safety related to petrochemical processes.

Driver

Complexity of petrochemical operations.

Potential
impact

Could adversely impact our EHSS performance exposing us and the communities in which we operate to EHSS risk as well as possible legal prosecutions.

Response
plan

SABIC's EHSS strategy focuses on fostering a proactive discovery mindset through smart metrics that encourage identifying and reporting concerns while promoting effective mitigation measures. This approach is supported by the SABIC Assurance for EHSS Risks (SAFER) management and stewardship framework.

The company enhances process safety competency by delivering qualifications and training programs, including SAFER, process hazard analysis, and storage tank overfill protection assessment (STOPA).

SABIC also deploys an operations management system encompassing multiple dimensions of process and personal safety.

Theme	PROJECTS UNDER DEVELOPMENT SABIC has several capital-intensive projects that are under development or in their planning stages. These projects include investments in new production plants and expansion or upgrading of existing plants. Each of these projects entails several risks during construction and commissioning. These risks include investment cost overrun, availability of feedstock, unanticipated liabilities, changes in taxes or duties, difficulties in achieving projected efficiencies and synergies, ability of the appointed contractor to comply with contractual obligations, and changes in market conditions.
Risk(s)	SABIC might face potential project time delays and cost overruns for projects.
Driver	Market dynamics, geopolitical uncertainty, and high demand for materials and workforce.
Potential impact	Could result in delay in value realization and financial impact.
Response plan	SABIC implemented a new “gate zero” approach in January 2024 as part of its investment process to ensure alignment with future growth plans. This approach requires pre-approval by the Investment Committee before proceeding to the regular gating system. SABIC has also achieved ISO 21500:2021 certification for project, program, and portfolio management across its global regions, demonstrating its commitment to continuous process improvement.

FINANCIAL RISKS

Theme	CUSTOMER CREDIT SABIC provides services and products to a variety of regional and global customers. The exposure to credit risk is influenced mainly by the individual characteristics of each customer.
Risk(s)	Potential non-payment, primarily through trade receivables, for services and products.
Driver	Deterioration of economic conditions.
Potential impact	Could impact SABIC business and operations.
Response plan	SABIC considers customer demographics, including default risk of the industry and country in which the customer operates, as these factors may have an influence on credit risk. SABIC has procedures in place to monitor credit risk on receivables and continuously monitors customers’ credit limits. SABIC has a policy that requires customers who wish to trade on credit terms be subject to credit verification procedures. The credit quality of the customer is assessed based on an extensive internal credit rating scorecard by taking into account the payment behavior, and the company’s legal structure, and financial and non-financial profile.

Theme	FOREIGN EXCHANGE SABIC's global operations are exposed to foreign exchange risks arising from various currency exposures, primarily to fluctuations of other currencies against the Saudi Riyal (ﷻ). This exposure is primarily through account receivables, trade payables, and certain non-SAR denominated bank accounts and borrowings.
Risk(s)	Exposure to currency exchange rate fluctuations.
Driver	Changes in the dynamic of the global economy.
Potential impact	Could result in an adverse impact on business and financial condition.
Response plan	Although pegged to the USD, SABIC conducts a regular review of currency exchange rate fluctuations and the impact on its business.

Theme	INSURANCE POLICIES The operations of SABIC and its affiliates are subject to hazards inherent in refinery and petrochemicals operations. These hazards and risks include fires, explosions, pipeline ruptures, storage tank leaks, chemical spills, discharges or releases of hazardous substances, mechanical failure of equipment, war, terrorism, sabotage, and natural disasters. Many of these risks may cause personal injury and loss of life, environmental pollution, and severe damage or destruction of SABIC's properties or the properties of others.
Risk(s)	Exposures to property damage, business interruption, and third-party liability.
Driver	Limitation of insurance policies to provide optimized risk finance for large losses.
Potential impact	May influence our financial condition by the suspension of operations and the obligation for civil or criminal penalties.
Response plan	SABIC conducts Risk Finance Optimization studies to ensure that insurance coverage is purchased in amounts that are economically viable and consistent with relevant industry practice, including coverage for property damage, business interruption resulting from fire, or machinery breakdown and third-party liability.

COMPLIANCE RISKS

Theme	INTELLECTUAL PROPERTY AND TECHNOLOGY LICENSES SABIC depends upon a wide range of intellectual property to support its businesses. We have obtained licensed technologies, which are used in our manufacturing facilities, and we license out SABIC proprietary IP to third parties.
Risk(s)	Potential disclosure, leakage or theft of proprietary technology and other intellectual property, including technical data, business processes, data sets or other sensitive information.
Driver	Insufficient contractual safeguards, espionage, disclosures, or data breaches.
Potential impact	Could have an impact on reputation, value, business continuity, and operation.
Response plan	<ul style="list-style-type: none"> Ensuring that its IP information is well protected against possible infringements through contractual and physical protection. Strong focus on and investment in employee awareness and training. Embedding control processes. Establishing a Licensing Governance function.

Theme	DISPUTES AND/OR LITIGATION SABIC's business operations could be subject to civil and criminal litigation and regulatory authority proceedings related to legal and regulatory compliance misses, if and to the extent that these are not prevented and proactively mitigated. Such risks relate, amongst others, to product liability, competition law, anti-bribery and anti-corruption regulations, trade sanctions and export control regulation, data protection, IP laws, procurement law, tax legislation, and environmental protection regulations. Violations of these legal and regulatory laws may result in civil or criminal penalties, adverse effects on our reputation, and may cause other adverse financial consequences.
Risk(s)	A potential risk is exposure to civil and criminal litigation and regulatory authority proceedings related to legal and regulatory compliance misses.
Driver	Lack of adequate governance and processes to prevent and mitigate such risk from materializing and lack of adequate employees' compliance-and legal-related knowledge.
Potential impact	Substantial penalties and adverse branding exposure.
Response plan	<ul style="list-style-type: none"> Strong investment in a robust Ethics and Compliance program and governance and integrity culture, including creating an atmosphere where employees and stakeholders are encouraged to raise any integrity-related concerns. Employee adherence to SABIC's Code of Ethics, which lays out the foundation for employees to act with integrity and comply with relevant laws and regulations and internal policies and procedures. Focus on strong contractual protection to mitigate against litigation. Comprehensive training requirements on compliance and emerging topics (e.g., greenwashing).

Theme

INTERNATIONAL TRADE CONTROLS

The potential for protectionist barriers being imposed and adversely impacting SABIC's trading opportunities to sell products in other markets is increasing. This is largely due to a combination of deglobalization, an uncertain geopolitical climate, and the economic crisis faced by our industry in the regions in which SABIC operates and sells its products. Protectionist barriers may take the form of trade control measures (e.g., export or imports controls, antidumping, and anti-subsidy) and may have a materially adverse effect on SABIC's ability to trade and sell products in healthy market conditions.

Risk(s)

Potential increase in protectionist barriers by countries in key market regions.

Driver

Trade defense measures including additional import duties.

Potential
impact

May result in financial losses.

Response
plan

- Monitoring export volume and prices and by working with governments and local authorities to avoid or minimize trade restrictions for imports and exports.
- A robust International Trade Controls policy that requires both employees and entities to comply with applicable trade regulations.
- Monitoring and screening transactions for restrictions on certain sanctioned countries, persons, and prohibited end-uses.

Theme

USE AND HANDLING OF PRODUCTS AND MATERIALS

SABIC's products are safe if managed and used properly. However, if not handled correctly, there is a risk that may result in the following:

- Fire/explosions at production or logistics facilities.
- Discharges of toxic gases into the atmosphere.
- Discharge of hazardous chemicals on land or in waterways.

Occurrence of the above events, during transportation or at a customer facility, could result in a fatality, personal injury, equipment failures or shutdowns, damage to the environment, civil lawsuits, criminal investigations, or regulatory enforcement proceedings, any of which could lead to liabilities. Any damage to persons, equipment, or property, or other disruption to SABIC's ability to produce or distribute its products could result in a decrease in SABIC revenues and profits and additional cost to replace or repair assets.

Risk(s)

Liabilities for fatalities, personal injuries, property, damage, improper management and disposal of waste materials and environmental clean-up.

Driver

Disposal or release of hazardous substances into the environment.

Potential
impact

Could impact reputation, business, and operations.

Response
plan

SABIC complies with applicable laws, international standards, and regulations governing the use, treatment, storage, and disposal of hazardous and toxic substances or waste to help ensure the health and safety of employees, contractors, and the public. SABIC continuously collects and reports hazardous and non-hazardous waste data in accordance with the company's global waste reporting guidance, introduced in 2023.

Theme

REGIONAL CHEMICAL REGULATIONS

SABIC's business is subject to a variety of laws and governmental regulations regarding the use of toxic or hazardous materials. For example, to obtain regulatory approval for new products and manufacturing processes, a company must show that the product is safe for its intended uses and that it is capable of manufacturing the product in accordance with applicable rules.

Non-compliance with such laws and regulations could be costly (e.g., confiscation, recall, monetary fines, etc.), which could prevent or inhibit the development, distribution, and sale of its products.

Risk(s)

Potential delay in getting approval to introduce new products or distribute existing products.

Driver

Variety of laws and governmental regulations regarding the use, discharge, and disposal of toxic or hazardous materials.

Potential
impact

Might have a material and adverse effect on business, results of operations, or financial condition.

Response
plan

The company complies with a complex network of regional reporting regulations and disclosure frameworks. SABIC is a certified Responsible Care® company, establishing a robust framework for safe chemicals management and performance excellence. In addition, SABIC's Safer Chemistry program, which is voluntary, goes beyond global regulatory requirements in developing products with lower human and environmental hazard profiles.

SABIC's IT systems, including CompLetter and the Customer Declaration Portal, facilitate the efficient assembly of regulatory content to address customer inquiries.



Business environment
58Financial review
60Business segment review
68Awards and recognitions
78

FINANCIAL AND BUSINESS PERFORMANCE



Through disciplined execution and portfolio optimization, we continue to deliver strong financial performance in a volatile market while driving innovation to meet evolving customer needs.

BUSINESS ENVIRONMENT

GLOBAL ECONOMY

In 2024, global economic growth declined compared to the previous year. Multiple factors impacted the global economy, including geopolitical tensions, China's economic slowdown, and sectoral weaknesses. Geopolitical instability in 2024 fueled higher energy costs, reducing consumer purchasing power and increasing production expenses. Additionally, China's economic recovery remained affected by conditions in the property market. However, by the end of the year, China's policymakers introduced new stimulus measures to support the economy and property sector. Moreover, the global economy was affected by a weakening manufacturing sector, which saw contraction, particularly in the second half of the year.

Inflation continued to ease throughout the year as major central banks enacted multiple rate cuts. The U.S. Federal Reserve began its easing cycle with a 50 basis-point rate cut in September, followed by additional 25 basis-point cuts in November and December. Similarly, the European Central Bank and other central banks lowered rates multiple times. This moderation in Consumer Price Index (CPI) inflation slightly improved petrochemical demand.

In 2025, global growth is expected to continue declining, with rates projected to remain below the 2010-2019 average. Global trade is expected to remain lackluster compared to recent decades, constrained by trade restrictions and heightened policy uncertainty. The World Trade Uncertainty Index (WTUI) rose significantly in response to escalating trade tensions, driven largely by expectations of new tariffs. High tariffs are expected to affect consumer prices, supply chains, and market dynamics. Moreover, they will raise operating costs for import businesses and lead to higher prices for consumers. Consequently, inflation recovery and the easing cycle of policy rates could be affected.

REGIONAL AND MARKET PERSPECTIVES

In 2024, economic growth trends in both advanced and emerging markets showed signs of slowing, with advanced economies experiencing slower growth compared to the previous year. In Europe and the United States, high interest rates and persistent inflationary pressures constrained household spending and business investment. In Europe, falling consumer price inflation and improved household real incomes supported a slight recovery in economic activity compared to the previous year. However, the EU GDP growth rate remained low.

Emerging markets experienced a modest slowdown, mainly due to geopolitical tensions and trade uncertainty. Both economic regulations and ongoing trade uncertainty negatively affected demand in many emerging markets. However, central banks in emerging markets began cutting rates earlier than those in advanced economies, easing inflationary pressures across these regions. Saudi Arabia's economic growth improved in the second half of the year as the non-oil economy continued to grow solidly. Southeast Asian economies saw mixed growth, with Vietnam, Indonesia, and Thailand experiencing expansion during the year. These countries, particularly Vietnam and Indonesia, drove economic growth through advances in manufacturing, exports, and domestic consumption. However, the Southeast Asia region remains vulnerable to challenges such as natural disasters, rising debt levels, and trade disputes.

The outlook for advanced economies remains subdued, mainly due to the proposed tariffs by the U.S. These tariffs could lead to a cumulative decline in EU exports over the next five years. Emerging markets are also expected to face challenges due to new US-imposed tariffs, which could dampen demand for their exports.

China's recently introduced policy measures, including stimulus plans for real estate and infrastructure, may support near-term growth. These measures are expected to bolster key sectors, particularly real estate, and drive petrochemical demand. However, China's economic outlook remains challenged, as it is expected to face several headwinds from trade tensions.

GLOBAL INDUSTRIAL PRODUCTION

In 2024, industrial production in East Asia improved as economies continued to recover from the pandemic's negative impact. These economies avoided the high inflation and tight financial conditions faced by Western countries, enabling steady growth in industrial output. However, pre-pandemic growth levels remained elusive due to weaker export demand and subdued internal consumption, further exacerbated by geopolitical tensions and the deteriorating Chinese property market.

Western economies, in contrast, struggled with inflation and high interest rates, which led to contractions in industrial production growth. High corporate borrowing costs weighed on business investment, while structural changes in Europe's energy supply, exacerbated by the Russia-Ukraine war, drove a sharp rise in energy costs. These factors eroded European competitiveness across sectors. Labor market challenges, tighter fiscal policies, and geopolitical uncertainties further pressured industrial growth across regions. Weather-related disruptions in the Panama Canal and conflicts in Ukraine and the Middle East affecting Red Sea trade routes compounded these challenges.

In 2025, industrial production in China is expected to decelerate, hindered by weak export growth and continued property market challenges. While government stimulus packages may provide some support, meaningful improvement in industrial production growth is unlikely without broader economic liberalization. Another challenge is the deepening price deflation, reflecting overcapacity and weak demand from the consumer and manufacturing sectors.

In Europe, high energy costs and persistent weak demand for manufactured goods are projected to limit growth. However, more accommodative financial conditions and government support measures are anticipated to stabilize industrial activity by year-end. In the United States, supportive policies aimed at bolstering local industry, along with easing interest rates and improved financial conditions, are expected to support industrial stabilization.

FEEDSTOCK MARKETS

Feedstock prices edged higher in 2024 despite stable oil prices, driven by tight supply caused by widespread refinery maintenance activities. Additional supply constraints included reduced exports from Russia due to Western sanctions, along with trade route disruptions caused by Red Sea hostilities and Panama Canal delays resulting from drought. New petrochemical capacities in China also contributed to rising feedstock prices by increasing demand.

In the second half of 2024, logistical disruptions during the U.S. hurricane season added upward pressure on prices, even as oil prices retreated. However, these increases were moderated by weaker demand in China's energy sector and petrochemical industry, which faced global overcapacity and slow demand growth. Economic deceleration in the United States and near-recession conditions in Europe also capped feedstock price increases.

In 2025, feedstock prices are projected to rise slightly, despite lower oil prices, due to tight global supply and growing demand, particularly from Asia. Supply constraints are expected to stem from slow growth in global oil production, limited refinery capacity expansions, and the phasing out of aging refineries made obsolete by stricter environmental regulations and low returns on investment. On the demand side, new petrochemical capacities in Asia, particularly in China, are anticipated to help growth, along with increased energy consumption for commercial and residential use. However, price increases will likely be capped by a sluggish global economy, as growth in the U.S. and Chinese economies decelerates and Europe remains close to recession.

PETROCHEMICAL MARKETS

The global petrochemical market faced significant challenges in 2024, driven by persistent oversupply from ongoing capacity expansions and weaker-than-expected global demand growth, which kept prices subdued. Despite the announced interest rate cuts, rates remained high. In addition, geopolitical tensions and conflicts dampened consumer and corporate spending, further slowing demand recovery. In Asia, demand fell below expectations as China's economic growth decelerated, impacted by reduced exports and ongoing challenges in its property market. Ethylene and propylene derivative capacity growth, dominated by China and the U.S. since 2020, continued at a strong pace during the year. However, capacity growth is expected to decelerate in the coming years as markets become saturated.

In 2025, global petrochemical demand is expected to recover modestly for some products as interest rate cuts help economic activity. However, the market will face oversupply as demand growth remains insufficient to absorb it. Operating rates are unlikely to recover to pre-2020 levels in the near term, and 2025 is anticipated to remain a challenging year. To improve utilization rates, capacity rationalization through plant idling or closures may become unavoidable.

Certain products, such as SABIC® Monoethylene Glycol (MEG), Methanol (MOH), and Polycarbonate (PC), are expected to gain some momentum in 2025, as capacity expansions align more closely with demand growth, leading to slightly improving operating rates. By contrast, polyethylene (PE) and polypropylene (PP) markets are likely to experience slower recovery due to capacity expansions throughout the year. The United States and Middle East are expected to maintain their positions as leading exporters of PE and MEG, supported by their competitive cost structures.

FINANCIAL REVIEW

2024 FINANCIAL HIGHLIGHTS

Revenue

2024: ₪ 139.98 Bn.

US\$ 37.33 Bn.

2023: ₪ 141.54 Bn.

US\$ 37.74 Bn.

EBITDA

2024: ₪ 19.47 Bn.

US\$ 5.19 Bn.

2023: ₪ 19.02 Bn.

US\$ 5.07 Bn.

EBITDA margin

2024: 13.9%

2023: 13.4%

Income from operations (EBIT)

2024: ₪ 5.74 Bn.

US\$ 1.53 Bn.

2023: ₪ 3.72 Bn.

US\$ 0.99 Bn.

Net income from continuing operations (attributable to equity holders of the Parent)

2024: ₪ 2.10 Bn.

US\$ 0.56 Bn.

2023: ₪ 1.30 Bn.

US\$ 0.35 Bn.

Net income (loss) (attributable to equity holders of the Parent)

2024: ₪ 1.54 Bn.

US\$ 0.41 Bn.

2023: ₪ -2.77 Bn.

US\$ -0.74 Bn.

Earnings per share from continuing operations (attributable to equity holders of the Parent)

2024: ₪ 0.70

US\$ 0.19

2023: ₪ 0.43

US\$ 0.11

Net cash flow from operating activities

2024: ₪ 16.36 Bn.

US\$ 4.36 Bn.

2023: ₪ 24.45 Bn.

US\$ 6.52 Bn.

Free cash flow

2024: ₪ 6.16 Bn.

US\$ 1.64 Bn.

2023: ₪ 13.96 Bn.

US\$ 3.72 Bn.

Net debt (cash)

2024: ₪ -3.01 Bn.

US\$ -0.80 Bn.

2023: ₪ -8.76 Bn.

US\$ -2.34 Bn.

Total dividend paid to equity holders of the Parent

2024: ₪ 10.10 Bn.

US\$ 2.69 Bn.

2023: ₪ 11.40 Bn.

US\$ 3.04 Bn.

Dividend declared per share

2024: ₪ 3.40

US\$ 0.91

2023: ₪ 3.40

US\$ 0.91

FINANCIAL PERFORMANCE

SABIC's financial performance has shown notable strength, with net results from continuing operations increasing by 61% compared to FY 2023. This underscores the company's capacity for innovation and adaptability in the face of evolving market conditions. The company's financial position is solid, as evidenced by its robust balance sheet. Our efforts to optimize the portfolio's fundamentals, focusing on its core business to enhance returns and reallocating capital to higher-margin opportunities, have contributed to this success. SABIC remains committed to creating long-term value for our stakeholders through portfolio optimization and improving underperforming assets. While navigating a challenging global economic environment, we are dedicated to providing an attractive dividend to our shareholders, reflecting our commitment to delivering sustained value and stability.

SUMMARIZED CONSOLIDATED STATEMENT OF INCOME

¥ in Bn.	2024	2023	% Change	2022	2021	2020
Sales	139.98	141.54	-1	183.08	174.88	116.95
EBITDA	19.47	19.02	2	36.40	48.51	20.51
Income from operations (EBIT)	5.74	3.72	54	22.91	33.60	4.57
Income tax and Zakat	0.14	0.83	-84	2.36	3.59	2.02
Net income from continuing operations – attributable to equity holders of the Parent	2.10	1.3	61	15.79	–	–
Net income (loss) from discontinued operations	-0.56	-4.08	-86	0.74	–	–
Net income (loss) – attributable to equity holders of the Parent	1.54	-2.77	155	16.53	23.07	0.07
US\$ in Bn.	2024	2023	% Change	2022	2021	2020
Sales	37.33	37.74	-1	48.82	46.64	31.19
EBITDA	5.19	5.07	2	9.71	12.94	5.47
Income from operations (EBIT)	1.53	0.99	54	6.11	8.96	1.22
Income tax and Zakat	0.04	0.22	-84	0.63	0.96	0.54
Net income from continuing operations – attributable to equity holders of the Parent	0.56	0.35	61	4.21	–	–
Net income (loss) from discontinued operations	-0.15	-1.09	-86	0.20	–	–
Net income (loss) – attributable to equity holders of the Parent	0.41	-0.74	155	4.41	6.15	0.02

 Consolidated Statement of Income

Income tax and Zakat expenses amounted to ₺ 0.14 Bn. compared to ₺ 0.83 Bn. in 2023, a decrease of ₺ 0.69 Bn., mostly due to the reversal of Zakat provisions in 2024 following the revision of relevant Zakat regulations.

Net losses from discontinued operations were ₺ 0.56 Bn. compared to ₺ 4.08 Bn. in 2023. The decrease was primarily driven by the effects of the fair value assessment of Hadeed and its operational losses recorded in the prior year, compared to a loss of ₺ 557 Mn. recorded under discontinued operations in 2024.

In 2024, **net income attributable to equity holders of the Parent** was ₺ 1.54 Bn., compared to a net loss of ₺ 2.77 Bn. in 2023, an improvement of ₺ 4.31 Bn. This was primarily driven by lower losses from discontinued operations and improved operational profit, partially offset by lower fair value gains from embedded derivatives in joint venture agreements.

**The revenue information above is based on the locations of the customers.*

Sales totaled ₺ 139.98 Bn. in 2024, down 1% from ₺ 141.54 Bn. in 2023, primarily due to a 2% lower sales volume.

Income from operations (EBIT) was ₺ 5.74 Bn. compared to ₺ 3.72 Bn. in 2023, an increase of ₺ 2.02 Bn. or 54%, largely impacted by higher gross profit resulting from improved margins. Specifically, a combination of a slight increase in average sales price and internal efforts to optimize variable costs has allowed the company to effectively absorb the impact of feedstock price increases. The increased gross margin was partially offset by higher operational costs.

Total assets at year-end 2024 stood at ₺ 278.02 Bn. as of December 31, 2024, a reduction of ₺ 16.36 Bn. (6%) compared to the previous year (₺ 294.38 Bn. as of December 31, 2023). The decrease was mainly due to the sale of Hadeed and its subsequent removal from assets held for sale. Additionally, a net reduction of 2% in property, plant, and equipment resulted from regular depreciation and amortization.

Total liabilities at year-end 2024 amounted to ₺ 94.10 Bn., down ₺ 5.00 Bn. (5%) from ₺ 99.10 Bn. as of December 31, 2023. This decline was primarily driven by the release of Hadeed liabilities from liabilities held for sale, reducing total liabilities by ₺ 5.70 Bn. At the same time, an increase in total debt and other liabilities was offset by the release of Zakat provisions.

Equity attributable to equity holders of the Parent totaled ₺ 156.83 Bn. at year-end 2024, compared to ₺ 167.43 Bn. in 2023, a decrease of ₺ 10.60 Bn. (6%). This decline was mainly due to declared dividends of ₺ 10.20 Bn.

SUMMARIZED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

₺ in Bn.	2024	2023	% Change	2022	2021	2020
Total assets	278.02	294.38	-6	313.11	319.36	295.47
Total liabilities	94.10	99.10	-5	95.49	107.52	101.23
Total equity	183.92	195.28	-6	217.62	211.83	194.24
Non-controlling interests	27.09	27.85	-3	31.57	31.69	26.61
Equity attributable to equity holders of the Parent	156.83	167.43	-6	186.05	180.14	167.63
US\$ in Bn.	2024	2023	% Change	2022	2021	2020
Total assets	74.14	78.50	-6	83.49	85.16	78.79
Total liabilities	25.09	26.43	-5	25.46	28.67	26.99
Total equity	49.04	52.08	-6	58.03	56.49	51.80
Non-controlling interests	7.22	7.43	-3	8.42	8.45	7.10
Equity attributable to equity holders of the Parent	41.82	44.65	-6	49.61	48.04	44.70

SUMMARIZED CONSOLIDATED CASH FLOWS

₹ in Bn.	2024	2023	% Change	2022	2021	2020
Net cash generated from operating activities	16.36	24.45	-33	35.81	39.49	22.15
Net cash used in investing activities	-7.99	-11.76	-32	-12.57	-8.92	-13.96
Net cash used in financing activities	-11.56	-18.90	-39	-25.42	-17.82	-14.52
(Decrease) increase in cash and cash equivalent	-3.18	-6.22	-49	-2.17	12.75	-6.34
Cash and cash equivalent at the end of the year	30.54	33.80	-10	40.04	42.31	28.94
Capital expenditures	10.20	10.49	-3	10.22	10.97	13.26
Free cash flow	6.16	13.96	-56	25.59	28.52	8.89
US\$ in Bn.	2024	2023	% Change	2022	2021	2020
Net cash generated from operating activities	4.36	6.52	-33	9.55	10.53	5.91
Net cash used in investing activities	-2.13	-3.14	-32	-3.35	-2.38	-3.72
Net cash used in financing activities	-3.08	-5.04	-39	-6.78	-4.75	-3.87
(Decrease) increase in cash and cash equivalent	-0.85	-1.66	-49	-0.58	3.40	-1.69
Cash and cash equivalent at the end of the year	8.14	9.01	-10	10.68	11.28	7.72
Capital expenditures	2.72	2.80	-3	2.73	2.93	3.53
Free cash flow	1.64	3.72	-56	6.82	7.61	2.37

Net cash generated from operating activities in 2024 was ₹ 16.36 Bn. compared to ₹ 24.45 Bn. in 2023, a decrease of ₹ 8.09 Bn. or 33%, mainly the result of a reduction in working capital in 2023, mostly due to inventory management efforts.

Net cash used in investing activities in 2024 was ₹ -7.99 Bn. compared to ₹ -11.76 Bn. in 2023, a decrease of ₹ 3.78 Bn. or 32%, driven primarily by higher short-term financial investment, while capital expenditures broadly remained at the same level year over year.

Net cash used in financing activities in 2024 was ₹ -11.56 Bn. compared to ₹ -18.90 Bn. in 2023, a decrease of ₹ 7.35 Bn. or 39%, primarily reflecting lower dividend payments to non-controlling interests as well as withdrawals from Saudi Aramco credit facilities.

Cash and cash equivalents at December 31, 2024, stood at ₹ 30.54 Bn., compared to ₹ 33.80 Bn. in 2023, a decrease of ₹ 3.26 Bn. (10%).

Free cash flow in 2024 was ₹ 6.16 Bn. compared to ₹ 13.96 Bn. in 2023, a decrease of ₹ 7.80 Bn. or 56%, largely driven by inventory performance in 2023.

 Consolidated Statement of Cash Flows

FINANCING

Our **Financing Policy** aims to ensure sufficient liquidity at all times while optimizing returns to shareholders. We use leverage prudently to fund our global growth ambitions. Our standalone credit ratings have consistently remained in the A+/A1 band, among the highest-rated global chemical companies, demonstrating resilience over the last decade relative to peers.

In 2024, Moody's upgraded SABIC's rating from A1 to Aa3, following a similar upgrade of Saudi Arabia's sovereign rating, reflecting our continued financial strength and resilience.

Our primary sources of liquidity are cash flows from operations and borrowings under committed bank facilities. The primary use of this liquidity is to fund ongoing operations and capital expenditures, including investments in joint ventures, minority-owned investees, and dividend distributions to shareholders.

The total debt portfolio as of December 31, 2024, can be **broken down by lending party** as follows:

Lending party	¥ in Bn.	US\$ in Bn.	%
Banks*	14.90	3.97	42
Capital market investors (bonds)	7.53	2.01	21
Saudi Industrial Development Fund (SIDF)*	0.39	0.11	1
Related party	7.44	1.98	21
Finance leases	4.93	1.31	14
Total debt and lease liabilities	35.20	9.39	100

*Including banks/facilities controlled by the Saudi government, disclosed as a related party in the financials.

TOTAL DEBT PORTFOLIO OVERVIEW

¥ in Bn.	Opening balance	Additions	Repayments	Other*	Ending balance	Original loan amount	Period of the loans
Long-term debt	18.07	9.61	-7.05	0.05	20.67	34.82	1-8 years
Short-term debt	2.38	3.04	-3.36	0.00	2.07	3.00	1 year
Bonds	7.53	-	-	0.01	7.53	11.25	4-26 years
Financial lease (short and long-term)	5.53	-	-1.08	0.48	4.93	5.53	1-99 years
Total	33.50	12.64	-11.48	0.54	35.20	54.60	

US\$ in Bn.	Opening balance	Additions	Repayments	Other*	Ending balance	Original loan amount	Period of the loans
Long-term debt	4.82	2.56	-1.88	0.01	5.51	9.28	1-8 years
Short-term debt	0.63	0.81	-0.90	0.00	0.55	0.80	1 year
Bonds	2.01	-	-	0.00	2.01	3.00	4-26 years
Financial lease (short and long-term)	1.47	-	-0.29	0.13	1.31	1.47	1-99 years
Total	8.93	3.37	-3.06	0.14	9.39	14.56	

* This mainly relates to interest, foreign exchange, and amortization effects.

 [Note 22: Debt](#)

SABIC's **debt-to-equity ratio** developed as follows:

In Bn.	2024 ¥	2023	2024 US\$	2023
Total debt and lease liabilities	35.20	33.50	9.39	8.93
Less: Cash and cash equivalents	-30.54	-32.41	-8.14	-8.64
Less: Short-term investments	-7.67	-9.84	-2.05	-2.62
Net debt (cash)	-3.01	-8.76	-0.80	-2.34
Total equity	183.92	195.28	49.04	52.08
Net debt to equity ratio	-2%	-4%	-2%	-4%
EBITDA	19.47	19.02	5.19	5.07
Net debt to EBITDA ratio	-0.15x	-0.46x	-0.15x	-0.46x

DEBT INSTRUMENTS ISSUED BY EACH AFFILIATE

Subsidiary (in ₪ Bn.)	Debt Instrument							Balance as at December 31, 2024 ¹
	Bonds	Conventional loans	Murabaha long-term loans	Saudi Industrial Development Fund	Murabaha – revolving credit facility (RCF)	Related party borrowings RCF	Bank overdrafts	Grand total
Jubail Chemical Storage and Services Company (CHEMTANK)	–	–	2.23	–	–	–	–	2.23
National Industrial Gases Co. (GAS)	–	–	0.32	0.39	–	–	–	0.71
Arabian Industrial Fibers Company (IBN RUSHD)	–	–	2.95	–	–	–	–	2.95
National Methanol Company (IBN SINA)	–	–	0.21	–	–	–	–	0.21
SABIC Capital B.V. and its subsidiaries	7.53	–	–	–	–	7.44	–	14.96
Saudi Methyl Acrylate Company (SAMAC) ²	–	0.24	–	–	–	–	–	0.24
Saudi Kayan Petrochemical Company (SAUDI KAYAN)	–	–	6.06	–	2.08	–	–	8.14
SABIC International Holdings B.V. (SIH)	–	–	–	–	–	–	0.003	0.003
Jubail United Petrochemical Company (UNITED)	–	–	0.81	–	–	–	–	0.81
Total	7.53	0.24	12.58	0.39	2.08	7.44	0.003	30.27

¹ Represents 100% of the balance as reported in the respective subsidiaries' balance sheet

² Joint Operations arrangement

TAX

STRATEGY AND APPROACH

SABIC has a tax strategy that is reviewed annually and published on our website. As part of our strategy to support SABIC in becoming the preferred world leader in chemicals, we

- partner with business functions to optimize decision-making
- fully meet all tax compliance and reporting requirements to protect SABIC's global asset base and reputation.

SABIC also has a tax policy, which was approved by SABIC's Board in 2023. The tax policy sets out key principles towards ensuring tax compliance, proactive tax risk management, and establishing cooperative relationships with taxing authorities in Saudi Arabia and other key jurisdictions in which SABIC operates. This policy will be reviewed regularly by the Board, or if changes in business circumstances require further review following a recommendation from the BAC.

SABIC's approach to tax is to ensure robust tax governance across the group, alignment with SABIC's overall business objectives, and transparency and compliance with local tax authorities. In all our activities, we are committed to achieving the highest standards in corporate governance and business conduct. Our tax responsibilities are managed in line with this commitment, and we take pride in being regarded as a good corporate citizen.

Based on existing governance procedures, the tax function is involved when business decisions are made to evaluate potential tax consequences in order to ensure compliance and enable the business to drive and create value. Tax positions are carefully considered, and we do not use tax structures without commercial substance or tax havens for tax avoidance.

SABIC adheres to high standards to ensure timely filings and payments to any tax authority and to deliver on the commitment to be fully compliant. SABIC complies with applicable tax laws to ensure we pay the amount of tax legally due in each relevant jurisdiction. SABIC also considers in this respect the spirit of the law when available.

ENGAGING WITH KEY STAKEHOLDERS

SABIC's tax team focuses on establishing working relationships with tax authorities in Saudi Arabia and other key jurisdictions in which SABIC operates. This engagement with tax authorities entails, among others, entering into formal or informal agreements and cooperative compliance arrangements. Where appropriate, SABIC utilizes transparent tax incentives, reliefs, and exemptions that are publicly published and endorsed by local authorities. SABIC also ensures efficient completion of tax audits and inquiries in accordance with SABIC's risk management policy. This means not only being a responsible taxpayer but also a responsive taxpayer towards authorities in general and avoiding tax positions that might create reputational risk. By acting this way, SABIC supports the best tax practices as articulated by the BIAC (Business at the OECD) in their September 2023 statement.

SABIC respects the rights of governments to determine their own tax regimes and policies. SABIC actively engages with both local and international NGOs to encourage efficient and simplified reporting and filing; promote common international standards in the taxation of profits; and establish a framework for effective and efficient tax dispute resolution.

We conduct various initiatives to capture valuable views of external and internal stakeholders, as we believe that integrated business partnering is fundamental to creating and protecting value for our current business and strategic growth. SABIC has robust internal business and tax processes to ensure that crucial business and functional inputs and considerations are captured collectively before key decisions are made, supported by audit trails and documentation. These engagements also include stakeholder surveys, participation in internal forums/committees, and centrally managed strategic projects with key stakeholders based on clear governance procedures. The overarching aim of all these initiatives is to ensure optimal and sustainable business decisions.

We continue to strive for the best collaboration with external stakeholders (such as tax authorities, governments and NGOs, and our strategic shareholders) and provide in a transparent way the required level of information in SABIC's tax positions in line with the legislative and regulatory framework.

RISKS AND CONTROL

The impacts of taxes and associated risks are always considered as part of any tax compliance, implementation, documentation, and optimization. SABIC's Tax Risk Profile is high, taking into account the complexities of

- a business structure reflecting the risks arising from operating with a high-volume supply chain in many countries, in multiple divisions, with many business models and with high, unprecedented growth ambitions
- intensive integration activities arising from strategic growth, financing, mergers, and reorganizations
- a diverse and increasingly demanding external tax landscape.

To mitigate related potential tax risks, SABIC's approach to tax is well-embedded in the organization. SABIC has a comprehensive and robust Tax Control Framework (TCF), which allows us to effectively manage and control all global tax positions and to create awareness of possible tax exposures. The positions are periodically reported to the Global Tax Leadership Team, which ultimately reports to the Chief Financial Officer (CFO). The TCF sets out the governance and processes to ensure all tax risks are captured in business decision-making. SABIC maintains robust internal policies and authorization procedures that are applicable to all employees, to support its TCF.

To identify and assess tax positions, the tax function relies on its in-house tax experts and seeks advice from external advisors, including practitioners, lawyers, and accountants, as appropriate. All tax positions are closely monitored by the Global Tax Risk Management Team on a regular basis, including tax risks with mitigation actions and clear owners.

Tax control testing is an annual activity performed internally to review and confirm that all tax controls are operated during the tax compliance process. Furthermore, our TCF is regularly shared with tax authorities of key countries to provide narrative, awareness, review, and continuous improvement.

GOVERNANCE, ACCOUNTABILITY, AND INTEGRITY

Our governance structure ensures that tax decisions are made at the appropriate level. SABIC has specific Board and management approval requirements and processes that are accurately executed and monitored.

SABIC's management is authorized to issue Tax Strategy statements consistent with the content of the Tax Policy, to comply with the applicable law. The Tax Strategy is signed by the Head of Tax and the CFO as the members of management authorized to issue these statements, in accordance with SABIC's Master Authority Schedule that manages the delegation of executive approval on material transactions within SABIC.

The CFO is the member of SABIC's Executive Committee with responsibility for SABIC's tax function. The Executive Committee requires compliance, including tax compliance, with laws and regulations in all countries where SABIC operates. Compliance is the norm within SABIC.

SABIC treats integrity seriously, and we create an atmosphere where employees are encouraged to raise any integrity-related concern, including tax concerns. Within SABIC, we all have an obligation to uphold the Code of Ethics, our policies, and the law. It is our duty to enhance our integrity culture and protect our company by bringing any potential concerns to light. In addition to our employees, our procedures for reporting and investigating integrity concerns allow any stakeholder, including suppliers, customers, community members, and civil society, to raise any concern.

SABIC's TCF provides assurance on its global tax compliance, tax accounting, and reporting activities. The Board Audit Committee (BAC), with independent members, has responsibility for the oversight of: i) SABIC's financial reporting, ii) internal control system, iii) internal audit, iv) external auditor, and v) compliance. SABIC's external auditor provides assurance on SABIC's financials, including its tax accounting position. Refer to the independent auditor's report included in SABIC's group financial statements.

ADDITIONAL FINANCIAL INFORMATION

The **statutory amounts paid and payable** at the end of the reporting year were as follows:

# in billions	2024		2023	
	Statutory amounts paid	Statutory amounts payable	Statutory amounts paid	Statutory amounts payable
Zakat	1.50	0.12	1.88	1.41
Income taxes	0.81	0.59	1.11	0.60
Others	0.61	0.07	0.56	0.08
Total	2.93	0.77	3.65	2.10

US\$ in billions	2024		2023	
	Statutory amounts paid	Statutory amounts payable	Statutory amounts paid	Statutory amounts payable
Zakat	0.40	0.03	0.50	0.38
Income taxes	0.22	0.16	0.30	0.16
Others	0.16	0.02	0.15	0.02
Total	0.78	0.21	0.97	0.56

 [Note 31: Zakat and Income Tax](#)

The provision for **employee benefits** at the end of the reporting year were as follows.

	# in billions		US\$ in billions		Change %
	2024	2023	2024	2023	
Defined benefit obligations					
End-of-service benefits	11.03	10.61	2.94	2.83	4
Defined benefits pension schemes	1.25	1.29	0.33	0.34	-3
Post-retirement medical benefits	1.12	0.88	0.30	0.24	27
Total	13.40	12.78	3.57	3.41	5
Other long-term employee benefits and termination benefits					
Long-term service awards	0.07	0.06	0.02	0.02	5
Early retirement plans	0.04	0.05	0.01	0.01	-17
Other long-term benefits	-	-	-	-	-
Total	0.11	0.11	0.03	0.03	-5
Grand total	13.51	12.90	3.60	3.44	5

 [Note 23: Employee Benefits](#)

DETAILS OF AFFILIATES, JOINT VENTURES, AND ASSOCIATED COMPANIES

 [Refer to Note 42 of the Consolidated Financial Statements](#)

Notes:

- For the year ended 2024, certain asset and liabilities balances have been reclassified under "held for sale". Please refer to  [Note 34](#) and  [Note 35](#) of the Consolidated Financial Statements for more details.
- US\$ to # rate is 3.75.

BUSINESS SEGMENT REVIEW

FINANCIAL METRICS

Petrochemicals

(Chemicals and Polymers)

Revenue **-1%**

2024: ₺ 129.50 Bn.
US\$ 34.53 Bn.

2023: ₺ 131.26 Bn.
US\$ 35 Bn.

EBITDA **6%**

2024: ₺ 15.55 Bn.
US\$ 4.15 Bn.

2023: ₺ 14.62 Bn.
US\$ 3.90 Bn.

Income from operations (EBIT) **NM%**

2024: ₺ 2.71 Bn.
US\$ 0.72 Bn

2023: ₺ 0.20 Bn.
US\$ 0.05 Bn.

Agri-Nutrients

Revenue **2%**

2024: ₺ 10.48 Bn.
US\$ 2.80 Bn.

2023: ₺ 10.28 Bn.
US\$ 2.74 Bn.

EBITDA **-11%**

2024: ₺ 3.92 Bn.
US\$ 1.04 Bn.

2023: ₺ 4.4 Bn.
US\$ 1.17 Bn.

Income from operations (EBIT) **-14%**

2024: ₺ 3.02 Bn.
US\$ 0.94 Bn.

2023: ₺ 3.52 Bn.
US\$ 0.81 Bn.

OPERATIONAL METRICS

Petrochemicals

Chemicals

Production volumes **-1.7%**

2024: 35.6 Mn. t | 2023: 36.2 Mn. t

Sales volumes **-6.6%**

2024: 22.1 Mn. t | 2023: 23.7 Mn. t

Polymers

Production volumes **8.7%**

2024: 9.9 Mn. t | 2023: 9.1 Mn. t

Sales volumes **2.8%**

2024: 15.8 Mn. t | 2023: 15.4 Mn. t

Agri-Nutrients

Production volumes **2.8%**

2024: 8.4 Mn. t | 2023: 8.1 Mn. t

Sales volumes **5.4%**

2024: 7.1 Mn. t | 2023: 6.7 Mn. t

BUSINESS SEGMENT PERFORMANCE

In 2024, revenue from the Petrochemicals segment totaled ₺ 129.50 Bn. (US\$ 34.53 Bn.), a 1% decline compared to 2023. EBITDA increased 6% to ₺ 15.55 Bn. (US\$ 4.15 Bn.), up from ₺ 14.62 Bn. (US\$ 3.90 Bn.) in the previous year.

Within petrochemicals, chemicals markets saw mixed trends. Methyl tertiary-butyl ether (MTBE) global prices fell 14%, reflecting lower oil prices. Monoethylene glycol (MEG) prices, however, rose 9%, supported by a successful market rebalancing, stronger-than-expected demand growth, and lower supply due to plant rationalizations and extended turnarounds. Methanol prices increased approximately 16%, reflecting tight supply conditions.

Polymers markets were largely stable. Polyethylene global prices remained flat, constrained by continued weak demand, while polypropylene prices rose 7%, driven by limited supply and a slight improvement in demand. Polycarbonate prices remained unchanged from the previous year.

For the Agri-Nutrients segment, revenue increased to ₺ 10.48 Bn. (US\$ 2.80 Bn.) in 2024, up from ₺ 10.28 Bn. (US\$ 2.74 Bn.) in 2023. However, EBITDA declined to ₺ 3.92 Bn. (US\$ 1.04 Bn.), compared to ₺ 4.40 Bn. (US\$ 1.17 Bn.) in 2023. The decline was mainly due to lower margins, as global urea prices fell 5.5%, reflecting lower natural gas prices and stable demand.

PETROCHEMICALS: CHEMICALS

PRODUCTS/PRODUCT GROUPS

Ethylene, propylene, butadiene, linear alpha olefins, styrene, benzene, glycols products, industrial gases, methanol, MTBE, OXO and performance monomers, ethylene dichloride, caustic soda, polyurethane, propylene oxide, propylene glycol, catalyst, and others.

In 2024, prices remained stable at relatively low levels despite rising feedstock prices and logistics costs, creating additional pressure on profit margins. Throughout the year, we navigated regional supply chain and market challenges with resilience and focused on improving margins by optimizing our geographical and customer mix and leveraging our solutions.

2024 DEVELOPMENTS

REDUCING CARBON FOOTPRINTS

SABIC introduced a new certified low-carbon product portfolio in 2024, starting with methanol, produced with a reduced carbon footprint while meeting the same high-quality specifications. This methanol supports a range of applications, including resins for laminate flooring and acrylic sheets.

By capturing CO₂ from upstream processes and repurposing it as a raw material, SABIC relatively reduces traditional feedstock and lowers the Product Carbon Footprint (PCF). Each product in the portfolio comes with verified carbon footprints and a Carbon Footprint Certification (CFC) from the International Sustainability

and Carbon Certification (ISCC) system. Low-carbon methanol is being manufactured at SABIC's joint venture methanol production sites, with additional low-carbon products, such as glycols, planned for rollout in the future.

SYNERGIES WITH SAUDI ARAMCO

We achieved progress in our integration with Saudi Aramco, delivering synergies in joint growth projects both within Saudi Arabia and globally. This partnership has reinforced our role as Saudi Aramco's chemical arm and bolstered our leadership in the petrochemical sector. The expansion of our portfolio includes polyurethane, propylene oxide (PO), propylene glycol, and methyl methacrylate (MMA) from Saudi Aramco's Petro Rabigh (PRC) and Sadara assets (Saudi Arabia) and S-Oil asset (South Korea). During the year, we began marketing our first-ever shipment of PO from the PRC asset, a product with a global production capacity of 1.6 million metric tons, widely used in polyurethanes and propylene glycols.

EXPANDING OUR GLOBAL MARKET PRESENCE

Major projects to expand our global footprint and increase production capacity in key regions progressed well in 2024. The SABIC Fujian project positions us to grow our market share and customer base while efficiently meeting the rising demand for chemicals, such as MEG, in South China. This initiative will also enhance the stability of our material supply. In the future, we will strengthen our presence across China, solidifying our position as a local player. Currently, we are focusing on product pre-marketing activities ahead of the project's commencement.

The new MTBE plant at Petrokemya in Jubail, Saudi Arabia – the largest of its kind globally – will replace the existing isobutane dehydrogenation unit. Leveraging SABIC's proprietary technology, the plant is designed to meet the standards of the Saudi Energy Efficiency Center (SEEC) and to address safety, operability, and reliability challenges. With an increase of nameplate capacity to 1,000 kilotons per annum, this development will further strengthen SABIC's market-leading position.

In China, we launched the "GB Spec Qualification Project" to ensure our monoethylene glycol (MEG) imports comply with China's National Standards (GB, short for Guojia Biaozhun) and industry requirements. Covering shipments from Saudi Arabia to China, the project aims to secure MEG supply while diversifying our customer base across various applications.

In the rest of Asia, we continued to strengthen our regional presence and tap into new markets such as Bangladesh and Vietnam, as well as explore new applications for our products. We obtained our Bureau of Indian Standards (BIS) certification for MEG, ethylene dichloride (EDC), and methanol, ensuring uninterrupted supplies and sustained growth in the rapidly expanding Indian market.

We expanded our China glycols customer base by attracting new customers with specialized applications, such as industrial yarns for high-performance fibers like safety belts, and morpholine, a premium textile additive used in wood fiber production.

CHEMICALS BUSINESS GROWTH

Our Ethoxylates business also achieved significant milestones in 2024. Annual sales surpassed previous records by 9.5%, marking the highest yearly performance since our plant's inception. This success was driven by the more optimized use of existing assets and a strategic diversification of our product portfolio, laying a strong foundation for future growth.

In the Middle East, we are enhancing business efficiency and safety by optimizing supply chain delivery costs. This includes transitioning styrene monomer sales from truck deliveries to hub-based sales.

Our teams successfully navigated logistical challenges throughout the year. Despite the closure of the Bab-el-Mandeb Strait, we maintained uninterrupted purified terephthalic acid (PTA) deliveries to Ibn Rushd (Arabian Industrial Fibers Company) for polyethylene terephthalate (PET) production. By leveraging alternative routes, real-time tracking, and strong stakeholder collaboration, we sustained PET plant operations in the first quarter of 2024. We also expanded global ethanol-amine sales year-on-year, capitalizing on Saudi Aramco Project New Journey volume synergies and improved production rates.

Located at King Fahad Industrial Port in Jubail, our Amiral Storage Project supports Saudi Aramco and Total Energies in the storage, import, and export of butadiene and methyl tertiary-butyl ether (MTBE). The facility includes two 15,000 m³ MTBE tanks and three 4,750 m³ butadiene sphere tanks, strengthening chemical logistics and infrastructure.

MANUFACTURING EFFICIENCY AND RELIABILITY

We continued to implement manufacturing process improvements across our operations. Our IBN-ZAHR affiliate finalized plans to build a Low Temperature Recovery System (LTRS-1) to optimize C3 and C4 recovery, which is expected to increase MTBE production by 50 kilotons annually. Commissioning is scheduled for January 2025. Additionally, as a major commercial supplier in the Yanbu region, GAS Company commissioned a new 6-kiloton oxygen backup storage tank, doubling emergency supply availability from 1.5 to 3 days to enhance reliability for grid oxygen customers.

OPTIMIZING OPERATIONS IN EUROPE

In Europe, SABIC successfully completed the decoupling of the Olefins 3 cracker in Geleen, Netherlands. As part of this project, the Olefins 3 cracker was permanently closed, and the polymer and downstream assets were reconnected to Olefins 4. The project was delivered on schedule with excellent EHSS performance.



PETROCHEMICALS: POLYMERS

PRODUCTS/PRODUCT GROUPS

Polyethylene, polypropylene, polycarbonate, elastomers, polyethylene terephthalate, polystyrene, polyvinyl chloride, and others.

High heat families of ULTEM™ resins – polyetherimide (PEI), SILTEM™ resins – copolymer of polyetherimide and siloxane, and EXTEM™ resins – thermoplastic polyimide (TPI); LNP™ resins and compounds, LNPT™ PC copolymers, and NORYL™ resins and compounds – polyphenylene ether (PPE).

Over the last three years, the polymers industry has had to contend with a number of challenges, from fluctuating commodity prices and persistent supply chain disruptions to broader geopolitical concerns. Increased regulatory scrutiny and growing demands for sustainable practices have compounded these pressures. The industry itself is shifting, and emerging trends include a focus on more advanced and specialized products and a shift toward recyclable and circular polymers to meet evolving customer needs.

Amid this complex landscape, SABIC's Polymers business has remained resilient by emphasizing sustainable solutions and operational excellence. This approach has enabled us to adapt to market pressures and maintain steady performance in a rapidly changing environment.

2024 DEVELOPMENTS

AUTOMOTIVE

In 2024, SABIC introduced new products to address trends in the automotive sector. As part of BLUEHERO™, we added several flame-retardant polypropylene and engineering thermoplastic grades, offering enhanced material options to help mitigate the risk of fire spread in EV batteries. Another key product release, our new SABIC® PP-UMS foam resin, provides high melt strength, low-density foamability, and excellent impact resistance to support weight reduction, cost savings, and emissions standards. Additionally, in response to trends in smart panels and lighting, we developed solutions that enhance light shielding, transparency, and low haze, while incorporating bio-renewable resin options.

Other developments include the launch of LNP™ ELCRES™ SLX1271 SR resin, which delivers enhanced scratch resistance, high-gloss finishes, and excellent weatherability for automotive exteriors, allowing manufacturers to eliminate paint while maintaining aesthetic appeal. The product's environmental and cost advantages earned it a Gold Award at the 2024 Edison Best New Product Awards. Japan's Nichicon Corporation adopted our ELCRES™ HTV150A dielectric film for advanced capacitors in electric vehicles (EVs), supporting silicon carbide (SiC) technology in hybrid, plug-in hybrid, and battery EVs. Our portfolio further extends to solutions like LNP™ ELCRES™ FST copolymer resins for fire-safe train interiors and ULTEM™ materials in foam, sheet, fiber, powder, and composite formats for lightweight transportation components.



BUILDING AND CONSTRUCTION

SABIC introduced a new polypropylene pipe solution using a random copolymer that delivers enhanced performance under high pressures and temperatures, with improved durability and reliability. Developed in collaboration with leading partners, the green-colored resin has been localized in Saudi Arabia. With high thermal stability and a formulation designed for heat-resistant performance, this grade is an excellent candidate material for manufacturing cold and hot water pipes and fittings for drinking water transport, offering a long service life.

SABIC® VESTOLEN™ resin has been successfully certified as PE100RCD (PE100RC and PE100RD). Designed for use in drinking water pipe production, the material offers superior resistance to slow-crack growth, low sag properties, and enhanced durability against chlorinated disinfectants.

We further addressed the growing demand for energy pipeline solutions by introducing SABIC UD GPE, a family of unidirectional glass fiber-reinforced polyethylene composite tapes designed for the global oil and gas industry.

We played a key role in the development and advancement of China's national plastic pipe standard GB/T 43852-2024 for steel-reinforced plastic composite pressure pipes. Leveraging our technical expertise, we played a key role in drafting this new standard. We also marked the first anniversary of our MoU with the National Water Company (NWC) and the Oil Sustainability Program (OSP), focusing on harmonizing implementation plans to enhance water and sewerage networks in Saudi Arabia.

ELECTRICAL AND ELECTRONICS

In the electrical and electronics sector, advancements in battery technology remained an area of focus. We achieved a key breakthrough with the first production of PP resin suited for Aluminum Lamination Film pouch cells.

Beyond battery technology, we delivered innovations across other key areas. In collaboration with Growatt, we enabled the replacement of metal with durable plastics using our LEXAN™ polycarbonate resin for residential PV housing. In partnership with MSI, we introduced a new CYCOLOY™ resin with up to 30% post-consumer content, now used in the bottom cover of MSI's Raider GE68HX gaming laptop. The launch of a cost leadership LEXAN™ resin grade further strengthened our position in the electrical and electronics core business by optimizing performance and cost for wall plate applications. We also collaborated with key manufacturers to develop solutions using polypropylene (PP) and engineering thermoplastics (ETP) for their cordless vacuum cleaners.

In addition, we introduced LNPT™ ELCRES™ copolymers, which enhance chemical resistance to combat environmental stress cracking. Designed for healthcare, mobility, and electronics applications, these materials include ISCC PLUS-certified bio-renewable options to help reduce carbon footprints without sacrificing performance. Our award-winning EXTEM™ RH series resins also drove precision in manufacturing and assembling micro-lens arrays (MLAs) for onboard and co-packaged optics, delivering cutting-edge, high-performance materials.

ADVANCED CONSUMER SOLUTIONS

Our consumer solutions portfolio continues to be shaped by both market and regulatory requirements globally. In Europe and the Middle East, a key introduction was a food-grade SABIC® HDPE resin for still water caps. As the first bimodal product for this application from SABIC, it supports lightweight designs for shorter-neck caps, complies with food contact regulations, and is fully recyclable. The material also enables tethered caps, meeting the European Union's single-use plastics directive requiring closures to remain attached to beverage containers.

China, the largest market for still water, continues to be a central focus for our growth initiatives. To effectively cater to this region, we have launched a new grade of SABIC® HDPE specifically for still water caps, produced locally. This strategic decision enables us to strengthen our proximity to customers, enhance supply chain efficiency, and address growing market needs.

Another important launch was SABIC® PP, a new polypropylene resin produced in China. This material offers high melt flow rate for thinner wall packaging, excellent organoleptic properties, high stiffness, and better clarity, making it an excellent candidate for food containers and other demanding packaging applications.

HEALTHCARE AND HYGIENE

In 2024, we advanced our healthcare and hygiene portfolio with materials designed to meet the many needs of medical and personal care applications. We introduced VALOX resin, a high-performance, medical-grade polybutylene terephthalate (PBT), engineered for precision components in insulin delivery systems and continuous glucose monitors. This material combines exceptional processability, chemical resistance, and biocompatibility, making it an excellent choice for critical healthcare technologies. SABIC strengthened its presence in the healthcare market with the successful commercialization of its newly developed polypropylene medical grade for syringes in Saudi Arabia. We continue to expand sales into new regions, positioning SABIC as a preferred supplier for healthcare applications.

A milestone was introducing an enhanced version of SABIC® PP Melt Blown resin. This polypropylene grade delivers improved properties for melt-blown fibers used in nonwoven fabrics for personal hygiene products (e.g., products for baby care, feminine hygiene, adult incontinence, and medical disposables such as surgical gowns), offering better barrier performance, no oil generation, and reduced residence time.



Other product developments included our ULTEM™ HU resins, which are compatible with multiple sterilization methods and offer a durable, color-stable alternative to ethylene oxide (EtO) sterilization in medical applications. We also launched LNPT™ LUBRILLOY™ grades for medical devices, providing high-performance alternatives to polytetrafluoroethylene (PTFE), a PFAS material.

AEROSPACE

We partnered with Cybershield, Inc. to advance the use of plated ULTEM™ resins in applications requiring high heat and durability. Through our collaboration, Cybershield successfully molded ULTEM™ 2310 resin into backshells for electrical components, with highlights of this effort showcased at NPE 2024 and the 2024 Aircraft Interiors Expo (AIX).

ARTIFICIAL INTELLIGENCE (AI)

AI requires specialized PCBs with high processing power, low latency, and effective thermal management. The demand for specialized PCBs is growing as AI algorithms become more intricate and advanced. SABIC Specialties' unique PPE additives help enable AI PCB manufacturers to design for lower dielectric properties, increased thermal performance, greater toughness, low moisture uptake, and enhanced flame retardancy to meet the step change in AI chip and server architecture.

INDUSTRIAL

We collaborated with the Germany-based LiDAR solutions provider Blickfeld to optimize their Qb2 smart LiDAR sensor. By leveraging the advanced design capabilities of our ULTEM™ resin, Blickfeld developed an optical carrier that simplifies production, reduces secondary operations, and lowers system costs compared to aluminum components, illustrating the transformative potential of our materials in next-generation technologies.

We also supported advancements in the hydrogen economy by partnering with FE Tooling, which selected ULTEM™ resin for structural components in Proton Exchange Membrane Water Electrolysis (PEMWE) systems. ULTEM™ resin's exceptional compressive strength, creep resistance, and hydro-stability in acidic environments ensure reliable assembly and long-term performance, supporting hydrogen's adoption as a zero-carbon fuel.

TRUCIRCLE™ INITIATIVES: EMBRACING RESPONSIBLE PRODUCTION AND CONSUMPTION

Through TRUCIRCLE™ Initiatives, SABIC develops innovative solutions across the value chain, focusing on two critical industry imperatives: advancing circularity in plastics by keeping plastics within the material stream, and reducing emissions with alternative bio-based feedstocks.



CERTIFIED CIRCULAR PRODUCTS

In 2024, SABIC achieved key milestones in advanced recycling, combining process innovation with impactful collaborations. A crucial breakthrough was the successful start-up of our demonstration hydrotreater unit in Geleen, the Netherlands. The hydrotreater upgrades pyrolysis oil – produced from post-consumer mixed plastic waste – into an alternative feedstock for our crackers.

We also advanced circularity in healthcare through a pilot project with Belgium’s Jessa Hospital to recycle medical plastic waste into high-quality, medical-grade materials. Medical plastics collected from the hospital’s dialysis department were converted into pyrolysis oil, which we processed into TRUCIRCLE™ polymers meeting the strict purity and safety standards required for medical applications. By establishing an efficient collection and recycling system, we conserved

resources and lowered disposal costs. Building on this success, we are expanding the closed-loop model and working with new partners to scale up volumes and extend this approach to the wider healthcare sector.

In Saudi Arabia, we launched the country’s first circular packaging project in partnership with FONTE, producing bread bags made from certified circular polyethylene. These bags, manufactured by Napco National, incorporate high mass-balanced content derived from post-consumer plastics, addressing the growing demand for sustainable food packaging while aligning with Saudi Vision 2030. We also produced our first-ever certified circular polypropylene at our Ibn Zahr affiliate, meeting virgin product specifications. Exported to markets in Turkey, Pakistan, and Saudi Arabia, this material is now used in applications such as medical gowns and food packaging films, demonstrating viability in critical industries.

Our efforts extended to ocean-bound plastics (OBP) in 2024, with Italy’s B!POD selecting our OBP-based polypropylene resin for food vacuum system containers. This resin, which contains OBP, combines impact resistance, high gloss, and food-contact safety while repurposing plastics collected from marine environments. Certified circular SABIC® PP polymers also gained traction in the consumer goods sector, with Sensodyne Pronamel toothpaste caps now made from these materials. Processed by Sibio, these polymers illustrate how sustainable packaging solutions can be scaled for global brands.

In collaboration with Saudi Aramco, we supported the “Shoot for the Future” initiative, repurposing recycled plastics to renovate public basketball courts across China. Partnering with ENLIO, the exclusive supplier of flooring for Olympic 3x3 basketball courts, we provided advanced recycled plastics to create environmentally responsible, durable sports surfaces.

We partnered with India's Pashupati Group to help expand access to feedstock for our advanced recycling facility in Geleen and support local recycling ecosystems. Together, we are working to create a steady supply of post-consumer plastic and strengthen our leadership in recycled material innovation.



MECHANICALLY RECYCLED PRODUCTS

We also made progress with our mechanically recycled compounds, which deliver reliable performance across a wide range of applications, including non-food packaging, consumer goods, and automotive components. Among our key innovations in 2024 was the launch of STAMAX™ resin, a long glass fiber-reinforced polypropylene (LGF-PP) with mechanically recycled content designed for automotive applications. This resin solution offers properties that are virtually identical to its virgin equivalent. This means minimal degradation in quality and performance at a level that meets automakers' requirements, including for safety-critical structural applications such as instrument panels or dashboards.

CERTIFIED BIO-RENEWABLE PRODUCTS

Products made from second-generation bio-based feedstocks such as waste and residue materials play a vital role in reducing carbon footprints. These materials, which match the quality and performance of traditional alternatives, are widely used in food packaging, personal care, and automotive applications.

The delivery of the first bio-renewable feedstock at our Mount Vernon site in the Americas in 2024 enables us to begin producing and selling polycarbonate resins made from this feedstock in the future. These resins can offer a lower carbon footprint without compromising on quality, reinforcing their suitability for demanding applications. We also collaborated with Lamb Weston and OpackGroup in Europe to create sustainable packaging for frozen potato products, using polyethylene (PE) derived from used cooking oil. This not only reduces packaging thickness but also helps Lamb Weston lead the industry as the first to adopt SABIC's bio-renewable PE for frozen pre-fried potato products.

Expanding into the cosmetics sector, Finnish brand Lumene adopted our SABIC® PP polymers for its redesigned skincare packaging. Derived from UPM BioVerno™ naphtha sourced from wood-based residue, the new packaging design uses less material while maintaining product volume.

We also partnered with Charge Amps, a Swedish electric vehicle (EV) charging solutions provider, to reduce emissions in charger production. By supplying LEXAN™ polycarbonate, made from second-generation bio-feedstocks, we helped lower the carbon footprint of manufacturing and installation, supporting alignment with electric vehicle supply equipment (EVSE) regulations.

ISCC PLUS CERTIFICATIONS

SABIC's circular materials are certified under the International Sustainability and Carbon Certification (ISCC) PLUS standards, ensuring transparent tracking of recycled content across a complex supply chain.

SABIC's Mount Vernon, Indiana, facility received ISCC PLUS certification in 2024, joining a growing number of certified assets in the Americas. The site has begun receiving ISCC PLUS-certified bio-renewable feedstocks, attributed to used cooking oil, to support the production of bio-renewable polycarbonate.

Additionally, SABIC has secured ISCC PLUS certification for several assets in Saudi Arabia, enabling us to process pyrolysis oil feedstock in local facilities and expand our certified material offerings in the region.

BLUEHERO™: A STRATEGIC INITIATIVE TO ENABLE ELECTRIFICATION

The electric vehicle (EV) industry continues to demonstrate strong growth, with increased adoption worldwide. While growth rates may vary regionally, the overall trend is positive. As infrastructure expands and more affordable EVs and hybrids become available, we anticipate sustained growth. In this dynamic environment, SABIC has developed a strong pipeline of actual and potential application programs in collaboration with automakers and their partners across the value chain.

These efforts continue under our BLUEHERO™ initiative, launched in 2022 to support electrification. Initially focused on the automotive sector, BLUEHERO™ supports the creation of safe, efficient, and high-performing EVs through the delivery of thermoplastic materials and design and engineering expertise – with a focus on enabling lightweight, cost-effective solutions that can meet stringent safety and performance standards while reducing environmental impact.

In 2024, we made strides in advancing thermoplastic solutions for a broader range of applications through BLUEHERO™. Collaborating with dedicated EV companies, traditional automakers, and others across the value chain, we expanded our portfolio to include thermal runaway barriers, busbars, battery modules, and other critical internal battery components. We also expanded our focus beyond light passenger vehicles to new mobility segments, including buses, heavy-duty trucks, and two- and three-wheeled EVs.

One standout example is our collaboration with ENGEL, a leader in plastics processing machinery, to explore the benefits of using thermoplastics in large parts and modules as an alternative to heavy metals. Under this effort, we recently developed an innovative full-size prototype of a battery enclosure utilizing flame-retardant STAMAX™ LGF-PP resin. This one-of-a-kind part illustrates the added benefits of designing with thermoplastics to reduce weight, part count,

and assembly cost while enabling safer, more durable, and more cost-effective vehicles. With cutting-edge materials and application expertise, we are helping OEMs and tiers in the industry scale up their innovations through collaboration.

In terms of our own intellectual capital development, we strengthened competencies within our global team in critical areas such as fire science and flame retardancy to advance

solutions for thermal runaway mitigation. We also focused on enhancing capabilities in joining and assembling dissimilar materials with our thermoplastics. We added new capabilities for development, testing, and validation of new solutions in all regions, with particular emphasis on China. In the Americas, we introduced a dedicated BLUEHERO™ portfolio exhibition and collaboration zone at our Wixom, Michigan, site to foster ties with customers and value chain partners.



AGRI-NUTRIENTS

PRODUCTS/PRODUCT GROUPS

Nitrogen-based inorganic fertilizers and phosphates; technical grade urea (TGU); differentiated products (e.g., zinc-coated urea, stabilized urea, and bio-enhanced urea); low-carbon ammonia and urea.

As a significant player in the global fertilizer industry, SABIC Agri-Nutrients Company is facing three critical challenges in the coming decades: food security, climate change, and the energy transition. Meeting the demands of a growing global population will require increased production of traditional nitrogen and phosphate fertilizers, such as urea, monoammonium phosphate (MAP), and diammonium phosphate (DAP). At the same time, regulatory changes are driving a shift toward investments in low-carbon fertilizer alternatives, highlighting the need for more differentiated solutions.

In response to these challenges, we prioritize operational excellence, strategic growth, and innovation. By enhancing asset reliability and resource efficiency, we have maintained cost-competitiveness in a volatile market. Our global marketing strategy, coupled with targeted acquisitions and expansions, has driven strong sales volumes. Supported by robust research and development capabilities, we deliver value-added, low-carbon products to meet evolving market demands.

2024 DEVELOPMENTS

- **New ammonia plant in Jubail, Saudi Arabia:** Plans are in place for a new ammonia plant in Jubail, which aims to produce 1.2 million metric tons of low-carbon ammonia and 1.1 million metric tons of urea annually for specialized fertilizers. With approval from the Saudi Ministry of Energy for the required feedstock, the project is currently in progress.
- **Smart farming:** In collaboration with key stakeholders, we promote smart and sustainable fertilizer practices through digital initiatives. These include satellite and drone imaging for pest and disease management, crop health assessment, and irrigation and fertigation automation to optimize the use of agricultural inputs.
- **Nutrient Use Efficiency (NUE):** We are working on improving Nutrient Use Efficiency (NUE), a critical factor in farming, and we collaborate with industry leaders to take a technology-first approach to addressing the agricultural challenges of productivity, agronomic efficiency, nutrient utilization, and recovery efficiency. Agronomic trials conducted in 2024 on soluble fertilizers, nano-fertilizers, inhibitors, and coated fertilizers showed improved NUE.

SABIC AGRI-NUTRIENTS COMPANY HOSTS 14TH GPCA AGRI-NUTRIENTS CONFERENCE

SABIC Agri-Nutrients Company hosted the 14th Gulf Petrochemicals and Chemicals Association Agri-Nutrients Conference in Riyadh from September 10-12, 2024, marking the event's debut in the Saudi capital. The conference brought together global industry leaders who discussed challenges in building sustainable agri-food systems. At the event, we shared insights on our agri-nutrients strategy and its broader alignment with Saudi Vision 2030.



AWARDS AND RECOGNITIONS

ICIS Awards 2024



Won Best Process Innovation for our e-furnace project with BASF and Linde, a breakthrough in electrifying steam crackers to reduce carbon emissions. The project was also named Overall Winner of the 2024 ICIS Innovation Awards.

DRIVING MATERIAL INNOVATION

- Edison Awards 2024: For five solutions addressing evolving customer needs across diverse industries.
 - **Gold:** LNP™ ELCRIN™ SLX1271 SR resin, a molded-in-color solution enabling paint-free automotive exteriors with high gloss, mar resistance, and weatherability.
 - **Gold:** LNP™ STAT-KON™ high electrically conductive compounds for energy storage batteries.
 - **Silver:** LNP™ THERMOCOMP™ compounds for new antenna designs in satellite navigation and communication.
 - **Bronze:** High-performance biaxially oriented PE and PP pipes, a first-of-its-kind solution.
- Instituto da Qualidade Automotiva Automotive Quality Award: For front panel design for Scania heavy-duty trucks using certified circular XENOY™ resin.
- Platts Global Energy Award: For LEXAN™ 945CB resin incorporating ocean-bound plastic (OBP) as feedstock.
- R&D 100 Awards 2024: In the Mechanical/Materials category for LNP™ STAT-KON™ high electrically conductive compound, enabling mass production of electrode plates in energy storage batteries.
- Ringier Technology Innovation Awards 2024: For LNP™ ELCREST™ SLX1271 SR resin as a leading innovation in the plastics industry.

- Society of Plastics Engineers Automotive Innovation Awards:
 - **Electric & Autonomous Vehicle Systems Category:** For our collaboration with Ford Motor Company to use SABIC® PP for high-voltage busbars in the 2025 Ford Transit electric van.
 - **Aftermarket and Limited Edition/Specialty Vehicles Category:** For our work with Bluebus, a French electric bus manufacturer, to use FR STAMAX™ long glass fiber PP in the 12-meter e-bus battery pack housing.

A THRIVING CULTURE AND WORKPLACE

- 2024 Women MAKE Awards: U.S. National Association of Manufacturers award for top female talent in the manufacturing industry.
- Better Health at Work Award, Teesside: For comprehensive employee wellbeing programs.
- Ethisphere Compliance Leader Verification™: For ethics and compliance excellence for 2024-2025.
- Top Employers Institute: Named a Top Employer in Asia-Pacific for the 11th consecutive year.
- Twin awards at CIPS MENA 2024: For excellence in procurement and people development initiatives.
- Women Breaking the Mold 2024: Four SABIC employees recognized for leadership in the plastics industry.

EcoVadis Gold Medal



Received a Gold Medal from EcoVadis, a leading provider of business sustainability ratings. SABIC was ranked among the top 5% of companies assessed.

ChinaReplas 2024 Golden Apple Award



Selected as the winner in the Ocean Plastic category by the China Plastics Recycling and Reuse Association (CPRRA) for outstanding contributions to plastic recycling and reuse in China. This marks our third time receiving this award.

EXCELLENCE IN PRODUCT AND PROCESS SAFETY

- **ChemScore 2024:** Ranked second among 51 global chemical firms for product stewardship and sustainability efforts.
- **Thailand Institute of Occupational Safety and Health:** Platinum Level Best EHSS Management Award for the 18th consecutive year.
- **Zero Accident Campaign Award:** Silver Level recognition for 10 years without lost-time accidents at our plant in Rayong, Thailand.

BUSINESS IMPACT AND RESILIENCE

- **Investing in China Outstanding Cases 2024:** SABIC Fujian Petrochemical Complex honored for impactful investment.
- **ISO 22301:2019 Certification:** For our Business Continuity Management System.
- **ISO 8000-1:2022 Certification:** For excellence in enterprise data management.
- **Makkah Award for Excellence:** For the National Cybersecurity Program “AAMN”.

Sustainability Champions Program



Selected by Saudi Arabia's Ministry of Economy and Planning as a top sustainability performer in the Minerals and Petrochemical sector. The program promotes knowledge transfer, with top performers mentoring peers to drive sector-wide sustainability and share expertise. SABIC's mentees currently include Saudi Kayan, Yanbu National Petrochemical Company, and SABIC Agri-Nutrients.

ENGAGING WITH OUR COMMUNITIES

- **Ehsan National Platform for Charitable Work:** For contributions to national charity initiatives in Saudi Arabia.
- **King Salman Humanitarian Aid and Relief Center:** For contributions to health sector relief efforts.
- **Ministry of Health Recognition:** For health awareness initiatives in Saudi Arabia.
- **Outstanding Corporate Volunteer Service Award:** For supporting rural students in China.

Portfolio	Production	Sourcing and value chains	People and societal impact
81	89	105	111

VALUE CHAIN IMPACT

Portfolio

- 81 Customer centricity
- 84 Innovation
- 87 Product stewardship

Production

- 89 Our manufacturing assets
- 91 Digital transformation
- 93 Cybersecurity
- 95 Environment, health, safety, and security
- 101 Sustainability and resource efficiency

Sourcing and value chains

- 105 Supply chain
- 107 Procurement
- 109 Raw materials

People and societal impact

- 111 Our people
- 119 Local content
- 123 Communities
- 126 Ethics and compliance



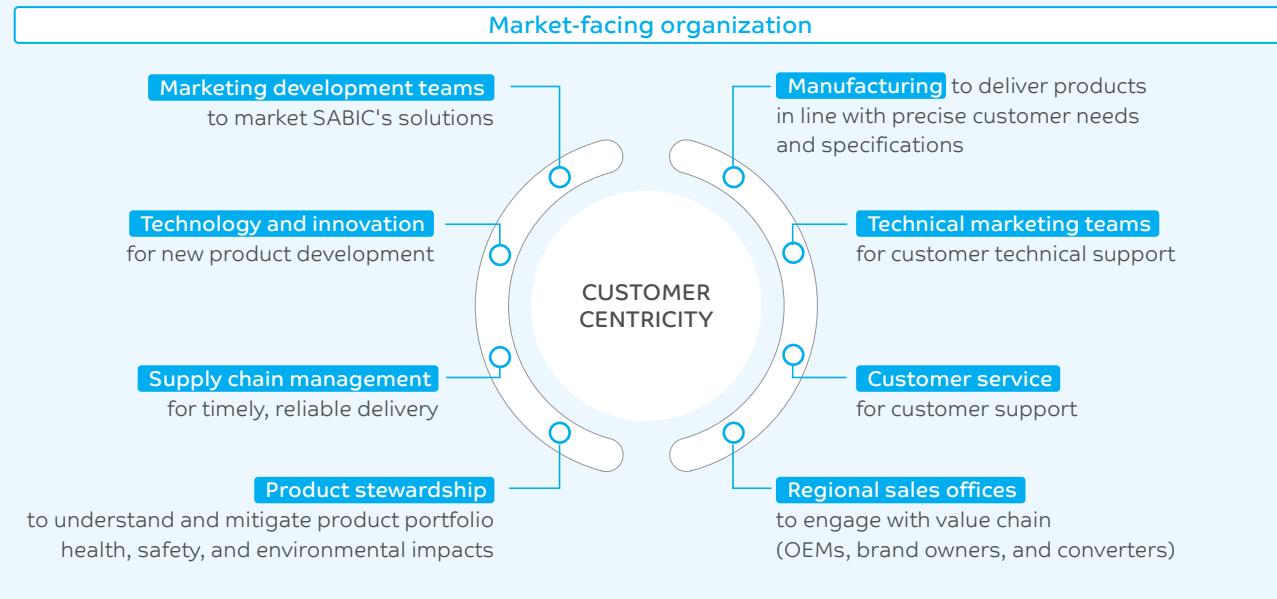
Across our value chain, we strive to make a positive impact at every step – collaborating with customers, producing responsibly, building sustainable supply chains, fostering a thriving workplace, and delivering value to our communities.

PORTFOLIO

CUSTOMER CENTRICITY

SABIC nurtures a culture of deep collaboration with customers, partnering with them to understand their needs and help drive their success.

OUR CUSTOMERS AT THE CORE



OUR APPROACH

Understanding how we can make things better for our customers is crucial to our business. We adopt a market-facing approach, tailored to each region and segment based on market maturity as well as commensurate growth and differentiation opportunities. We engage with customers across a wide range of domains and services through multiple channels, working to identify opportunities and challenges, develop solutions, and promote business evolution.

2024 DEVELOPMENTS

As SABIC's brand value rose to US\$ 4.9 Bn. in 2024, our dedication to customer centricity is reflected in our growing reputation among customers as the world's second-most valuable chemical brand.

This year, we completed the rollout of our new customer relationship management (CRM) system, strengthening our customer connections. The system connects digital channels for customers and other value chain partners, enabling rapid responses to inquiries. Its end-to-end reporting capabilities allow us to track the effectiveness of marketing activities, ensuring that our physical presence and digital messaging deliver tangible value for stakeholders.

In 2024, we amplified our focus on the customer business development (CBD) journey by leveraging our market-facing organization, integrating industry expertise from our technical and sales teams, and enhancing geographic proximity to customers through a unified global sales structure. This was further supported by end-to-end visibility provided by the CRM system and a strong leadership commitment to innovation and value chain engagement, resulting in the creation of many solutions in 2024.

KEY CUSTOMER ENGAGEMENTS

SABIC participated in key events and collaborations in 2024, showcasing innovative materials and strengthening partnerships across global markets.

At CHINAPLAS 2024 in Shanghai, under the theme “Collaborate to Grow, Innovate to Win,” we introduced advanced materials supporting renewable energy and electrification to meet China’s dynamic market needs.

We also participated in NPE2024, the largest plastics exhibition in the Americas, under the theme “Collaborating to Create the Future.” This event provided a platform for engaging with customers and industry partners to share ideas and market solutions, including advancements in electric power. Highlights included our SABIC® PP-UMS foam resin, designed to reduce vehicle emissions and enhance recyclability through its lightweight, high-strength properties. We also introduced LNPT™ ELCRES™ copolymers, which offer enhanced chemical resistance and environmental benefits through International Sustainability and Carbon Certification (ISCC) PLUS-certified resins, using case studies to highlight their applications in healthcare, mobility, and electronics. As part of our presence at NPE, we also participated in the event’s Sustainability Hub, featuring solutions from our TRUCIRCLE™ portfolio.

In collaboration with machine-maker ENGEL, we hosted Battery Innovation Day at their headquarters and technical center in Austria. The event facilitated in-depth discussions with major automakers, battery manufacturers, and tier suppliers, focusing on the advantages of thermoplastics in EV battery

pack enclosures and related components. This initiative exemplified our collaborative approach across the value chain, bringing together key partners, including Forward Engineering, Siebenwurst, Freudenberg Sealing Technologies, and DuPont Automotive Adhesives and Fluids. These solutions contribute to reducing emissions, improving durability, and extending product lifespans.

At The smarter E Europe 2024 in Munich, Germany, we introduced advanced thermoplastics tailored for energy sourcing, supply, and storage, demonstrating their potential to scale sustainable energy production.

Additional engagements in 2024 included discussions on sustainable packaging trends at the Plastic Closure Innovations event in Barcelona and an innovation day with PepsiCo in Bengaluru, focused on circular solutions for food and beverage packaging. In India, we partnered with an EV charging solutions provider to enable metal-to-plastic replacements for EV charging stations and collaborated with a telecom operator to support the manufacturing of 5G devices for their nationwide AirFiber network, expanding our presence in key emerging sectors.

We also reinforced our leadership in the electrical and electronics sector through participation in major industry events, including the SNEC International Photovoltaic Conference in China, as well as workshops in Europe, Shanghai, and Bengaluru. These engagements highlighted our innovations in energy-efficient materials and sustainable applications, strengthening our market position and deepening collaboration with industry leaders and customers.





In 2024, we hosted more than 50 seminars and webinars to deepen industry engagement and share insights. Our focus remained on delivering tailored solutions that address evolving market needs while fostering partnerships across regions. A highlight was the successful execution of packaging, healthcare and hygiene, building and construction, and automotive seminars. These sessions provided market analysis,

technical insights, and application-focused discussions, enabling direct engagement with stakeholders to drive innovation and operational excellence.

In China, we took a targeted approach by hosting specialized seminars for key industries to ensure our solutions align with specific market demands. These initiatives strengthened our presence and deepened collaboration in the region.

Our promotional webinars complemented these efforts by showcasing our product offerings and highlighting market solutions such as TRUCIRCLE™ and BLUEHERO™. These sessions focused on sustainability, recyclability, and resource efficiency, aligning our strategies with global sustainability goals and customer expectations. By prioritizing engagement through these platforms, we continue to build relationships, deliver value-driven solutions, and support sustainable growth in partnership with our customers.

We encourage feedback across customer touchpoints in our business transactions, from early-stage technical discussions to later-stage interactions with our sales and business teams, and we view the Net Promoter Score (NPS) as a useful benchmarking tool to gauge the satisfaction of our customers. We appreciate customers classified as promoters on the NPS scale for the broader value they bring in growing our brand, and we also recognize neutrals and detractors as opportunities for analysis and improvement of our business. To emphasize this aspect, in 2024, we initiated an even closer follow-up process with our customers to ask how SABIC can better support their ambitions and deliver greater value, opening the floor for mutually beneficial dialogue and strengthened business relationships.

We keep our customers well informed of the multiple channels available to communicate with SABIC and raise any concerns, including the [SABIC e-commerce portal](#), SABIC.com, or directly via members of our customer-facing teams. Considered a valuable source of insight, these concerns are responded to in a timely, efficient, and satisfactory manner.

INNOVATION

As a materials company, innovation is the connective, driving force behind our efforts to prioritize the needs of our customers, advance towards our sustainability goals, and meet our ambitions for growth.

11,000+

Patent portfolio

220+

New priority patent applications

⌘ 2.06 Bn.

R&D expenses
US\$ 0.55 Bn.

20

Technology centers
and service locations

2,000+

R&D professionals
(Including non-direct
hire employees)

OUR APPROACH

Innovation is central to how we address challenges and meet the needs of our customers. Through research, targeted investments, and external collaborations, we are driving improvements across our petrochemical, agri-nutrients, and specialties businesses – developing materials with recycled content, reducing emissions, and working with partners to minimize environmental impact along the value chain. Our approach revolves around three priorities: optimizing feedstocks to increase flexibility, competitiveness, and cost efficiencies in the context of supporting our sustainability commitments; advancing technologies through research and development to provide customized materials and solutions for our customers; and establishing an innovation ecosystem with external collaborators to bring new ideas and capabilities to life.

With 20 technology centers and service locations and a team of over 2,000 R&D professionals around the world, we are developing practical solutions that create lasting, measurable value for our customers and society. Additionally, at the end of 2024, SABIC's patent portfolio encompassed over 11,000 granted patents and pending applications, with over 220 new priority applications filed during the year. Our focus on technology innovation – including emissions reduction, process improvements, and low-carbon applications – drive our research efforts.



PRODUCT SUSTAINABILITY PERFORMANCE

Understanding product sustainability performance is essential to identifying solutions that help reduce our customers' carbon footprints and conserve resources. This growing demand for information is driven by customer needs for more sustainable products and credible carbon footprint data to support their purchasing decisions. By evaluating the sustainability of our portfolio, SABIC can align its operations, R&D, and product development with these expectations.

We use several tools to guide portfolio strategy and product positioning, including portfolio sustainability assessments, product carbon footprint (PCF) analysis, and product life cycle assessments (LCA). These tools operate at different levels to provide a detailed view of our sustainability performance.

Over the last several years, SABIC has assessed its products and applications at the portfolio level using the WBCSD Portfolio Sustainability Assessment (PSA) methodology. This approach has supported more informed decision-making and enabled market-driven strategies. The PSA methodology is now evolving into an integrated Portfolio Sustainability Performance Assessment (iPSPA) to address gaps identified in PSA V2.0 and create an industry-agnostic framework. Developed collaboratively by WBCSD and chemical industry peers, this updated approach will provide a more robust mechanism for portfolio evaluation. SABIC intends to align with the new guidelines under the iPSPA methodology once finalized.

SABIC is also developing its capability to assess at the product level through an automated Product Carbon Footprint system. Launched in 2023, this system uses primary data from manufacturing operations to provide standardized carbon footprint calculations at the product grade level. Built on ISO standards, industry guidelines, and certification requirements, the system ensures accurate and transparent emissions data.

This capability meets customer demands for credible carbon information while supporting efforts to lower greenhouse gas emissions, inform strategic decisions, and advance SABIC's carbon neutrality aspirations.

An effective strategy requires evaluating all stages of a product's life cycle – from raw materials and manufacturing to distribution, customer use, and end-of-life. Our overall approach applies life cycle thinking to assess environmental impacts across the entire value chain. Through LCAs, we identify opportunities for improvement at various stages, recognizing that impacts often occur beyond our direct operations, such as during the use of lightweight automotive components or insulation materials. This approach helps pinpoint both benefits and challenges, guiding informed decisions to support a more sustainable product portfolio.

TECHNOLOGY LICENSING

Our Licensing function continues to strive in alignment with SABIC's business strategy, leveraging know-how, technical capabilities, and innovative solutions in our licensing-out technology portfolio. We aim to maximize the value generation from our proprietary technologies by granting licenses to SABIC affiliates, strategic partners, and third parties. Licensing-in follows a rigorously sophisticated model to evaluate technical, economic, and contractual aspects, securing best-in-class global technologies to enrich our portfolio.

Our Technology Licensing team works closely with the Sustainability Business Development function to unlock opportunities through partnerships with third parties to advance SABIC's goals. We deliver technology packages supported by an optimized quality management system, oversee new technology developments, provide technical support, and offer training for licensed technologies.

Our governance structure promotes compliance with contractual obligations, safeguards intellectual property, and maintains best practices across licensing operations.

Developments in 2024 include the following:

- SABIC Licensing secured multiple technology licenses and service agreements to support growth ambitions.
- As part of the SABIC Licensing-Out strategy, we have successfully licensed several SABIC technologies and provided support for ongoing projects globally.



COLLABORATING FOR INNOVATION

External collaborations are essential to technology development and delivery. By building an innovation ecosystem, SABIC gains new and unique competencies and fosters talent development, ensuring a steady flow of new ideas. Key projects benefit from the dynamism of these partnerships with reduced time to market and lower costs. We also emphasize strengthened partnerships with Saudi universities through knowledge-sharing initiatives that build their capabilities and drive groundbreaking ideas.

Key innovation collaborations during 2024 included:

- **Mega Green Accelerator with PepsiCo:** In partnership with PepsiCo and AstroLabs, SABIC launched the Mega Green Accelerator to support Middle East and North Africa startups focused on solutions in food security and energy transition. From over 350 applicants, eight startups were selected for a six-month program featuring mentorship, training, networking, and access to investors.
- **China Automotive Technology and Research Center (CATARC):** SABIC partnered with CATARC to develop technical standards and solutions for electrification in China's automotive industry. The collaboration will also explore closed-loop recycling and design-for-recycle innovations.
- **JWELL Machinery:** SABIC and JWELL Machinery signed an MOU to establish a joint laboratory in China focused on advanced extrusion applications. The collaboration leverages JWELL's expertise in plastic extrusion and SABIC's extensive material portfolio to develop solutions for industries ranging from building and construction to automotive. It will also explore opportunities to replace metal and thermoset materials with plastics.
- **ENGEL:** We developed a high-voltage battery pack enclosure demonstrator in collaboration with ENGEL and other industry partners across the value chain. This multi-material enclosure features a thermoplastic organosheet cover, a thermoplastic tray, and a metal underbody, utilizing flame-retardant

STAMAX™ LGF-PP to achieve up to 20% weight savings compared to a conventional aluminum design. It also offers enhanced design freedom, improved thermal runaway mitigation, and potential cost savings.

Read more about our other collaborations, including:

- **Global Collaborations in Research and Technology:** Partnering with leading universities, institutes, and ventures to drive innovation worldwide.
- **Revolutionary Solar Panel Installation in Genk:** A world-first deployment of lightweight, 100% recyclable solar panels with ENGIE and Solarge.
- **Advancing Medical Waste Recycling with TRUCIRCLE™ portfolio and services:** Transforming non-contaminated medical plastics into raw materials.

SELECTED JOINT VENTURES



Circular
economy

SYNOVA finboot tech



Energy
transition

RONDO niocycle

KC8 Capture Technologies

SYNERGIES WITH SAUDI ARAMCO

Saudi Aramco and SABIC are collaborating across the value chain to merge their expertise in extraction, efficient chemical and plastic manufacturing, advanced material and application development, and recycling initiatives. Together, we drive innovation in chemical production, streamline processes, and develop advanced catalyst systems aimed at enhancing efficiency and minimizing waste.

The two companies are also engaged in several joint initiatives targeting decarbonization, technology deployment, venturing, liquid-to-chemicals conversion, and non-metallic solutions, among others. These projects are focused on developing solutions for high-pressure applications in oil and gas pipelines, electric vehicles, and solar panels. Other initiatives include creating polymers through advanced and mechanical recycling methods, and, together with SABIC Agri-Nutrients Company, developing lower-carbon products and conducting assessments for low-carbon ammonia and hydrogen production.

PRODUCT STEWARDSHIP

Our mission is to build a strong product stewardship culture that delivers business value across the global supply chain by providing safe, compliant, and sustainable solutions.

13,114

Customer product inquiries answered

230,109

Safety Data Sheets (SDS) published

14

Social and environmental responsibility commitments met

0

Non-compliance incidents with regulations and voluntary codes concerning marketing communications

SABIC strives to ensure the safety of its products throughout their life cycles by adopting Responsible Care® Product Safety Code management practices, maintaining robust product stewardship programs, and fostering a culture of continuous improvement. SABIC's Product Stewardship team endeavors to deliver customer satisfaction across the value chain by providing timely responses to a wide range of product regulatory inquiries. Through comprehensive systems and procedures, we support growth by proactively driving product safety and performance and supporting responsible innovation. As global demands evolve, SABIC continues to invest in building product stewardship competencies and developing our people to support the production, import, and sale of products worldwide.

Our customers are increasingly focused on ambitious goals, adopting proactive approaches often ahead of regulations and mandates, and becoming more selective in the products and materials they use. To meet these evolving customer needs and fulfil our compliance obligations, SABIC will strengthen our Product Stewardship program. As a member of global and regional chemical industry trade associations, we advocate for robust, reliable, and reproducible science and risk-based methodologies in regulatory decision-making. We also advance our sustainable chemistry initiatives, such as SABIC's Safer Chemistry program, and increase transparency through stakeholder dialogue and via our various communication channels.

OUR APPROACH

Product stewardship focus areas

Technology & Innovation projects

Master data quality

Chemical regulatory monitoring

Safety data sheets

Hazard classifications and chemicals of concern

Customer inquiries



New science/emerging issues/artificial intelligence

External product advocacy

Compliance systems

Internal operations and standards

Product stewardship awareness training

SAFER CHEMISTRY

Since 2021, SABIC's Safer Chemistry program has helped improve the environmental profile of our products. In 2024, we continued this journey of continuous improvement, leveraging collaboration between our business segments and technology teams to refine our portfolio. These efforts reflect SABIC's proactive approach to product stewardship ensuring we stay ahead of market needs while supporting our customers in achieving their sustainability goals. Our ongoing commitment has earned external recognition, with SABIC maintaining its leadership position as the number two ranked company in ChemSec's annual industry rankings for product stewardship in the chemicals industry.

COMMUNICATION

The Product Stewardship team responds to our customers' specific inquiries while ensuring accurate, efficient, and high-quality information. Our goal is to respond to customer inquiries within five days. In addition, Product Stewardship provides essential product regulatory documents, including Safety Data Sheets (SDS), Regulatory Data Sheets (RDS), and Food Contact Declarations (FCD), all of which are available for direct download. We also share information on certain initiatives and engagements like Safer Chemistry and Responsible Care®. Additionally, SABIC offers an animal welfare guidance statement regarding toxicity testing.

SABIC utilizes comprehensive systems to manage key product data, including compositions, toxicology information, GHS classifications, and regulatory content. SABIC uses a Globally Harmonized System for Hazards Classification and Labeling (GHS) database, and GHS data for over 1,500 substances is regularly updated and used to generate compliance-related documents, such as safety data sheets and internal communications.

Our IT systems, such as CompLetter and the Customer Declaration Portal (CDP), support the efficient assembly of regulatory content to address customer inquiries. We are also exploring the use of artificial intelligence (AI) to further improve operational efficiency. These advanced systems are continually enhanced to support our Product Stewardship efforts, supporting the delivery of safe solutions throughout the product life cycle. This aligns with our commitment to transparency and customer satisfaction, as highlighted in our engagement with regulatory initiatives and advocacy efforts.

PRODUCT STEWARDSHIP IN INNOVATION

The Product Stewardship team works closely with SABIC's Technology & Innovation (T&I) function to review and support new research initiatives throughout the product development process. This collaboration ensures a proactive approach to identifying opportunities for improvement and optimizing product performance in our T&I.

CULTURE

Since its inception, hundreds of employees have completed the Product Stewardship Experience training program. This initiative educates employees from across various functions on the practices and principles related to product safety, toxicology, and regulatory affairs, emphasizing each employee's role in meeting SABIC's compliance obligations. The training, offered both in-person and virtually over a period of three days, continues to see growing demand across regions. The initiative is an important element in promoting our company's Product Stewardship mission and culture.

PRODUCTION

OUR MANUFACTURING ASSETS

SABIC's core activity is the production of basic materials. Our manufacturing priorities revolve around driving reliability, efficiency, and competitiveness of our assets while maintaining an unyielding focus on operational safety.



OUR APPROACH

Our commitment to manufacturing excellence focuses on operational safety, asset reliability, and high production standards while driving progress toward resource efficiency targets. This approach allows us to minimize incidents and downtime while maximizing output. By balancing quality and affordability, we enhance our competitiveness within the industry and deliver value to our stakeholders.

A crucial element of our approach is the Operations Discipline program, which supports critical operational elements during manufacturing processes. The program leverages best operational practices and complements other manufacturing standards.

A point of current emphasis is leveraging advanced AI solutions and the latest Industry 4.0 technologies to improve asset performance. For instance, an AI-powered monitoring system deployed across our global plants predicts equipment failures, enabling proactive maintenance to prevent costly disruptions and reduce material losses. Digital predictive tools use data on raw-material quality, process parameters, and environmental conditions to determine optimal production settings and maximize yields. AI models are also helping us reduce emissions and energy consumption, while other digital tools are providing company-wide visibility on resource efficiency and emissions metrics in support of our carbon neutrality ambitions.

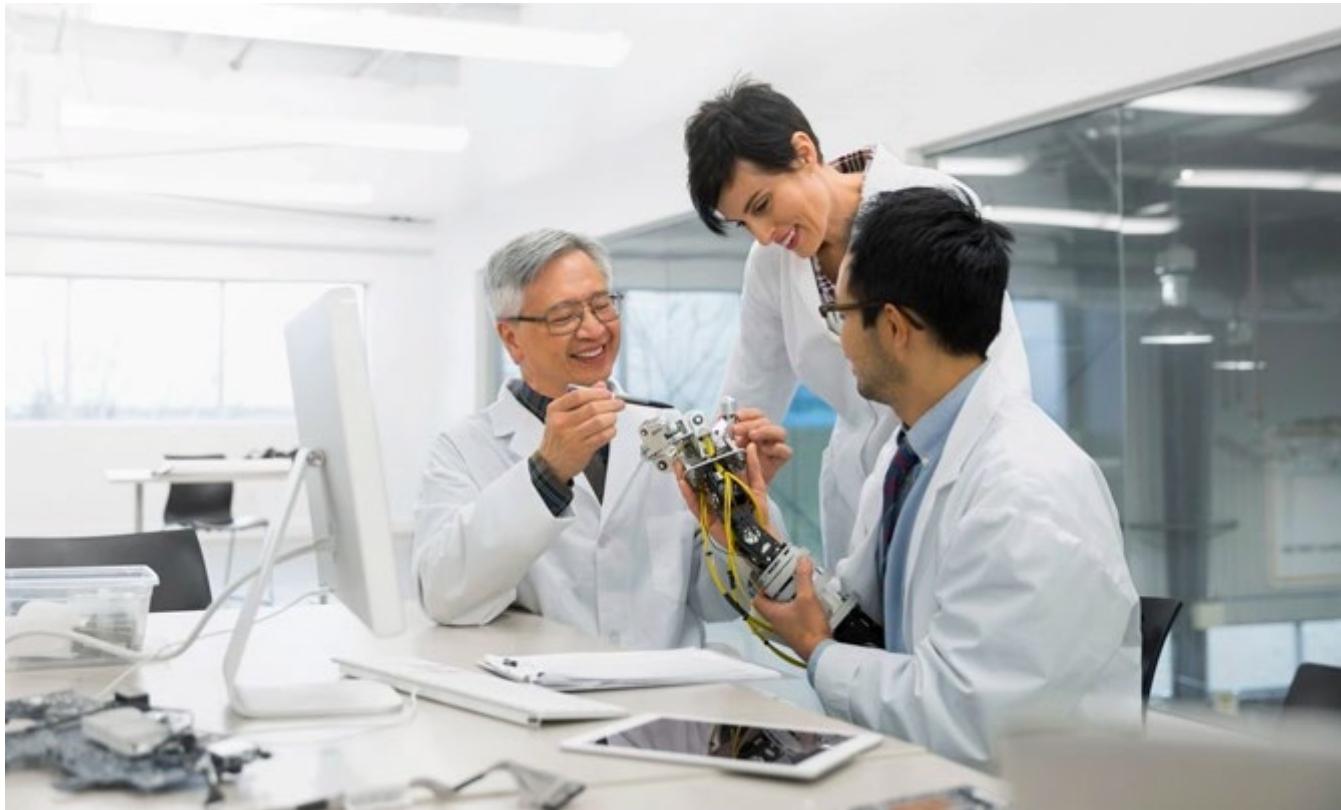
2024 DEVELOPMENTS

In 2024, SABIC implemented several reliability enhancement initiatives across its manufacturing sites, supported by the necessary expertise to leverage knowledge, build collaboration, and create the right focus to address plant asset limitations. This approach established best practices and operational requirements for key production assets globally, with a focus on value-driven enhancements.

- The first round of Operations Discipline was completed by updating the Operations Management System documents and integrating relevant guidelines into the system. The second round, planned for 2025, will focus on culture and behavior.
- As a learning organization committed to agility and operational excellence, SABIC conducted a review of its OMS framework after five years of implementation. This framework, which standardizes operations management and covers both EHSS and operational performance, was optimized to ensure that its requirements are clear, integrated, and value-adding. The rollout of the revised standard to affiliates is planned for 2025.
- Asset maintenance reinforced strong foundations to drive performance and value creation through the implementation of the KAFAA program. This program focuses on optimizing resource utilization, reducing maintenance costs, enhancing wrench time, and building organizational capabilities.
- Several turnaround initiatives were implemented across SABIC manufacturing sites in 2024. Five plants deployed major turnaround cycle optimizations to improve on-stream factors, while risk-based turnaround scope validation was applied to nine events. The Turnaround Assurance team successfully conducted 25 Turnaround Readiness Assessments with contributions from subject matter experts at the global Center of Excellence and operating assets, maximizing gains during the year.
- SABIC advanced its multi-year program to deploy dynamic real-time optimizer solutions for steam crackers at two additional olefin plants in Saudi Arabia in 2024. These solutions, integrated with the plants' existing advanced process control applications, aim to maximize steam-cracker production.
- The Communities of Practice initiative, launched in 2023, continued to foster collaboration across sites and was further expanded in 2024 to cover additional critical knowledge areas through expert groups in SABIC Manufacturing. Employees operating similar plants and technologies engaged in discussions, shared concerns and opportunities, and collaborated on solutions, building a sense of community.
- In addition to the previously introduced centralized manufacturing services – labs, inspection, and workshops – 2024 saw the introduction of material management and industrial services contracting. This transformational initiative provides centralized, high-quality service functions for manufacturing sites with the aim of streamlining operations, enhancing efficiency, and driving value creation.

DIGITAL TRANSFORMATION

SABIC's digital transformation aims to boost competitiveness, productivity, and customer satisfaction using big data, machine learning, and artificial intelligence (AI).



OUR APPROACH

The rapid evolution of digital technologies is reshaping the global petrochemicals sector, challenging traditional business models and creating new opportunities and risks. We are seeking to harness the potential of these technologies to improve business processes and value chain efficiencies, drive innovation, and unlock new growth and value creation avenues.

Our digital transformation strategy prioritizes the digitalization of core operations.

Our current focus areas include:

- Identifying and implementing innovative digital solutions to streamline operations and create new revenue streams.
- Advancing analytics capabilities, increasing computation power, and developing Gen-AI solutions.
- Equipping our workforce with the necessary digital skills to thrive in the evolving digital age by promoting adoption of the new digital solutions and increasing awareness of data analytics, data literacy, and AI.
- Fostering synergies with internal and external stakeholders, including Saudi Aramco, academic institutions, and government entities, to drive digital innovation.
- Strengthening our data foundations and our data and AI governance and guidelines.

DRIVING ENTERPRISE RESOURCE PLANNING THROUGH DIGITALIZATION

A key element of our digital transformation is the Digital Operations Platform, developed through the SABIC Transformation and Renovation (STAR) program, which serves as the cornerstone of future processes, applications, and systems. STAR is set to replace and modernize the existing enterprise resource planning (ERP) framework, transforming how SABIC operates by connecting people, devices, and business networks globally, delivering value and creating new experiences for customers and stakeholders.

STAR is a phased program, beginning with the enhancement of technical capabilities. This will be followed by the deployment of corporate solutions across manufacturing, business units and supply chain, Technology & Innovation, and Corporate Finance. This structured approach ensures a seamless transition and maximizes the impact of this critical transformation.



Spearheading this transformation is SABIC's multifunctional Digital Transformation team, which is driving initiatives across manufacturing, SABIC business units, the STAR program and functional domains. This team focuses on big data, data analytics, business continuity, change management, and digital ventures to achieve digital transformation.

SABIC's digitalization efforts are closely monitored by multiple governing bodies chaired at the highest level by the CEO. The program is measured through multiple metrics, including value generated, adoption and utilization of digital solutions by business units, and digital maturity benchmarks as measured against industry standards.

The maturity assessment highlights SABIC's progress, demonstrating a digital maturity level that surpasses the industry average.

2024 DEVELOPMENTS

- Developing and deploying several key digital solutions across different SABIC businesses to address process deviations and reliability issues.
- Conducting comprehensive assessment to drive organizational digital maturity.
- Optimizing our digital portfolio through prioritizing value-driven initiatives and aligning them with business objectives.
- Creating a culture of digital innovation through specialist data science programs and extensive training sessions.

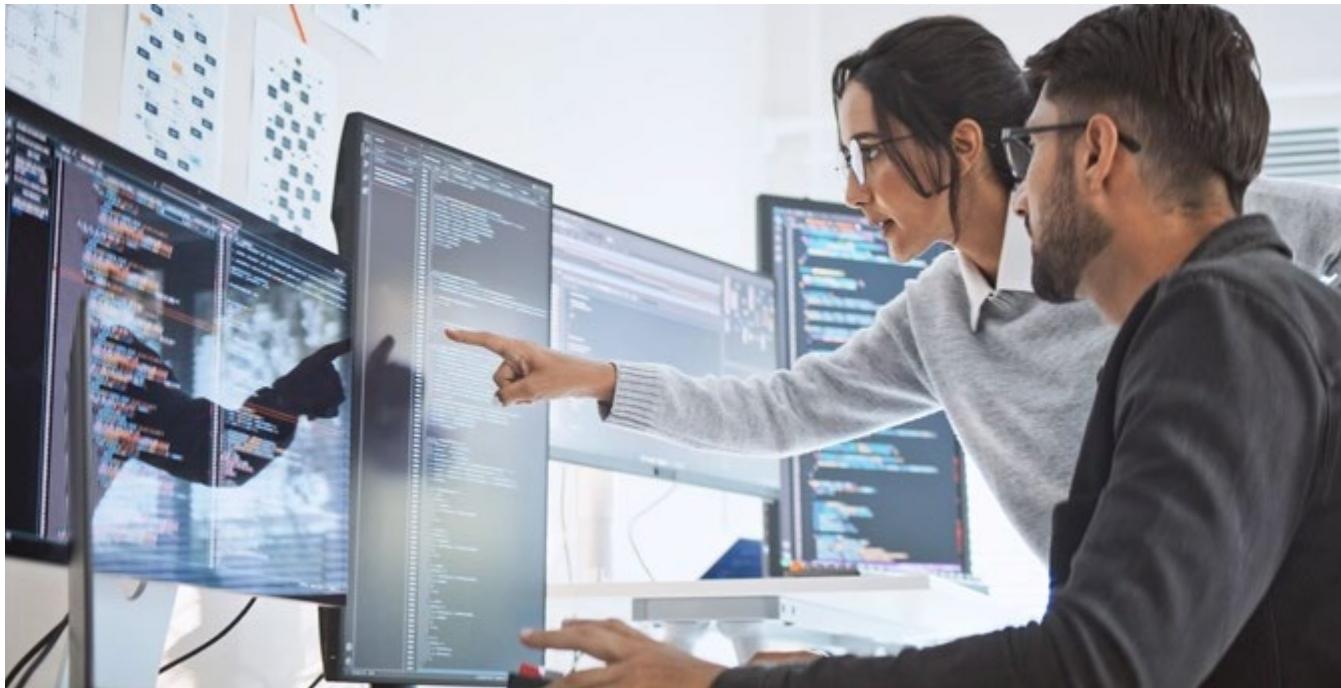
By harnessing the power of AI and new industrial technologies, SABIC's digital transformation is driving improvements in energy efficiency, operational footprint, and GHG emissions reduction. Examples include:

- **Boosting asset reliability with AI-driven asset healthcare solution:** An AI-powered monitoring system now operates across SABIC plants globally, predicting potential failures of critical equipment and enabling proactive maintenance. This system is expected to reduce material loss over the critical asset life cycle.

- **Extending asset life and strengthening safety:** Through advanced inspection technologies, such as robotics and drones, SABIC identifies persistent issues, including corrosion under insulation, pipe integrity, and performs tank and flare tips inspections, enhancing asset longevity and reducing exposure to critical safety environments.
- **Optimizing overall plant performance:** SABIC integrates data on raw material quality, process parameters, and environmental conditions into digital predictive tools to determine optimal production settings, maximizing yield and extending equipment operation life cycle.
- **Enhancing EHSS risk discovery and prevention:** By implementing AI and automation tools like the Electronic Safe Work Permit (eSWP), Operator Round Automation (ORA), and the Hazard Prediction System (HPS), SABIC maintains high EHSS standards and reduces associated risks.
- **Improving energy efficiency:** By predicting energy demand, optimizing production, and increasing asset efficiency, AI models can potentially help SABIC reduce energy consumption and carbon emissions.
- **AI-driven supply chain:** AI-powered sales and operations planning optimizes demand forecasting, inventory management, and production planning, improving customer satisfaction and operational efficiency.
- **Data preservation:** A centralized digital tool supports the preservation and accessibility of research data, functioning as a search engine for research documents, patents, and external literature.

CYBERSECURITY

Cybersecurity breaches pose a persistent threat to industries globally. In response, SABIC implements a comprehensive program of cybersecurity best practices to protect its business and manufacturing operations.



OUR APPROACH

SABIC's corporate-wide cybersecurity maturity plan is overseen by the Corporate Cybersecurity Committee, chaired by the CEO, and integrated into the global Enterprise Risk Management (ERM) framework. This plan aims to enhance SABIC's cybersecurity defenses, improve resilience, strengthen data protection measures, maintain regulatory compliance, and promote cybersecurity awareness across the organization.

Securing SABIC's operational technology environment is a key focus area. Technology and information assets are protected by enforcing technical and procedural controls, using predictive alerts for response and mitigation, and through automation and integration. Identity management, access controls, and data protection for cloud-based systems are also regularly enhanced as SABIC's business accelerates toward digitalization.

Applying the right level of classification is important to secure data in transit and at rest and for secure usage, processing, and storage.

SABIC fosters an inclusive, people-centric culture of cyber awareness and empowerment through customized, multilingual programs for employees, families, and third parties. These programs are delivered globally using multiple modes and channels throughout the year and include tailored learning interventions designed for employees in distinct functions and roles.

Evolving technologies and the increasing sophistication of cyber threats require constant monitoring. Considering these changes in the threat landscape, the cybersecurity program is reviewed and updated annually to prioritize risks, assess resilience, and evaluate maturity against industry benchmarks.



2024 DEVELOPMENTS

- The launch of the Foresight Program reflects our commitment to a proactive approach in enhancing cybersecurity resilience and securing business practices. This is achieved through continuous evaluation and improvement of technology controls, promoting an inclusive culture, and monitoring the “people aspects” of cybersecurity.
- The start of the CyberTrust program for suppliers, in collaboration with Global Procurement Services, integrates cybersecurity requirements into the procurement life cycle. This provides guidance and certification to help third parties meet SABIC’s cybersecurity standards before onboarding.
- SABIC implemented numerous data protection initiatives during the year under review, including a new layer of protection, Data Loss Prevention (DLP). This will safeguard intellectual property and secure data privacy by applying the right level of sensitivity and classification to data, enabling its secure usage, processing, and storage.

ENVIRONMENT, HEALTH, SAFETY, AND SECURITY

EHSS is integral to SABIC's identity, fostering a culture of safety and stewardship across our global operation by promoting workplace health and safety, educating stakeholders, minimizing environmental impact, and supporting community wellbeing.

Occupational health and safety

0
Fatalities

0
Fatalities rate¹

0.09
Total Recordable
Injury and Illness
Rate (TRIIR)²

Process safety

6
Tier 1 Process
Safety Events

Air emissions

24,866.79
NO_x
(nitrogen oxide, metric tons)

2,864.81
SO_x
(sulfur oxide, metric tons)

Waste management

428,816
Hazardous waste generated
(metric tons)

109,643
Non-hazardous waste generated
(metric tons)

298,764
Hazardous waste recovery
(metric tons)

25,122
Non-hazardous waste recovery
(metric tons)

130,052
Hazardous waste disposal
(metric tons)

84,521
Non-hazardous waste disposal
(metric tons)

OUR APPROACH

SABIC is dedicated to high Environment and Human Health, Safety, and Security (EHSS) standards across its global operations, fostering a strong culture of safety and environmental stewardship throughout its divisions, partners, and supply chain. We ensure compliance with laws, proactive risk management, and safe, stable operations. Our strategy emphasizes employee competency, accountability, and digital tools to strengthen hazard identification, improve safety and process maturity, and mitigate environmental impacts. Key focus areas include advancing digital tools, optimizing EHSS data quality, and strengthening performance by enhancing our capacity to predict and discover EHSS issues through predictive analytics, AI, and visualization tools.

Guided by our Code of Ethics, EHSS policy and the Safety, Health, and Environmental Management Standards (SHEMS) framework, we strive to maintain safe, compliant, and environmentally responsible operations while protecting employee wellbeing and building strong community relationships. Regular oversight by the EHSS Executive Council ensures alignment with objectives as well as continuous improvement.

SABIC's reporting is consistent with globally reported EHSS KPIs in similar industries. All injury- and illness-related data and metrics are created and calculated using definitions and procedures analogous to those set forth in the United States' 29 CFR 1904 (the Occupational Safety and Health Act, OSHA) and SABIC's EHSS policy. All process safety-related data and metrics are created and calculated as per the guidelines of the American Petroleum Institute (API) 754 (Third Edition, August 2021).

¹No. of fatalities * 200,000 hours worked / Total man-hours worked

²(No. of recordable injuries + illnesses) * 200,000 hours worked / Total man-hours worked

COMPLIANCE AND ACCOUNTABILITY

SABIC and affiliate manufacturing sites conduct regular self-assessments and audits, as well as participate in inspections from regulators. We address concerns, undertake thorough internal reviews, and implement corrective actions for any identified issues, including any agency notices.

SABIC and its senior manufacturing leaders are responsible for EHSS performance, including adherence to internal standards and compliance with regulations.

CERTIFICATIONS/STANDARDS

In addition to complying with our internal EHSS management standard, our programs are certified to comply with key external standards:

- Responsible Care® 14001 certification at chemical manufacturing locations around the world.
- ISO 14001 Environmental Standard certification at chemical manufacturing plants globally plus many of our other locations.
- ISO 45001:2018 Occupational Health and Safety Standard certification at Middle East and Africa manufacturing plants plus other locations.

As a certified Responsible Care® company, SABIC is developing world-class EHSS programs and practices. In 2024, SABIC successfully transitioned to the new Responsible Care® First Periodical & Transition RC14001 technical specification RC 14001:2023 and passed the Environmental Management System (EMS) standard ISO 14001:2015, including amendments, for sites across the Middle East and Africa, the Americas, Europe, and Asia. In the Middle East and Africa, we also passed the First Periodical ISO 45001:2018 certification audit for occupational health and safety.

EHSS COMPETENCY DEVELOPMENT

SABIC recognizes the importance of an educated workforce, including contractors, to identify EHSS risks and opportunities. Cyclic EHSS competency development programs equip employees with the knowledge needed for evolving job roles, with specialized training in process safety, occupational health, industrial hygiene, environmental protection, and security.

We grow our institutional knowledge in EHSS each year, successfully executing the National Examination Board in Occupational Safety and Health (NEBOSH) competency development training program. We also strengthen occupational health and safety competencies through training programs such as Job Safety Analysis (JSA) and those accredited by the British Occupational Hygiene Society (BOHS). Furthermore, we develop environmental protection competencies through the ongoing NEBOSH environmental certification program.

OCCUPATIONAL HEALTH AND SAFETY

Ensuring the health, safety, and overall wellbeing of employees is a top priority across all SABIC and affiliate facilities, where we improve and implement programs to responsibly promote safety and minimize employee and contractor injuries and illnesses.

We nurture a strong safety culture and clear procedures across all sites, underpinned by active, engaged participation by employees and contractors in safety and health programs and trainings.

SABIC's SHEMS encompass key aspects of safety including process safety, industrial hygiene, management of change, transportation safety, and safe work practices. This also includes the SABIC Life Saving Rules (LSR) and Basic Safety Behavior (BSB), which highlight the importance of following occupational health and safety procedures in order to avoid serious incidents or injury.

EHSS PERFORMANCE

SABIC is dedicated to preventing serious injuries and loss of life at our sites through rigorous incident investigations, awareness initiatives, and immediate corrective actions that strengthen our plant and work processes. Incident reviews are detailed, with clear takeaways shared at individual sites and globally through our EHSS town halls. These town halls promote best practices, leadership visibility, and impactful engagement, emphasizing the criticality of operational discipline and proper risk identification.

We concluded 2024 with our best-ever safety performance, achieving a Total Recordable Injury and Illness Rate (TRIR) of 0.09 and recording no fatalities among both employees and contractors.





As part of our review of the recommended practices, SABIC initiated the internalization of high-value learning practices to improve standardization. This approach involves five key steps:

1. Identifying incidents and best practices
2. Defining applicability
3. Implementing actions
4. Verifying compliance
5. Tracking progress for visibility.

In 2024, we expanded digital solutions, deploying Electronic Safe Work Permits across 102 plants to improve compliance and system transparency. Operator Round Automation is currently in the pilot phase, with site deployment planned upon successful completion of the pilot.

Our contractor qualification process was further refined during the reporting period, with a focus on increasing EHSS awareness among procurement teams. Initiatives like “Contractor Safety Day” facilitated the sharing of incident learnings, best practices, and performance evaluations. To strengthen collaboration and expertise, all SABIC EHSS professionals have been added to a global database, showcasing their technical skills and enabling involvement in assessments and investigations, an initiative that serves to enrich professional experience and fosters knowledge-sharing.

As part of ongoing efforts to enhance EHSS awareness and engagement, frequent health and safety campaigns targeting frontline workers were launched across sites, featuring themes based on past incident analyses. These campaigns included experiential training, incident lessons, and interactive safety games.

The Total Recordable Injury and Illness Rate improved by 10% compared to 2023.



PROCESS SAFETY

SABIC continues its pursuit of process safety excellence with focus in alignment with key strategic pillars: capability building, risk management, and emergency preparedness. This approach supports improvement and establishes new benchmarks in process safety.

SABIC strengthened process safety competency across its global operations by developing and delivering qualifications and training programs throughout 2024. Key initiatives included:

- Specialized sessions on Explosion Risk Assessment, SABIC Assurance for EHSS Risks (SAFER) training, MOC and PSSR practices, and Loss of Primary Containment (LOPC) tools
- Advancing the Process Safety Competency Development Program (PSCDP) in partnership with the Mary Kay O’Connor Process Safety Center
- Expanding qualifications like Process Hazard Analysis Leaders Qualification program (PHALQ) and introducing training in Foundations of Process Safety (FoPS) and Dust Hazard Analysis (DHA)
- Offering PSCDP slots to engineers from GCC industries, fostering regional collaboration and knowledge sharing.

In 2024, SABIC focused on promoting the mindset of proactive risk discovery through smart metrics that encourage identifying and reporting concerns while also advocating for effective mitigation measures, supported by the SABIC Assurance for EHSS Risks (SAFER) management and stewardship framework.

As part of fostering a learning organization, SABIC in 2024 advanced the deployment of the Storage Tank Overflow Protection Assessment (STOPA), a systematic approach to identify and evaluate issues associated with tank overfills and verify the adequacy of safeguards. During the reporting period, we also launched the following initiatives:

- Global implementation of programs such as High Consequence Risk Scenarios Management, Process Hazard Analysis (PHA) Quality Enhancement, and EHSS Critical Asset Management.
- Publishing key guidance documents on PHA, Cost-Benefit Analysis, and Bowtie methodology.
- Sponsoring the inaugural Gulf Petrochemical and Chemical Association (GPCA) Process Safety Conference
- Active engagement in the GPCA Process Safety Network, reinforcing regional leadership in safety culture.

In 2024, SABIC also focused on maintaining up-to-date Emergency Preparedness and Response Capabilities Standards, providing sites with the support needed to reduce risks and support effective response and readiness for all types of emergencies. We also launched a platform to enhance visibility for SABIC's executive leadership. A new program was introduced during the reporting period to maintain the physical and mental fitness of emergency responders. We further strengthened the firefighter qualification model so that responders are equipped with the necessary skills and knowledge to perform their duties effectively.

AMERICAN PETROLEUM INSTITUTE (API) 754 TIER 1 PROCESS SAFETY EVENTS AND RATE



The Tier 1 Process Safety Events Rate improved by 46.7% compared to 2023.



SECURITY

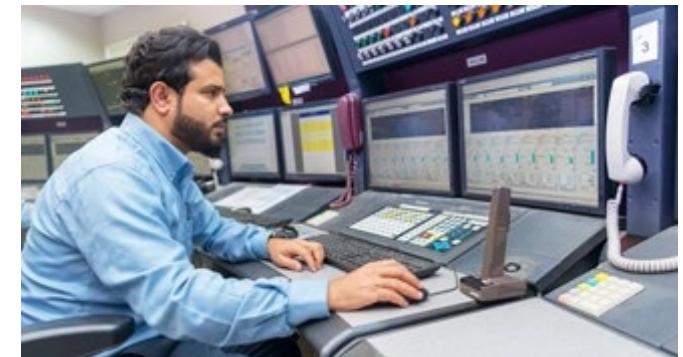
Security and Crisis Management is a core competency. We implemented a global security management system based on SHEM-14 (SECURITY STANDARDS), which sets requirements for physical security systems based on site tier rankings. In 2024, the Global Security Center of Excellence focused on building staff capabilities, enhancing the security assessment

process, incident analysis, knowledge sharing, and improving personnel security measures. The team also conducted security and crisis management KPI reviews across multiple sites, leading to more consistent understanding and accurate reporting of quarterly KPIs.

SABIC has a global crisis management system, managed by teams at global, regional, and site levels, to effectively address EHSS-related incidents and potential crises. This system promotes awareness and readiness through site-specific training and exercises, supported by the latest IT tools.

In 2024, the SABIC manufacturing sites in Saudi Arabia continued with Phase 5 of the Security Mega Project, enhancing security systems to comply with government directives from the High Commission of Industrial Security (HCIS). Upgrades included enhancements to CCTV systems, integrated security management systems, physical security, and more.

Personnel security is a core tenet of SABIC's culture. In 2024, we prioritized security awareness training for employees, ensuring they were up-to-speed on security procedures and resources available for the security of traveling employees. We also improved travel security protocols for top executives during the reporting period.



WATER

Water conservation is a key aspect of our goals. We constantly explore technologies to conserve natural resources and minimize the environmental impact of water use. Our processes include maintaining an inventory of wastewater sources, complete with sewer system schematics, potable water, process water, and on-site wastewater treatment systems. Reliable sampling, monitoring, record-keeping, and reporting support compliance and process quality. We also established periodic assessments to identify opportunities to optimize water usage, including maximizing its reuse.

WASTE

We realize that waste management and a transition toward more responsible production and consumption are vital to mitigating our environmental footprint. We, therefore, adhere to rigorous waste management principles, including effective and compliant waste identification, segregation, packaging, labeling, storage, and transportation. Our waste minimization programs aim to eliminate, reduce, and lower toxicity, reuse/ recycle, and recover waste wherever possible, while complying with regulations. We regularly inspect our external waste management facilities to properly manage waste.

We continuously collect and report hazardous and non-hazardous waste data in accordance with global waste reporting guidance, introduced in 2023. Using a unified waste data collection template aligned with international standards (GRI 306), we ensure accurate and high-quality reporting. This approach enables SABIC EHSS to establish a global waste recycling target in line with our ESG reporting strategy.

AIR

SABIC's global facilities strive to meet air emissions limits set by national governments, using advanced infrastructure and expertise to navigate complex regulations. Processes are in place to identify, monitor, and document all air emission sources, and the best available technologies are incorporated into new projects during the design phase.

At SABIC's Saudi sites, we implemented advanced smart ambient air quality monitoring technology designed for trace gas detection. This system can sense a wide range of gas mixtures, enabling monitoring, emissions detection, and process assessments. Additionally, the technology utilizes solar panels as a power source.

We further embedded digitalization into our environmental initiatives to improve performance and decision-making. A key project is the deployment of an AI-powered NOx emission prediction solution. Using machine learning and historical data, this system forecasts emissions, enabling proactive control. The solution has already been implemented across more than 36 emission points.

To enhance reporting of non-GHG emissions (beyond NOx and SOx, which SABIC already discloses), a baseline questionnaire was completed in 2024 and reviewed by regional experts. This initiative aims to assess current mechanisms for defining, measuring, and reporting parameters such as volatile organic compounds and particulate matter, with the goal of aligning with evolving global standards and establishing a unified reporting methodology.

BIODIVERSITY

SABIC recognizes the deep interconnectedness of climate, biodiversity, and people and is fostering practices that address these interdependencies.

We conducted an initial evaluation to pinpoint potential priority locations for further validation through detailed site assessments, an exercise through which we aim to balance environmental stewardship with our operational goals.

We are deepening our understanding of our relationship with nature and aligning our practices with leading reporting frameworks and evolving regulations, ensuring transparency and accountability in addressing the complex challenges at the intersection of climate, biodiversity, and societal needs.

ENGAGING WITH STAKEHOLDERS

SABIC engages with stakeholders and local communities on EHSS matters, as demonstrated by our collaboration with the Royal Commission for Jubail and Yanbu (RCJY). Through this partnership, we align on awareness programs, campaigns, and events like World Environment Day. We also hold meetings with neighboring communities to share updates on environmental programs, review new projects, and discuss emergency drills.

Globally, we reinforce our environmental engagement by collaborating with agencies and communities on various initiatives. We work with leading chemical associations, including the American Chemistry Council (ACC) in the U.S., the Gulf Petrochemical and Chemical Association (GPCA) in the Middle East, the European Chemical Industry Council (Cefic), Plastics Europe (PE) in Europe, and the Association of International Chemical Manufacturers (AICM) in Asia, to evaluate and contribute to emerging programs and initiatives. Through these regional associations, we also participate in global Responsible Care® programs, engaging in committees, task forces, and code peer reviews.

SABIC also participates in standardization efforts by providing technical expertise to organizations like the Center for Chemical Process Safety (CCPS), the European Committee for Standardization (CEN), and the International Electrotechnical Commission (IEC), shaping global standards.

In parallel, we proactively assess the impact of regulatory changes and engage with regional and global regulators, including the Saudi Ministry of Environment, Water and Agriculture, RCJY, and the EU (via associations like Cefic and Plastics Europe).

During the year under review, SABIC demonstrated strong stakeholder engagement in EHSS through a series of proactive initiatives aimed at enhancing safety. The 2024 Safety Blitz Initiative at STC Shanghai focused on key safety themes such as Hand Safety and Energy Isolation, encouraging collaboration across teams and generating actionable remediation plans. The company's EHSS efforts were recognized with sought-after awards, including the "Innovative Carbon Neutrality Award" and the Zero Accident Campaign Award.

SABIC's regional events like its Greater China ESG Day, which included a coastal cleanup, and community-focused CSR activities, and the EM soil ball event in Korea, further highlighted safety, environmental responsibility, and local engagement. Through our ongoing participation in the Operation Clean Sweep (OCS) program and efforts like the solar power project at our Chongqing plant, SABIC fosters a unified safety culture globally, with a focus on improvement and stakeholder collaboration.

OPERATION CLEAN SWEEP (OCS)

SABIC follows the American Chemistry Council (ACC) OCS objective to implement good practices across the plastics manufacturing industry, and actively implements the program across all regions.

SABIC participated in the efforts to develop the OCS Europe and GPCA Certification Schemes, as well as a similar US program that launched in 2024. The European Certification Scheme is the foundation of the European Union proposals to prevent unintentional losses of plastic pellets. During 2024, all our European sites obtained external OCS certification.

An OCS video developed by SABIC is now used as the basic awareness tool for employees and contractors. In 2024, we performed numerous internal OCS assessments and awareness sessions, and conducted dedicated leadership inspections on OCS.

EHSS AND OUR SUPPLIERS

SABIC's third-party management system aligns the selection and management of contractors and suppliers with our EHSS standards, reflecting the company's dedication to responsible EHSS practices.

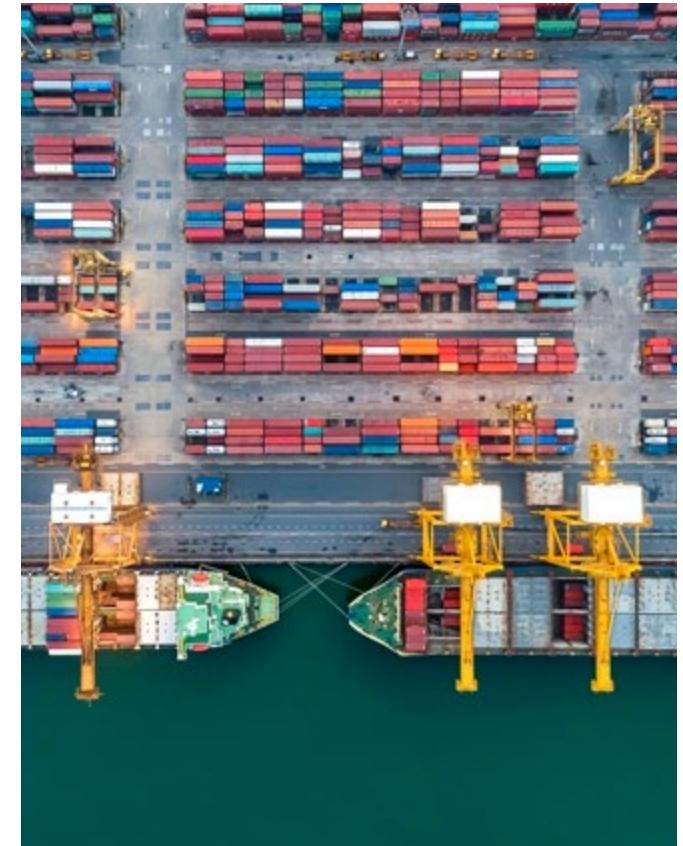
SABIC invests in collaborating with contractors and raw material suppliers to achieve desired results while following EHSS regulations and SABIC's EHSS LSR. Suppliers are consistently validated through Supplier Due Diligence, evaluating criteria such as SHEMS, Responsible Care® 14001, and the SABIC Supplier Code of Conduct.

As part of its EHSS supplier relationship management, SABIC hosted its 2024 suppliers' recognition event to honor top suppliers for their outstanding contributions.

SUPPLY CHAIN EHSS

The Chemical Road Transportation Safety Assessment System (CRSAS) and Chemical Warehouse Safety Assessment System (CWSAS) assess the quality, safety, security, environmental, and sustainability management systems of road transport and warehouse service providers in China. In 2024, SABIC representatives delivered incident investigation and Management of Change (MOC) training

to CRSAS carrier members and EHSS training to CWSAS warehouse providers. After the initial launch of CWSAS, SABIC promoted its use within the supply chain, with two existing SABIC-serviced warehouses being assessed under the system. SABIC's carriers are 100% assessed by CRSAS, and SABIC also promoted CRSAS to subcontractors in the Chemicals SBU, ensuring subcontractor carriers are assessed.



SUSTAINABILITY AND RESOURCE EFFICIENCY

We continue to strive toward our carbon neutrality aspirations while being cognizant of the challenges imposed by economic and technological dependencies.

GHG intensity

-22.7%

since baseline¹

3.0%

2023-2024 change

Energy intensity

-15.6%

since baseline¹

3.3%

2023-2024 change

Water intensity

-21.0%

since baseline¹

4.7%

2023-2024 change

Material loss intensity

-56.3%

since baseline¹

-6.7%

2023-2024 change

Flaring emissions

-49.9%

since baseline¹

19.91%

2023-2024 change

Total CO₂ utilization (Mn. t)

3.95

2024

Absolute GHG (total Scopes 1 and 2) (tCO₂e)

-13.95%

since baseline²

0.4%

2023-2024 change

¹Baseline: 2010

²Baseline: 2018

OUR APPROACH

In 2021, we announced our aspiration to ensure all operations under our control are carbon neutral by 2050, keeping in line with the goals of the Paris Agreement while taking into account different regional and national ambitions, commitments, and initiatives. Our Carbon Neutrality Roadmap establishes the overarching vision for achieving this goal by 2050, with an interim target of reducing GHG emissions (Scopes 1 and 2) by 20% by 2030 from a baseline year 2018. Aligning with industry best practices, we are transitioning from an intensity-based approach to an absolute approach for our GHG emissions. While we will monitor intensity targets until the close of 2025, the roadmap supersedes this approach, shifting our focus to absolute targets (tCO₂e).



PROGRESS ON OUR CARBON NEUTRALITY ROADMAP

The roadmap outlines five key pathways toward de-carbonization: (1) reliability, energy efficiency and improvements; (2) renewable energy; (3) carbon capture and utilization (CCU); (4) electrification; and 5) low-carbon hydrogen. To meet our 2030 aspiration of a 20% reduction in Scopes 1 and 2 GHG emissions from a 2018 baseline, our primary emphasis will be on the first three pathways. For effective capital allocation, we are currently utilizing existing technologies and leveraging power purchase agreements (PPAs) to replace grid-based electricity. Beyond 2030, we will continue building on our existing decarbonization programs and exploring the most strategic options for our business going forward.

Since the baseline year 2018, SABIC has realized a reduction of 13.95% in absolute Scopes 1 and 2 GHG emissions, primarily driven by our efforts in improving the energy efficiency of our assets and renewable power deployment.

ENERGY EFFICIENCY AND IMPROVEMENTS

SABIC continues to focus on reliability and energy efficiency improvements as a crucial lever for our ambitions to reduce GHG emissions. Additionally, SABIC is committed to the Saudi Energy Efficiency Program (SEEP) in support of national energy efficient goals. In 2024, we progressed in the SEEC second cycle journey to bring energy efficiency and usage on par with global trends, and we have invested in multiple projects since the start of the cycle.

Key energy efficiency initiatives in 2024 include transitioning steam generation at one of our affiliates from crude oil to natural gas, improving energy performance and reducing overall GHG emissions.

RENEWABLE ENERGY

We have made progress in our energy transition around the globe. Some developments of note:

- **Europe:** In October 2024, SABIC unveiled the world's largest circular solar installation at its site in Genk, Belgium. Additionally, we secured an extra 239 MW of solar power capacity for our Gelsenkirchen site in Germany. With these advancements, our total contracted renewable capacity now approaches 660 MW, enabling us to source 70% of our EU electricity needs from renewables. This achievement translates to an annual reduction of 650,000 tons of CO₂ equivalent emissions under Scope 2.
- **China:** In Q1 2024, SABIC's sites in Nansha and Chongqing commissioned advanced solar systems capable of generating over 310,000 kWh and 200,000 kWh annually, respectively. Notably, the Nansha site transitioned from 30% green electricity usage early in the year to achieving 100% green electricity by April 2024.
- **Saudi Arabia:** In alignment with Saudi Arabia's vision for renewable energy, SABIC is working to increasingly source its electricity from renewables. This shift will be driven by a combination of on-site renewable energy generation, power purchase agreements (PPAs), and Renewable Energy Certificates (RECs), depending on future policy frameworks. These efforts are set to reduce Scope 2 greenhouse gas emissions.

CARBON CAPTURE AND UTILIZATION

Key developments in 2024 included:

- In collaboration with the Circular Carbon Economy National Program (CCE-NP), SABIC launched the world's largest carbon capture and utilization hub in Jubail. As a key strategic partner of Saudi Arabia's Ministry of Energy, we are proud to support the Saudi Vision 2030 goal of carbon neutrality by 2060 through investments in carbon capture infrastructure.
- SABIC launched a lower-carbon methanol product by incorporating carbon captured from upstream processes into its manufacturing. Utilizing CO₂ as a raw material and reducing feedstock use delivers Product Carbon Footprint (PCF) reductions. Introduced as the first offering from SABIC's certified low-carbon product portfolio in September 2024, the methanol is used in applications such as resins for laminate flooring, furniture panels, and acrylic sheets.

LOW-CARBON AMMONIA

Reflecting our support for delivering low-carbon solutions to our customers and helping them achieve their carbon neutrality targets, we aim to grow our presence in the low-carbon ammonia market. In mid-2024, SABIC Agri-Nutrients Company received approval from the Ministry of Energy to allocate the required quantities of feedstock to set up a low-carbon ammonia plant in Jubail, Saudi Arabia, with capacities to produce 1.2 million metric tons per annum of low-carbon ammonia and 1.1 million metric tons per annum of urea and specialized agri-nutrients annually. The new plant in Jubail is in line with Saudi Vision 2030's emphasis on low-carbon fuels and solutions.

ELECTRIFICATION

In April 2024, following three years of development, BASF, SABIC, and Linde launched the world's first demonstration plant for large-scale electrically heated steam cracker furnaces at BASF's Ludwigshafen site in Germany. This technology uses renewable electricity to heat furnaces up to 850°C, potentially reducing Scopes 1 and 2 CO₂ emissions from one of the most energy-intensive chemical processes by at least 90%. The plant, which integrates into existing steam crackers, will test two heating methods – direct and indirect – to gather operational data and refine the technology for industrial-scale application. Supported by EUR 14.8 Mn. from Germany's "Decarbonization in Industry" program, the project will commercialize these technologies under Linde's STARBRIDGE™ trademark, advancing the petrochemical industry a step further towards an ultimate goal of carbon neutrality.

GREENHOUSE GAS EMISSIONS

SCOPES 1 AND 2

In 2024, emissions have been reduced by 13.95% compared to the 2018 baseline. On a year-over-year basis, 2024 emissions were slightly higher by 0.4%. Year-over-year GHG emissions related to Scope 1 were slightly down by 0.43%, while Scope 2 emissions were higher by 2.77% for the same period.

We continue working to enhance the reliability of our operations and reduce absolute emissions across our plants while simultaneously increasing production. We strive to make our operations more resilient to achieve these goals effectively.



SCOPE 3

We aim to collaborate with our value chain partners on initiatives to reduce our indirect Scope 3 emissions. This includes adoption of low-carbon materials, optimization of logistics, energy, and carbon efficiency in processing and use of our products, and reducing end-of-life impacts. We previously reported Scope 3 emissions for categories 1 to 8, and we are now working with stakeholders to assess and align our Scope 3 emissions calculation approach and methodology for future reporting.

INTENSITY-BASED TARGETS

2010-2025 Intensity-based targets

Indicator	Unit	Reduction target (2025)
GHG emissions	tCO ₂ e/t sales	25%
Energy	GJ/t sales	25%
Water	m ³ /t sales	25%
Material loss	t/t sales	50%

Since setting intensity reduction targets for energy, greenhouse gas emissions, material effectiveness, and water, SABIC has introduced several new products to address specific customer and market needs. Producing these products has required more energy, which, coupled with changing market dynamics, has slowed progress toward the intensity reduction targets for energy and water.

GHG EMISSION INTENSITY

In 2024, GHG intensity reduced by 22.7% compared to the 2010 baseline. In 2024, GHG intensity rose 3.0% year over year due to planned maintenance and unplanned shutdowns.



ENERGY INTENSITY

In 2024, energy intensity reduced by 15.6% compared to the 2010 baseline. On a year-over-year basis, the 2024 energy intensity was 3.3% higher due to planned maintenance activities and unplanned shutdowns.



MATERIAL LOSS INTENSITY

In 2024, material loss intensity reduced by 56.3% compared to the 2010 baseline. On a year-over-year basis, the 2024 material loss intensity was 6.7% lower, driven by improved reliability and waste minimization efforts.



WATER INTENSITY

In 2024, water intensity reduced by 21.0% compared to the 2010 baseline. On a year-over-year basis, 2024 water intensity was 4.7% higher due to maintenance activities.



CO₂ UTILIZATION

SABIC has been implementing and reporting total annual CO₂ utilization since 2013. This process involves capturing and utilizing CO₂ emitted from specific process units and converting it into other units as a feedstock for producing SABIC products. The utilization venues included in this metric are, but are not limited to: urea production, 2-EH production, methanol production, and polycarbonate production. All sites are expected to track CO₂ utilization, identify opportunities for enhancement, and take steps to maximize the use of concentrated sources of CO₂ as a feedstock. It is important to note that there is currently no established future target or goal for this indicator, unlike other intensity KPIs.

Note: Water intensities are calculated based on freshwater withdrawal

SOURCING AND VALUE CHAINS

SUPPLY CHAIN

SABIC's supply chain strategy is centered around timely, reliable product delivery, leveraging operational excellence, digital innovation, and sustainability to create and maintain a competitive edge.



OUR APPROACH

Our supply chain efforts focus on delivering the right products at the right time, ensuring a secure and reliable supply that provides a competitive advantage for both our customers and SABIC. We aim to build robust, upstream and downstream supply chains, positioning SABIC as a local supplier in key markets while securing capacity for future growth. Additionally, our collaboration with Saudi Aramco has further strengthened our capabilities through harnessing shared synergies, optimized facilities, and integrated supply chains to deliver tangible benefits to our customers.

Key supply chain activities include procuring direct materials (raw materials for production) and indirect materials (other supplies), as well as product distribution. Our supply chain strategic roadmap is built around three core dimensions:

- **Operational excellence** – We prioritize customer centricity by optimizing service levels and maximizing the value of our network and infrastructure.
- **Digitalization** – We leverage advanced technologies to collaborate with customers and service providers, enhancing speed, reliability, and precision in decision-making.
- **Sustainability** – We are focused on reducing carbon emissions and transitioning to a more responsible value chain.



OPERATIONAL EXCELLENCE

SABIC's supply chains face challenges such as logistics disruptions, reduced schedule reliability, and volatile freight rates, partly driven by geopolitical tensions along key sea routes. Despite these obstacles, we have maintained healthy inventory levels, secured capacity, and balanced service levels while managing costs effectively. Close collaboration with Saudi authorities has streamlined export processes, ensuring consistent lead times. Additionally, fast lanes and efficient border-crossing processes within Gulf Cooperation Council (GCC) states have improved land transportation, enabling us to keep delivering products on time.

Our global optimization program spans the entire supply chain, leveraging our global network and strong partnerships with logistics providers to enhance efficiency. By capitalizing on economies of scale, streamlining operations, and adopting innovative solutions, we have optimized our cost to serve and enhanced our financial performance.

ROBOTIC PROCESS AUTOMATION

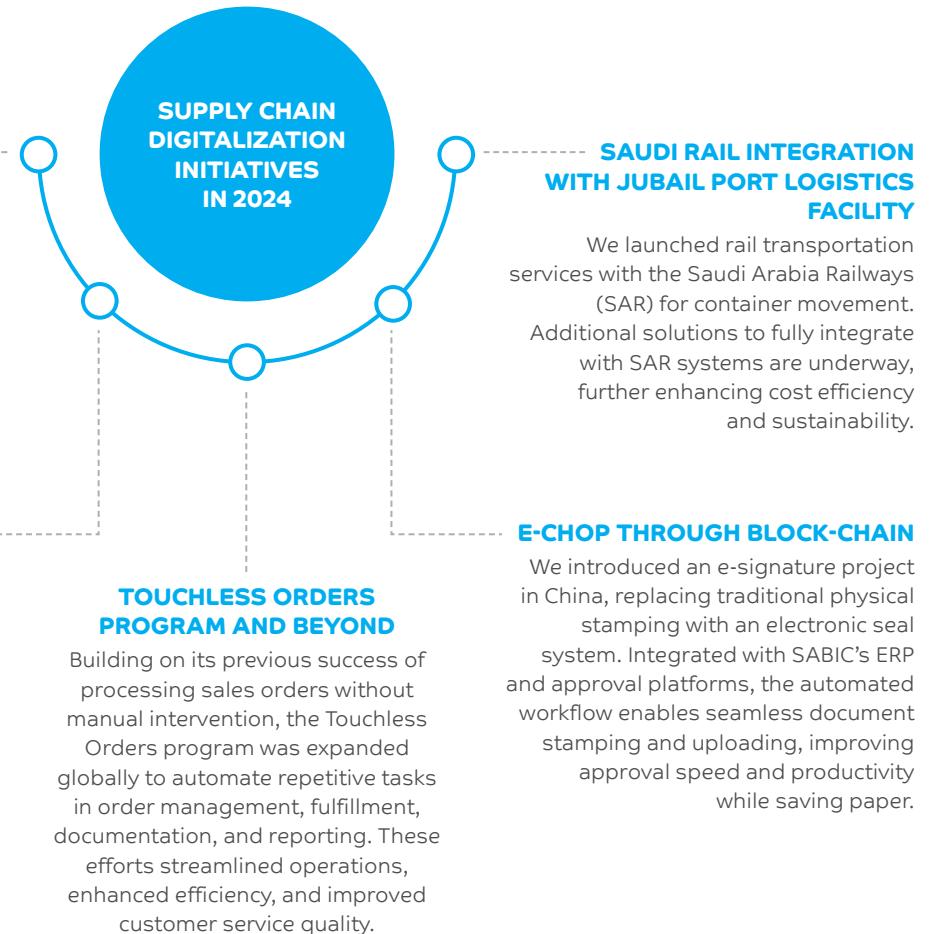
We continued implementing robotic process automation (RPA) solutions to streamline order-to-cash processes and improve efficiency. Scalable solutions developed across the supply chain are helping to automate repetitive tasks, including data entry and business transactions, enabling greater operational efficiency.

VISIBILITY TOOL

The supply chain visibility tool was expanded to cover additional transport modalities and markets, improving delivery reliability, and offering customers real-time track-and-trace capabilities.

DIGITALIZATION

In 2024, we improved our efficiency through several new digital solutions, helping to enhance shipment visibility, order processing, and stakeholder interfaces.



PROCUREMENT

SABIC sources materials and services from suppliers who meet defined standards for quality, ethical business conduct, and social and environmental responsibility, and we prioritize local suppliers wherever possible.



OUR APPROACH

Through its procurement function, SABIC delivers value across purchasing activities, enhancing competitiveness and success while also advancing key objectives in innovation, growth, and sustainability. Guided by our [Code of Ethics](#) and our specific [Supplier Code of Conduct](#), we source materials and services from qualified suppliers who meet technical, quality, EHSS, and ethical standards. Our supplier screening process supports an ethical supply chain and adherence to procurement standards, covering safe working conditions, anti-corruption practices, human rights, and environmental responsibility, among other areas. Our procurement process also emphasizes localization to support SMEs and Saudi companies, strengthening Saudi Arabia's infrastructure and boosting our export potential.

TOGETHER FOR SUSTAINABILITY (TfS)

Since 2023, SABIC has been a member of Together for Sustainability (TfS), a collaborative initiative of chemical companies dedicated to advancing sustainability in the industry's supply chains. TfS assesses and audits practices against globally recognized standards for environmental stewardship, labor and human rights, ethics, and sustainable procurement. This membership provides us access to proven methodologies and tools. This year, we have concentrated our efforts in four areas:

- **Enhancing suppliers' ESG performance:** We evaluated 62 suppliers and audited five through EcoVadis* assessments and TfS audits, respectively. A pilot program was implemented for direct suppliers.
- **Improving ESG disclosures:** Our performance in EcoVadis's Sustainable Procurement pillar improved by 20 points, reaching a score of 70 out of 100.
- **Contributing to TfS initiatives:** We actively participated in TfS workstreams and regional initiatives, allocating resources to support the program's broader objectives.
- **Driving awareness:** Over 320 employees and 300 suppliers participated in ESG-focused awareness and training sessions.

** EcoVadis is a provider of business sustainability ratings. These assessments are used by TfS to evaluate the sustainability performance of suppliers.*

2024 DEVELOPMENTS

Year	2024	2023	2022	2021	2020	2019
New suppliers registered in Supplier Life Cycle and Performance Management program	2,238	1,377	1,980	1,998	1,697	2,528
Suppliers deactivated in Supplier Life Cycle and Performance Management program	8,390	42	81	206	465	732
Total suppliers active in Supplier Life Cycle and Performance Management program	27,439	33,591	32,254	30,355	28,563	27,318
Suppliers assessed through TfS-EcoVadis	247	167				
Suppliers audited through TÜV	530	165				
Suppliers qualified through TÜV	395	115				

All suppliers undergo a financial and technical qualification process alongside SABIC's Supplier Life Cycle and Performance Management (SLM) program. Suppliers who meet our due diligence requirements are included in SABIC's global procurement and supply chain database. For higher-risk suppliers – those providing certain materials or services or performing on-site work – further assessments are conducted through TÜV and TfS-EcoVadis as needed.

In 2024, we registered 2,238 new suppliers via our SLM program, raising the total to 27,439, while removing 8,390 suppliers for inactivity, underperformance, or noncompliance with our Supplier Code of Conduct (the markedly higher number of supplier deactivations in 2024 are primarily due to inactivity for more than five years).

**FROM WOODEN TO PLASTIC PALLETS FOR PACKAGING AND TRANSPORT**

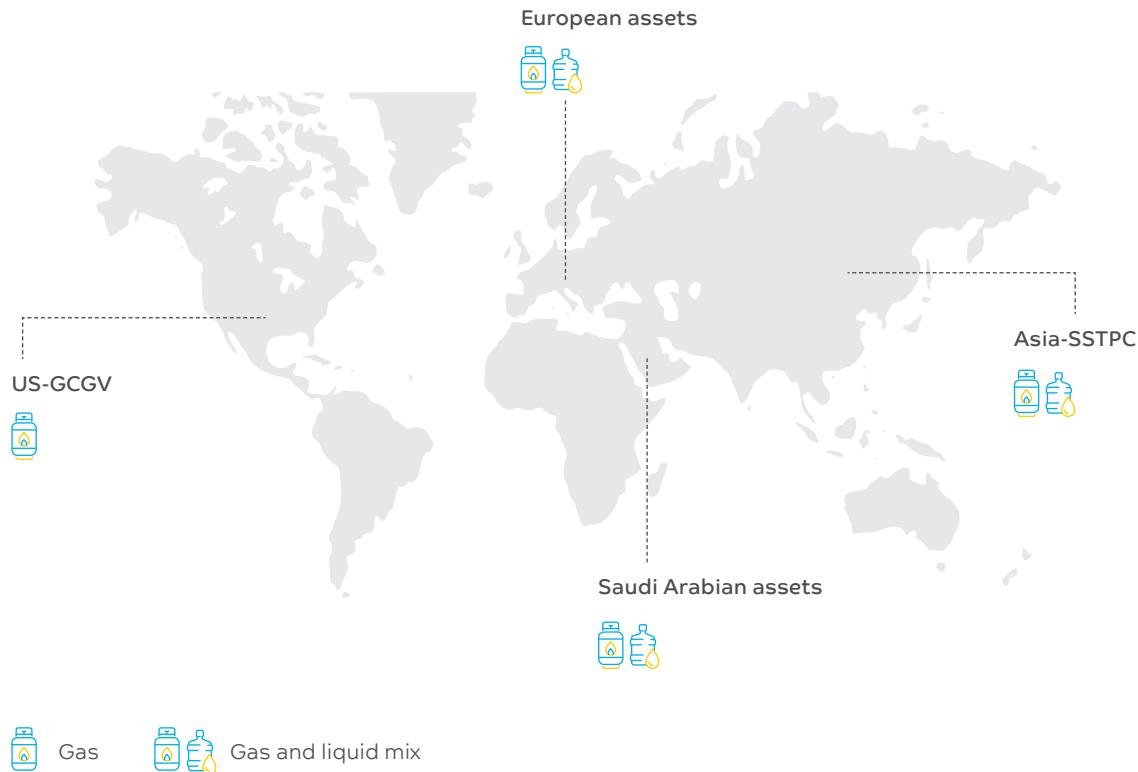
In 2021, SABIC launched a project to transition from wooden to plastic pallets, aiming for plastic pallets to make up 20% of total pallet use in our Saudi Arabian operations within five years. By 2024, we exceeded this target, with plastic pallets accounting for 26% of total use – two years ahead of schedule.

Plastic pallets are more durable and long-lasting than wooden pallets, making them reusable and reducing the need for frequent replacements. Furthermore, their recyclability allows materials to be reclaimed and repurposed at the end of their life cycle. Together, these qualities provide some clear advantages over wooden pallets, including lower environmental impact and improved cost efficiency. And employing a dual approach – using both wooden and plastic pallets – allows us to be more flexible in responding to changes in raw material availability and pricing. This project also supports our local content goals by fostering pallet production within downstream industries.

RAW MATERIALS

SABIC's integrated approach to raw materials seeks to maximize feedstock efficiency, reduce emissions, and enhance supply stability.

SABIC FEEDSTOCK: GLOBAL REACH AND DIVERSIFICATION



OUR APPROACH

SABIC relies on a range of gas and crude oil-based petrochemical products as key raw materials, including methane, ethane, propane, butane, naphtha, and condensates. Natural and liquid gas are our primary sources for energy and steam generation and serve as crucial inputs for producing essential base chemicals. Ethane, propane, butane, and naphtha are predominantly processed in our steam crackers, where they are broken down into vital feedstocks like ethylene and propylene, in addition to ammonia and methanol from natural gases processing, which form the basis of many of SABIC's value chains.

Our integrated approach enables us to produce these chemical building blocks with greater efficiency, conserving resources and ensuring supply stability amid fluctuations. By utilizing by-products from one facility as feedstock in another, we optimize raw material use, reduce energy consumption, save on emissions, lower logistics costs, and enhance operational synergies.

In Saudi Arabia, SABIC benefits from long-term feedstock agreements with Saudi Aramco. Efforts are underway to ensure optimal feedstock utilization and preserve value in the event of supply interruptions.

Globally, SABIC is expanding its feedstock base to ensure supply stability. In 2024, the company announced the final investment decision (FID) for the SABIC Fujian Petrochemical Complex in China. This facility will feature a mixed-feed, LPG, and naphtha steam cracker and world-class downstream units, supporting SABIC's strategy to diversify feedstock sources. Meanwhile, our joint venture with SINOPEC in China uses a balanced mix of liquid and gas feedstocks.



In Europe, SABIC's liquid crackers rely on externally sourced feedstocks, including cumene, phenol, and acetone, which serve as feedstocks for polycarbonate production at our European assets. In the U.S., operations began in 2022 at the Gulf Coast Growth Ventures ethane cracker, a joint venture with ExxonMobil.

FEEDSTOCK VALORIZATION

We aim to maximize profitability, efficiency, resilience, and sustainability by selecting and processing raw materials in the most cost-effective, reliable, safe, and sustainable manner. We produce valuable products and solutions by processing a wide range of feedstock sources both locally and globally. Our decisions consider economic, environmental, and social factors alongside critical elements such as supply security, process integrity, and product safety.

MINERAL RAW MATERIALS

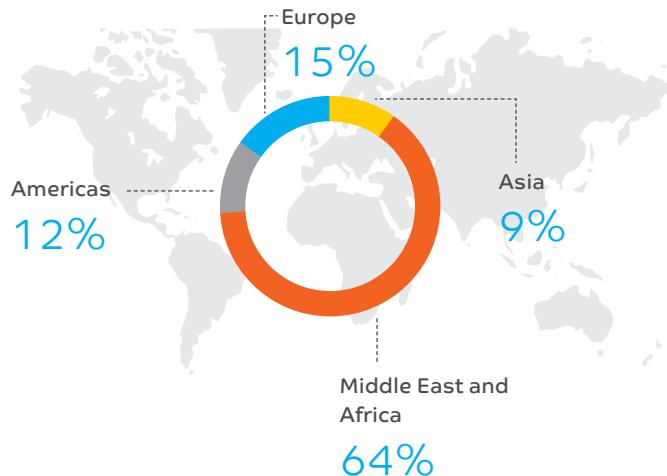
SABIC also procures various mineral-based raw materials, used in applications like catalysts and battery materials for electromobility, among other products. We prioritize efforts to reduce the use of mineral-based raw materials wherever possible. Our responsible sourcing extends to transparency and compliance in the procurement of "conflict minerals", such as tin, tantalum, tungsten, and gold, as detailed in our official statement available [here](#).

PEOPLE AND SOCIETAL IMPACT

OUR PEOPLE

Shaping the future through the transformative power of chemistry begins with exceptional talent and collaboration. We are creating a sense of belonging that empowers our people to learn, contribute, and thrive.

WORKFORCE DISTRIBUTION



28,000+

Employees globally

9%

Women in the workforce

58

Average training hours per employee

582

SABIC leadership learning participants

229

Employee global assignments

1,622

New hires

6%

Turnover rate

Enabling Saudi Vision 2030

636

SABIC Scholarship Program

Male 55% Female 45%

1,350

Co-op students

107

Higher education program students

87%

Local hiring

OUR APPROACH

Our people are at the core of our success and play a critical role in our competitiveness in an ever-evolving industry. We work to provide our employees with the necessary resources, training, and guidance to enable them to do work that generates value for stakeholders, powers SABIC's growth, and contributes to their own personal development.

In 2024, human resource priorities were driven by employee feedback and strategic leadership objectives, with an immediate focus on addressing important organizational competencies and mindset shift. HR played a pivotal role in mobilizing global teams to deliver impactful programs and workshops that advanced these priorities.

The initiatives centered around two primary tracks: strengthening leadership capabilities and empowering employee career progression. Leadership development was reinforced through initiatives like Team Leader support through an immersive "Boot Camp 2024" program, designed to guide around 1,800 global senior leaders through transformative and personal change journeys.



At the same time, employee career growth was prioritized by further integrating structured competency-based strategies and career pathways with the meaningful discussions facilitated by SABIC's well-established talent review process. A highlight of this initiative, internally known as Career Co-ownership, were the cross-functional, collaborative workshops involving employees, managers, and HR. These workshops aimed to foster shared accountability for supporting employees' career growth and aspirations while developing the skills and capabilities required for SABIC's current and future objectives.

PEOPLE DEVELOPMENT

SABIC's talent strategy includes instilling a corporate mindset of continuous learning through the SABIC Leadership Way; building a talent pipeline; providing career opportunities in the context of meaningful work; and offering attractive rewards and recognition for performance.

We use multiple training modalities to enhance the company's intellectual capital and address existing and potential skill gaps, identified through methods such as competency assessments, performance feedback, and certification or qualification programs. Employees are provided learning opportunities that range from self-governed digital learning to virtual and physical training sessions conducted by experts sourced from within SABIC or externally. In 2024, SABIC recorded an average of 58 hours of training for direct hire employees, significantly greater than the Association for Talent Development (ATD) benchmark of 32.9 hours per employee (per year).

A major initiative this year was the launch of a new learning portal through our Global Learning & Academy. This portal offers over 2,100 courses across nearly 170 competencies addressing a broad range of business priorities. Throughout

the year, the portal was one of the most visited internal platforms, with over 3,000 classes delivered to over 30,000 employees (including non-direct hire employees) and over 200,000 total views.

PERFORMANCE REVIEW

All professional employees, including executives, participate in a globally defined and managed annual performance review and receive a performance rating. Employees are then encouraged to set goals to structure their annual growth plan, and a broader career growth trajectory. The review and feedback process is supported by continuous dialogue through our TALK5 program. In 2024, 100% of eligible employees received a performance rating and 92% of active eligible employees completed a midyear review, revisiting and updating their annual objectives.

HOMEGROWN TALENT FOR GLOBAL IMPACT

ENABLING SAUDI VISION 2030

SABIC plays a crucial role in supporting Saudi Vision 2030's human capital development goals by contributing to the growth of a skilled national workforce, with a focus on women and young people. Through a variety of programs, SABIC fosters career development and technical expertise at multiple levels.

HIGHER EDUCATION PROGRAM

Supports employees to earn Master's Degrees and PhDs linked to their career development plans and SABIC business demand.

2024 batch:

42

2024 total active enrollment:

107

COOP PROGRAM

The COOP Program is a SABIC-sponsored program offering cooperative opportunities to recent graduates at SABIC.

2024 total active enrollment:

1,350

OPERATORS AND TECHNICIANS PROGRAM (TADARRUJ)

Basic training program designed for high school graduates who aspire to become frontline operators and technicians who will run and maintain our current manufacturing plants.

2024 total active enrollment:

1,412

SABIC SUMMER INNOVATION PROGRAM (SIP)

The SABIC Summer Innovation Program (SIP) is a three-week SABIC-sponsored program to uplift high-and middle-school students' knowledge in STEM fields and has been highly receptive and lauded by parents. In 2024, SIP was held in Riyadh, Jubail, and Yanbu.

2024 total enrollment:

300

TAMHEER PROGRAM

Government-sponsored program that enables Saudi college/university graduates to gain on-the-job experience for a six-month period. TAMHEER candidates work in various SABIC business units and are considered for employment based on business feedback.

2024 total active enrollment:

269

SHARING LEADERSHIP EXPERIENCES WITH THE PUBLIC AND PRIVATE SECTOR

Believing in the importance of learning and development as key elements in building leaders, SABIC continues to play a key role in advancing human capital development in Saudi Arabia through strategic collaborations with government entities. In 2024, SABIC Academy delivered various leadership programs to more than 200 government leaders across different levels, representing a range of ministries and government authorities.

SABIC Academy's external leadership programs, led by its seasoned leaders and subject matter experts, aim to develop the leadership capabilities of officials from various government departments. These programs emphasize education and the modern applications of leadership and management, reaffirming SABIC's commitment to fostering cooperation and integration with government partners. By enhancing human resources development, these initiatives strengthen the collaborative relationship between SABIC and governmental entities, including ministries, institutions, and authorities, to serve the broader public interest. This year, SABIC Academy also partnered with the Ministry of Human Resources to support the Sector Skills Council for the Energy and Utilities sector. As a council member, SABIC identified specialized programs aligned with industry needs and launched two pilot projects offering leadership and technical training to 40 council members. These pilots pave the way for further collaboration under a planned Memorandum of Understanding.

Complementing these efforts, SABIC's participation in the National Training Campaign (WAAD) has exceeded expectations, delivering approximately 750,000 training opportunities by the end of 2024 – well beyond the initial pledge of 200,000 by 2025. Through its Local Content Business Development

unit, SABIC is also cooperating with the Asharqia Chamber on initiatives dedicated to enhancing the professional skills of Saudi women in preparation for board and leadership positions.

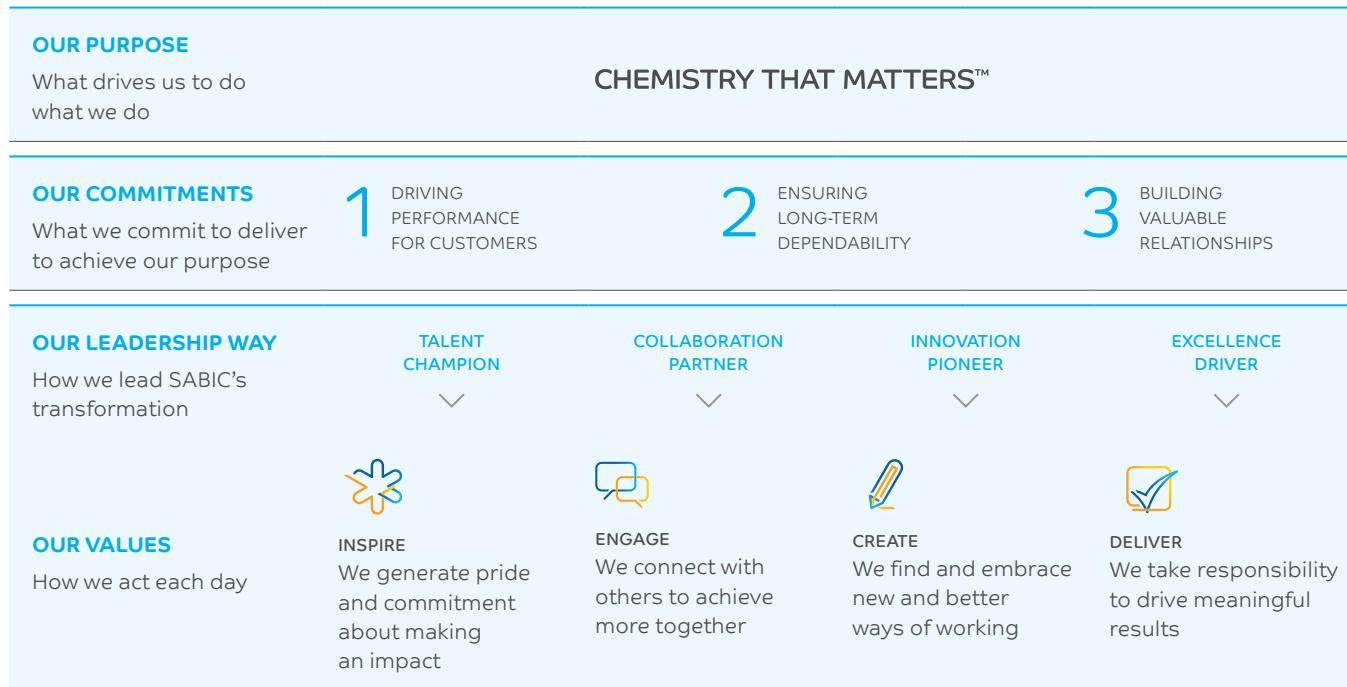
SABIC SCHOLARSHIP PROGRAM (SSP)

Launched in 2005, the SABIC Scholarship Program is a flagship initiative that provides promising Saudi candidates a full scholarship to study at renowned local and international universities. Students work closely with SABIC advisors and attend SABIC-led workshops, conferences, and internships, and explore a variety of other personal and professional development opportunities. Once they complete their education, they are placed in various roles and functions across SABIC, integrating with their teams and given first-hand experience with SABIC's culture, values, and purpose. This program is an avenue through which SABIC develops and leverages Saudi talent, positioning and enabling them to steer SABIC successfully into the future.



LEADERSHIP

THE SABIC LEADERSHIP WAY



The SABIC Leadership Way (SLW) serves as a guiding framework, outlining the behaviors and characteristics expected of SABIC employees, from the manufacturing floor to the CEO. It encourages leaders to act with integrity, responsibility, and accountability while empowering others and embodying the principle of “Be the Impact.” Through SLW, we equip leaders with the skills, tools, and mindset needed to grow and inspire their teams, address concerns, and unlock their leadership potential.

Our leadership development programs, guided by SLW, are carefully designed to foster trust and a shared sense of purpose in today’s diverse and values-driven work environment. These programs are accessible to employees from the start of their careers, not just those in executive roles. They combine internal networking opportunities, global expertise for fresh perspectives, and experiential learning to promote growth across all levels of the organization.

GLOBAL LEADERSHIP PROGRAMS

In 2024, we extended the range and reach of our leadership development programs. An integrated readiness framework was introduced to accelerate executive development, incorporating assessments to guide tailored development plans. The framework leverages the 3E model – Experience, Exposure, and Education – to strengthen succession planning and prepare leaders for future roles.

Newly appointed leaders begin their journeys with the Executive Leader Success Accelerator (ELSA) program, followed by targeted transition programs for each executive level. As they progress, leaders engage in purpose-built initiatives aligned with their tailored development plans, culminating in customized flagship programs delivered by the SABIC Academy. Additionally, over 40 open enrollment programs are available to leaders at all levels, ensuring broad access to development opportunities.

A key global initiative launched in 2024, the Team Leadership Boot Camp, was aimed at equipping SABIC team leaders with the mindset and skills needed to realize their full potential. The program combined constructive dialogue, story-telling and experiential role-play, and a post-event “Team Leadership Challenge” to drive actionable outcomes and meaningful development. This year, the program was conducted in Saudi Arabia, Singapore, and India, engaging over 1,250 leaders and achieving a 96% satisfaction rate. Expansion to Greater China, Europe, and the Americas is planned for 2025 to ensure a critical mass and a consistent approach to mindset change and team leadership development across our global operations.

Our mentoring program encourages employees to register in their respective capacities as mentor or mentee on our HR platform, thus creating internal connections and sharing organizational knowledge.

1,300

SABIC mentors

18.5% increase from 2023

1,600

SABIC mentees

23% increase from 2023

TOTAL REWARDS

SABIC’s total rewards program is at the core of our performance management system to motivate and appreciate the contribution of each employee towards the success of SABIC. This is an essential component of retaining talent in the competitive chemical industry. Our overall goal is to provide employees with pay and benefits that:

- are competitive within the market in which they are employed
- are internally equitable for their level of work responsibility
- are linked to their performance and to company performance
- meet each employee’s individual and family wellbeing needs
- offer a good work-life balance.

With more than 98% of SABIC employees working in countries with a statutory minimum wage, our employees are paid above any relevant statutory minimum wage, without considering any allowances, overtime or bonus payments. We conduct periodic audits to ensure we remain compliant, with particular attention to employees in high inflation countries. Additionally, more than 94% of employees participate in annual performance-based bonus plans that attract, motivate, and retain employees in a dynamic marketplace.

In 2024, we continued studying the concept of a living wage with an external agency, exploring frameworks that strengthen our support for employees and the communities where they live and work while aligning with the UN Sustainable Development Goals (SDGs).

Furthermore, in Saudi Arabia, SABIC healthcare coverage is integral to the employee value proposition, unique in its offering, and a component of our talent retention strategy. Our offered medical coverages span over 100,000 members comprising employees and retirees, and extends coverage to their immediate relatives.

A THRIVING WORKPLACE

In 2024, in line with our corporate values and the leadership priority “Inspire to be a Talent Champion,” SABIC strengthened its commitment to fostering a sense of belonging across its global workforce. A key highlight was the INSPIRE Conference, hosted in Jubail in 2024, which served as the setting for SABIC’s annual recognition of International Women’s Day. The event brought together male and female leaders from across the globe to demonstrate support for gender parity. At the event, we launched SABIC’s Sense of Belonging Statement, underscoring our pledge to create a workplace where every employee can thrive.

Additionally, building upon the first pilot conducted in Europe, we ran a second pilot of the Inspire: Beyond Bias program, a 10-week capability-building accelerator engaging 280 leaders across North and South America. This program is designed to enhance workplace culture by equipping leaders with practical tools to create environments that allow colleagues to feel they are respected and that they belong. Together with the Leadership Bootcamps, these efforts demonstrate SABIC’s continuous investments in team leader capabilities as a key factor in driving a highly engaged, high-performing workforce where people thrive.

A SENSE OF BELONGING MATTERS

We believe that people can solve many of the world’s most pressing problems through innovative chemical and material solutions so long as their work environment allows them to personally thrive and be part of effective and supportive teams. We call this purpose, Chemistry that Matters™.

We strive to create a sense of belonging for individuals who are inspired by SABIC’s purpose and choose to embrace SABIC’s three globally shared workplace standards:

- SABIC Values
- SABIC’s Code of Ethics
- The SABIC Leadership Way

At SABIC, employees are expected to continuously expand their mindsets and behaviors so they create a sense of belonging in which they both give and receive respect.

EMPLOYEE EXPERIENCE AND ENGAGEMENT

We encourage and strengthen open communication through various channels, including our global employee survey, now an annual exercise. In 2024, survey participation increased by 9% over 2023, marking the highest voluntary response rate in SABIC’s history – a testament to the growing confidence employees have in sharing their opinions and concerns.

Survey feedback is shared with team leaders, who receive corporate training and coaching to act on these insights and build positive team dynamics. These efforts in 2024 contributed to overall progress across all company dimensions.

By 2030, we aim for over 90% of our employees to feel they thrive at SABIC. This aspiration is embedded within our Sense of Belonging and engagement initiatives, with measurable goals in engagement, inclusion, and wellbeing. In 2024, we made progress by launching targeted interventions to address identified gaps and implementing analytics to monitor progress. As a result, 72% of SABIC employees reported feeling they thrive at the company in 2024.

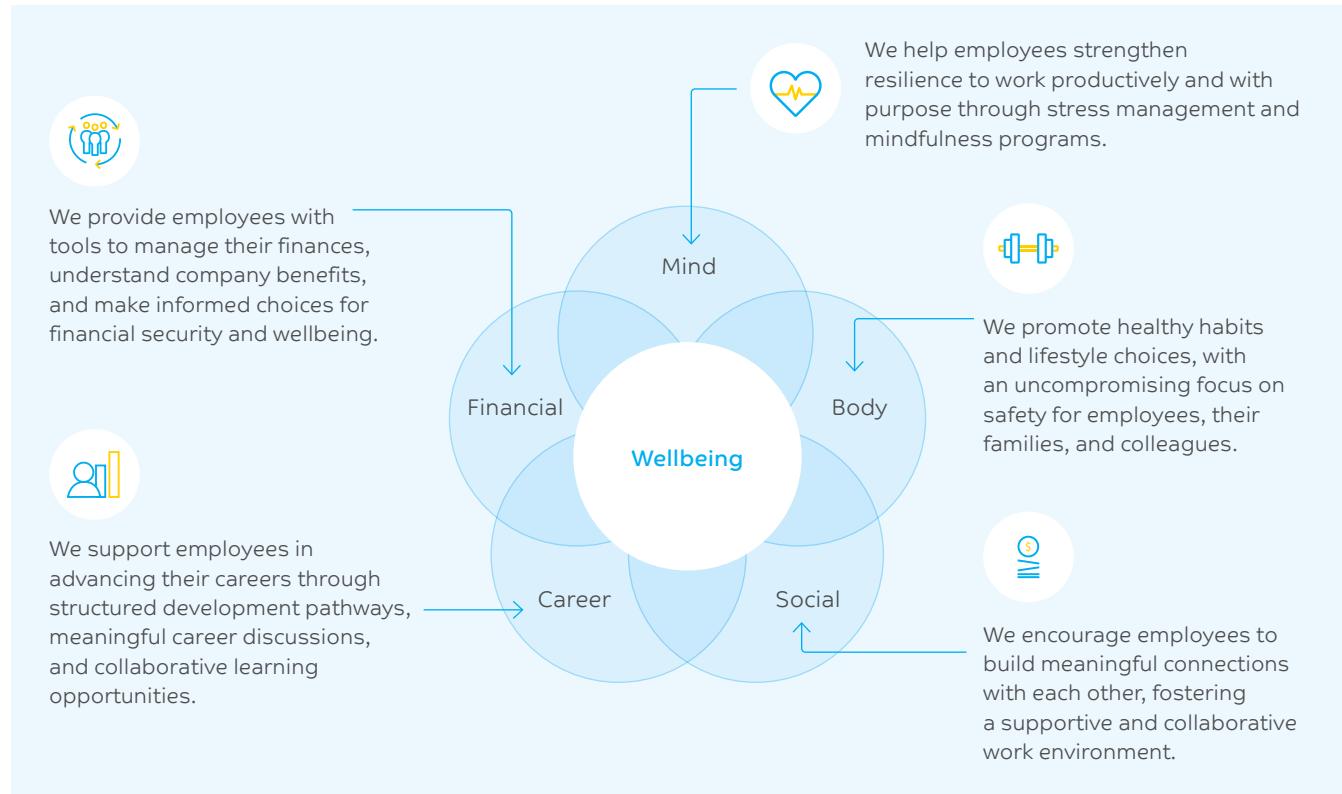
SABIC NETWORKS: STRENGTHENING CONNECTIONS

Our SABIC employee networks are at the heart of fostering a sense of community, belonging, and impact across our global workforce. The SABIC Young Leadership Council (SYLC) underwent a transformation in 2024, evolving into a think tank that engages youth leaders in addressing strategic business challenges. The women’s network (SHE) established new strategic priorities to better align globally and with the diverse needs of each of our regions, while the Young SABIC Professionals (YSP) program empowered emerging talent through targeted development initiatives such as a global datathon challenge. Together, these networks represent a robust ecosystem for collaboration, leadership, and growth.

EMPLOYEE WELLBEING

SABIC takes a multi-dimensional approach towards employee wellbeing and is in the process of shifting focus towards Holistic Wellbeing, which emphasizes a comprehensive approach to employee health by addressing physical, emotional, social, financial and career dimensions collectively. This ensures employees feel balanced and supported in all aspects of their lives. We promote awareness on these focus areas through discussions, webinars, and campaigns,

addressing important topics like lifestyle choices, personal finance, preventative care and nutrition, physical activity and stress reduction, resilience and mental health, and career growth opportunities. One such benefit is access to employee assistance programs, which provide expanded healthcare facilities for employees and their families. As an outcome of Boot Camp 2024, team leaders are receiving guidance to enable them to have meaningful conversations with their teams about their overall wellbeing, fostering a culture of wellbeing awareness and support.



SABIC's state-of-the-art Sports Center in Jubail promotes health, wellness, and connection among employees, with dynamic spaces featuring gyms, swimming pools, squash courts, and rooftop sports facilities. Designed to integrate with the surrounding landscape, the center uses natural lighting to create an uplifting environment. Since its launch in 2023, it has recorded a total attendance of 21,000 visits annually, conducted 1,800 fitness classes, and achieved a 96% customer satisfaction rate, becoming a key focal point for employee wellness and community engagement.

LOCAL CONTENT

By empowering downstream industries, building local industrial capabilities, and fostering innovation, SABIC is playing a vital role in Saudi Arabia's transition toward a more self-sustaining and globally competitive economy.

ﷲ 4.4 Bn.

Estimated GDP
impact in 2024
US\$ 1.2 Bn.

8,682

Jobs enabled
in 2024

43,350

Training hours
in 2024

48.3%

SABIC Local
Content Score

ﷲ 21.1 Bn.

Estimated GDP
impact since 2018
US\$ 5.6 Bn.

39,440

Jobs enabled
since 2018

193,742

Training hours
since 2018

ﷲ 31.7 Bn.

Local spend on
goods and services
in 2024
US\$ 8.5 Bn.

Since its inception in 2017, SABIC's Local Content and Business Development Unit (LCBDU) has proven to be a national champion in driving Saudi Arabia's economic transformation and industrial localization. SABIC's flagship initiatives such as NUSANED™, Nusaned Investment™, and the Home of Innovation™ (HoI), serve as key enablers of national development priorities and demonstrate the company's commitment to driving creativity, enabling downstream industries, and growing domestic capabilities to strengthen Saudi Arabia's global competitiveness and economic diversification. Notably, these initiatives are helping Saudi Arabia move away from a reliance on imports and towards a more self-sustaining economy. In 2024, SABIC made strides in advancing measurable outcomes that reinforce its leadership in the industrial ecosystem.

LOCALIZATION AND ECONOMIC IMPACT

SABIC's efforts to develop local industries and suppliers create economic value and enhance Saudi Arabia's strategic industrial sectors. In 2024, SABIC improved its Local Content (LC) Audited Score to 48.3%. We embedded LC requirements into 65 contracts generating ﷲ 2.2 Bn. in local content impact. More localization efforts redirected ﷲ 85.4 Mn. to local manufacturers across seven strategic value pools.

During the year under review, we participated in the inauguration of five new factories across key industrial sectors: a state-of-the-art manufacturing and innovation hub at the King Salman Energy Park (SPARK); an advanced chemical blending complex in Dammam; a specialty chemical manufacturing plant in Jubail; an electrical products and controls system facility in Dammam; and a manufacturing plant for low and medium voltage circuit breaker panels in Jeddah. Collectively, these projects are expected to generate over 973 new jobs for Saudi nationals while bolstering Saudi Arabia's non-oil GDP.

Furthermore, 24 new investors were onboarded to NUSANED™, contributing ₪ 930 Mn. to the local economy and enabling the creation of 433 Saudi jobs. Additionally, 23 outreach investments were facilitated, leading to 70 Memoranda of Understanding (MoU) signings and 24 Letters of Intent (LoIs), with a combined production capacity potential of 100 kilotons per annum. At the Energy Localization Forum, SABIC signed 13 sizable procurement agreements worth ₪ 1.8 Bn., delivering a ₪ 900 Mn. LC impact. Six MoUs valued at ₪ 1 Bn. were also signed, focusing on supply chain sustainability, advanced manufacturing, and renewable energy.

A standout achievement was our role in supporting a strategic national industrial strategy sector in the automotive domain by enabling a ₪ 2 Bn. investment to establish a state-of-the-art manufacturing facility in Saudi Arabia. Expected to produce 3.5 Mn. units annually, the facility will support the localization of the automotive sector and boost our elastomer product sales. NUSANED™ played a pivotal role in this venture by:

- Facilitating investment outreach and development to attract global partners.
- Qualifying product specifications using SABIC's elastomer products.
- Showcasing technical capabilities through our Plastic Applications Development Center.

At the heart of these achievements lies the NUSANED™ framework, built on four strategic pillars.



ENTEMA™

A platform connecting investors with curated opportunities in non-oil sectors, simplifying the investment process and aligning with sustainability goals.



DAEM™

Support packages offering raw materials, technical expertise, and workforce development to accelerate project success.



ACCESS TO FINANCE

Unlocking equity funding through Nusaned Investment™ and effective enablement through strategic partnerships.



MUAHAL™

Tailored training programs to ensure workforce readiness and long-term operational sustainability.

In 2024, we launched the Nusaned Operational Excellence Program, a novel scheme designed to enhance the competitiveness of existing downstream SME factories. Through this program, assessments were conducted for eight factories, focusing on manufacturing, supply chain, finance, and EHSS. By transferring our proven industrial best practices, the program has enabled these factories to:

- Address performance gaps and unlock growth potential.
- Enhance operational efficiency and resilience.
- Strengthen their ability to compete in local and global markets.

TECHNOLOGY AND INNOVATION

SABIC enabled businesses to adopt advanced solutions in 2024 by implementing technologies across strategic sectors, further advancing localization, and industrial capabilities.

The Home of Innovation™ (HoI) is a SABIC growth initiative designed to empower innovation, foster collaboration with local entities, and drive economic development in Saudi Arabia. Through this initiative, we bring together a diverse network of stakeholders, including SMEs, Original Equipment Manufacturers (OEMs), academic institutions, government entities, specifiers, and regulators, creating a platform that stimulates demand for innovative products and solutions while building a robust market for them within Saudi Arabia and the wider region.

As a world-class and pioneer experience center, Home of Innovation™ played a pivotal role in amplifying technological leadership. Reaching a milestone of 10,000 governmental and business visitors since inception, the initiative welcomed eight new strategic partners in 2024, onboarding 21 technologies and enabling localized solutions such as Hyper SIP panel manufacturing in collaboration with Ma'aden Industries for Metals. These advanced panels, produced with 100% locally sourced materials, exemplify our ability to utilize innovation to support national development goals.

Home of Innovation™ spearheaded impactful workshops on Industry 4.0 in 2024, covering, among other things, advanced manufacturing and 3D printing. A sustainable finance event was also held to promote green financing. Additionally, Home of Innovation™ launched the Medical Room Initiative, a collaborative platform with the Ministry of Health, showcasing localized medical solutions and creating pathways for NUSANED™ graduates to market their innovations. In an effort to achieve differentiated industrial impact, Home of Innovation™ also partnered with leading entities such as KFSH&RC, the Ministry of Health, and NAMI to bridge localization challenges in healthcare technologies and advanced manufacturing.

As part of the LCBDU's efforts under the Home of Innovation™ program to advance localization and technology transfer, the eighth advisory meeting was held in December 2024. Attendees included senior representatives from key government entities, public organizations, and private companies. The meeting emphasized the committee's role in fostering alignment and creating opportunities to enhance local industry. A key focus was on carbon credits. The committee proposed specialized meetings, workshops for SMEs, and sharing global standards to maximize collaboration and promote development.

STRATEGIC PARTNERSHIPS AND INVESTMENTS

Since the launch of the NUSANED™ initiative, we have cultivated a robust network of strategic partnerships with key governmental entities and industry leaders to propel NUSANED™'s mission of leading industrial innovation and enabling local content. Highlights of these partnerships include:

- **Saudi Industrial Development Fund:** Approved funding for four NUSANED™ investments with a total capital expenditure of ₪ 63.1 Mn.

- **Social Development Bank:** Provided funding for eight NUSANED™ investments, amounting to a total capital expenditure of ₪ 26.5 Mn.
- **MODON, Federation of Saudi Chambers, and Monsha'at:** Approved land allocations for 53 NUSANED™ investors, covering a total area of 17.87 Mn. m².
- **Royal Commission for Jubail & Yanbu:** Facilitated land allocations for 19 investments, totaling 797,952 m².
- **Ministry of Energy:** NUSANED™ served as a key member of the Energy Components Localization Committee, driving localization efforts across the energy sector.
- **Local Content & Government Procurement Authority:** SABIC was a key partner in the Local Content Coordination Council, aligning its localization initiatives with national regulations and policies.

In October 2024, SABIC signed a strategic agreement with the Small & Medium Enterprises Bank (SME Bank) to provide financial support, conduct studies to assess SME financing needs, and participate in targeted events and marketing activities. We also established a partnership with Kafalah, the Small and Medium Enterprises Loan Guarantee Program, which facilitates financing for economically viable SMEs lacking traditional guarantees, supporting their growth and contribution to the national economy.

NUSANED INVESTMENT™

Through Nusaned Investment™, ₪ 500 Mn. was committed to support local SMEs. Investments in companies like Advanced Medical Co. (AMC), localizing essential healthcare products, reducing import dependency, and enabling the creation of specialized jobs, as well as DarTec Engineering Consulting, offering reverse engineering solutions and localizing industrial

spare parts, reflect our focus on enabling SMEs to drive resilience in critical sectors. Nusaned Investment™ also announced its joint venture with GCC Lab Technical Services Company, Jabeen and Motabaqah, valued at ₪ 356 Mn.



As of end December, 2024, Nusaned Investment™ assets under management totaled approximately ₪ 680 Mn., reflecting investments in six portfolio companies with an average equity stake of 30%. This strategic positioning demonstrates Nusaned Investment™'s commitment to fostering economic growth and supporting local content. By empowering SMEs, particularly those within National Industrial Development and Logistics Program (NIDLIP) sectors, Nusaned Investment™ enhances operational capabilities and strengthens governance frameworks. Leveraging SABIC's expertise and ecosystem, it transforms SMEs into well-structured corporate institutions, strategically elevating their contribution to the national economy and enabling the creation of new job opportunities for Saudis. Through these initiatives, Nusaned Investment™ reaffirms its dedication to bolstering the Saudi economy through local content support.

In recognition of its commitment to governance excellence and regulatory adherence, Nusaned Investment™ received the Compliance Program Certificate of Completion from the General Authority of Competition (GAC). This certification highlights its dedication to fair competition, transparency, and best-in-class compliance standards across its investment portfolio.

AMC, DarTec, and ISOCO are aligned with Saudi Vision 2030, advancing Saudi Arabia's healthcare and industrial capabilities. AMC plays a vital role in localizing the production of blood collection tubes, enhancing Saudi Arabia's self-reliance in critical medical supplies. DarTec is revolutionizing local manufacturing processes and boosting industrial efficiency. ISOCO is a pioneer in its field, being the first and only NRRC-licensed company in Saudi Arabia. It focuses on isotopes and nuclear radiology applications, supporting healthcare diagnostics and advanced treatments among other relevant sectors.

SABIC AND THE SHAREEK PROGRAM

Launched in 2021 by His Royal Highness the Crown Prince, the Shareek program fosters public-private partnerships by encouraging large companies to invest in local enterprises, benefiting SMEs and enhancing the overall economic ecosystem.

SABIC has been a key partner in Shareek since its inception, meeting eligibility requirements and signing a framework agreement in 2023. The partnership's first project focuses on creating catalyst hubs to localize specialized material production, reducing reliance on imports and boosting the efficiency of petrochemical manufacturers. These efforts align with Saudi Vision 2030, driving industrial advancements, increasing local content, and improving energy competitiveness.

WORKFORCE DEVELOPMENT AND JOB ENABLEMENT

SABIC remains steadfast in empowering the local workforce as a cornerstone of economic growth. In 2024, we enabled the creation of 8,682 jobs through the NUSANED™ initiative and its graduates, and in collaboration with strategic partners, including 2,296 jobs for women, achieving 30% female participation.

Since the inception of NUSANED™, we have successfully enabled the creation of 39,440 jobs, with an estimated GDP impact of ₪ 21.1 Bn. Programs like the Nusaned Saudi Capability Development & Supply Chain Certification Program build capabilities for local suppliers, aligning with Saudi Vision 2030's emphasis on creating a skilled workforce.

Partnerships with regional chambers of commerce, the Higher Institute of Paper and Industrial Technologies (HIPIT), and the Higher Institute of Plastic Industries (HIPF) delivered over 43,350 training hours, equipping a new generation to meet industry demands.

STRATEGIC OUTLOOK: ADVANCING SAUDI VISION 2030

Looking ahead, we remain committed to our role in driving localization and industrial growth. Aligned with Saudi Vision 2030, our strategic priorities for the future include:

1. **Expanding industrial capabilities:** Strengthening downstream industries and enabling SME growth.
2. **Driving technological innovation:** Facilitating adoption of next-gen tech and sustainable solutions.
3. **Empowering a proficient workforce:** Elevating capabilities and promoting women and youth participation.
4. **Strengthening global and local partnerships:** Attracting investments, transferring expertise, and stimulating collaboration with national and international stakeholders.
5. **Building a resilient and localized supply chain:** Supporting national and global needs.

By creating value-driven opportunities, SABIC will drive economic transformation and advance Saudi Arabia's leadership on the global stage.

COMMUNITIES

SABIC fosters a culture of giving and volunteerism through various Corporate Social Responsibility (CSR) initiatives to create value for society and engage directly with the communities where our employees live and work.

73 global CSR programs	1,900+ SABIC volunteers	US\$ 4.47 Mn. Invested in CSR programs US\$ 16.77 Bn.	399,187 people reached in 20 countries
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SABIC CSR priority focus areas	Health and Wellness	Science and Technology in Education	Environmental Protection	Water and Sustainable Agriculture
 VISION رؤية 2030 المملكة العربية السعودية KINGDOM OF SAUDI ARABIA	A vibrant society	A thriving economy	An ambitious nation	An ambitious nation

EVALUATION CRITERIA



OUR APPROACH

SABIC is a global business, with our people living and working in and around our sites across 43 countries. We see ourselves as integral members of these communities. Our approach supports a culture of giving and volunteerism, aligning with SABIC’s core mission to deliver Chemistry that Matters™. Over SABIC’s 48-year history, this culture has driven our investments in community programs worldwide.

Our social responsibility efforts are guided by our RAISE framework – Reputation, Audience, Innovation, Strategy, and Endurance. This helps us choose initiatives that elevate our brand, address certain community needs, and align with our values. Each regional RAISE Committee includes a regional head, communications leads, and representatives from our strategic business units and corporate functions.

RAISE emphasizes four strategic focus areas in support of eight UN Sustainable Development Goals and the three primary themes of Saudi Vision 2030. Within this framework, we identify opportunities and develop CSR initiatives based on both major global trends and pressing needs in our communities.

HEALTH AND WELLNESS

SABIC supports a holistic view of wellbeing, recognizing that health encompasses both social and medical dimensions. In 2024, our health and wellness programs spanned 14 countries.

Among the highlights in 2024, SABIC was honored by the King Salman Humanitarian Aid and Relief Center (KSRelief) for its support of relief efforts in the health sector. During a ceremony in Riyadh in February, KSRelief recognized SABIC's ongoing humanitarian contributions and cooperation with the center. SABIC was also appreciated by the Ministry of Health at the "Health Communication Partners Honoring Ceremony" in Riyadh in August for its contributions in Saudi Arabia.

During 2024, SABIC cooperated with health campaigns, the National Project on Prevention of Drugs (Nebras), the Halfway Home Center project, sponsorship of the Mental Health Award, and a research chair at King Saud University. SABIC's cooperation with the Cochlear Implant Association (Asmok) in Saudi Arabia is supporting children with cochlear implants. The initiative, which focuses on auditory-verbal rehabilitation, supports children in Riyadh and nearby areas by raising awareness and working with accredited centers to provide tailored assistance. The program also includes training for family members to help children adapt and build confidence.

SABIC employees in Houston, Texas, joined forces with other local companies to help pack 44 pallets of meals, equivalent to over 50,000 meals to help those affected by the devastating aftermath of Hurricane Beryl. Meanwhile in India, we continued our "They See, They Learn" program which targets students in government schools and conducts eye check camps. SABIC distributed free spectacles to students in need and enabled access to partner eye hospitals for further treatment.



ENHANCING QUALITY OF LIFE

As part of our Global Social Initiative, we support wellbeing and quality of life through dozens of events across multiple countries. Our employee volunteers visited hospital patients, offering encouragement and small gifts, and organized open days for orphans, people with disabilities, and the elderly, fostering connection and community.

SCIENCE AND TECHNOLOGY EDUCATION

SABIC's business activities are at the intersection of material science and technology, making us uniquely positioned to foster science, technology, engineering, and mathematics (STEM) education. Through our partnerships with schools, NGOs, and communities for a collaborative approach, our education programs reached nine countries in 2024.

SABIC was the exclusive sponsor of the 56th International Chemistry Olympiad 2024, held for the first time in Saudi Arabia from July 22 to 29. SABIC hosted the Olympiad's 333 participants from 90 countries at its Plastics Application Development Center, where participants also gained insights into our research and development efforts. During the closing ceremony, Minister of Education Mr. Yousef Al-Benyan honored SABIC for its sponsorship and its strategic partnership with King Abdulaziz and his Companions' Foundation for Giftedness and Creativity "Mawhiba". SABIC's collaboration with Mawhiba spans over 15 years, starting with the National Olympiad for Scientific Research and Innovation in 2009.

The 2024 SABIC Summer Innovation Program took place in Riyadh, Jubail, and Yanbu, engaging 300 students under the theme "Learn and Innovate". The program aimed to deepen students' understanding of Saudi Vision 2030's objectives while promoting SABIC's values. Parents expressed their appreciation of the program's interactive content, which supported skill development and future career planning.

In South Africa, we empowered local entrepreneurs by expanding an eco-innovation workshop with new materials and offering free classes for underprivileged youth. Meanwhile, in China, our signature "Lights of Our Future" program engaged students through classes and competitions designed to foster critical thinking, and awareness of science. And in the Netherlands, we sponsored the FIRST LEGO® League, a competition that engages children in playful and meaningful STEM learning.



UPGRADING SCHOOL FACILITIES

SABIC is renovating 50-70-year-old schools in rural India with modern infrastructure. These upgrades include setting up classrooms, installing dispensers for clean drinking water, building washrooms, equipping classrooms with ceiling fans and lights, setting up computer and science labs with equipment for practicals and other equipment to aid e-learning and interactive teaching. This initiative also opened opportunities for employees to conduct online interactive sessions with students in remote areas.

ENVIRONMENTAL PROTECTION

In 2024, SABIC's Global Environmental Protection Initiative encompassed a range of activities, including environmental awareness sessions, recycling campaigns, and tree-planting initiatives, reaching multiple countries. The initiative also involves cleanup campaigns facilitated by SABIC volunteers at various locations, such as beaches, forests, nature reserves, and local public sites around the world, leveraging the momentum generated from World Cleanup Day and Earth Day.

In the UK SABIC employees took part in volunteering at RSPB Saltholme, a wetlands nature reserve for birds and other wildlife, helping to clear the invasive sea buckthorn plants to improve the habitat for native plant species. Meanwhile, SABIC employees in Texas collaborated with other local companies in efforts to remove and clear trash that had washed up on the Texas City dike shoreline and to support the protection of marine life in the area. Other cleanup activities were conducted in Singapore, Vietnam, Thailand, Indonesia, and South Korea. Although these cleanup activities may be smaller in scale, they effectively raise awareness and demonstrate the impact of individual participation in making a difference for the environment.

In partnership with the Yanbu Royal Commission, SABIC sponsored an event dedicated to ozone layer preservation event, sharing recent advancements in environmental protection as well as exhibiting solutions for transportation and home appliances.



CLEAN4CHANGE INITIATIVE

In support of the Alliance to End Plastic Waste (AEPW)'s Clean4Change initiative, SABIC organized community cleanup activities in Shanghai, Nansha (Guangzhou), and Chongqing in China, encouraging employees to do their part in keeping the coastal area and riverbanks clean. Our participation in the initiative was part of a global community effort to end plastic waste.

ETHICS AND COMPLIANCE

Integrity remains the cornerstone of SABIC, guiding our people and partners to operate ethically, honestly, and in compliance with the laws and regulations of the countries where we do business.



OUR APPROACH

In 2024, SABIC implemented an updated Code of Ethics, which adopts a value-driven, inclusive tone, with simplified language. The primary aim of the updates is to make the Code a more practical guide and tool for employees to use in their daily tasks. The launch of the Code was supported by a multilingual campaign featuring visual communications and employee guidance. SABIC's group of Integrity Ambassadors, a network of employees across SABIC selected to promote awareness about compliance issues, held live sessions to discuss the Code and the importance of speaking up. The Code is available in multiple languages, including English, Arabic, Chinese, Dutch, and Portuguese, and features interactive links to guide users to a dedicated Code of Ethics portal with additional resources.

Employees are required to abide by the Code, which serves as a guide to ethical business conduct in all interactions. SABIC employees annually acknowledge their understanding of the Code and complete training on relevant policies every two years. SABIC also conducts in-person and virtual training where appropriate to strengthen collective awareness of compliance and nurture a culture of integrity. Employees and other stakeholders are encouraged to report any integrity concerns in confidence through various channels, including an anonymous external *Speak-Up* link on SABIC's website. SABIC's non-retaliation policy protects individuals who raise concerns in good faith or participate in investigations.

The CEO bears overall responsibility for the effective implementation of the Code, while Corporate Governance, a management-level function, is responsible for developing, ensuring, and verifying compliance as per the requirements agreed with the Board. Corporate governance is also responsible for communication, training, and promoting understanding and compliance with the Code, as well as investigating actual or potential violations. The Corporate Governance team provides updates to the Board Audit Committee (BAC) on progress, risks, mitigation measures and initiatives on a quarterly basis, at a minimum, with off-cycle meetings convened as needed.

While our employees adhere to our Code of Ethics, our suppliers are bound by SABIC's Supplier Code of Conduct, and temporary and contract workers are required to comply with our Temporary Worker Code of Conduct. Both documents mirror the same ethical standards outlined in SABIC's own Code of Ethics.

We conduct due diligence screening of third parties including customers, suppliers, distributors, and contract workers. This process is strengthened through the automation of several key tasks, including supplier registration and onboarding, which allows us to assess and mitigate risk across the supply chain around issues such as forced labor and human rights. We believe in a collaborative approach, working to raise awareness among our partners. We utilize an online compliance training for third-party business partners to enable a better understanding of compliance concepts such as fair labor standards, anti-corruption, and anti-money-laundering.

COMPLIANCE INVESTIGATIONS

A total of 208 compliance-related incidents were reported in 2024; 77 concerns were found to be in violation of the SABIC Code of Ethics and were addressed appropriately, with 158 investigations closed in the fiscal year 2024.

208

Compliance
concerns raised

77

Violations found
and addressed

158

Investigations
closed

ONLINE COMPLIANCE TRAINING

98.89%

Completed
and assigned

1.11%

Overdue

2024 DEVELOPMENTS

- One of our key priorities in 2024 was to ensure compliance with applicable trade laws and regulations across its operations. We invested in guidance and awareness programs tailored to internal and external stakeholder groups. Our trade compliance program utilizes screening tools, internal and external communications, and training to respond to risks presented by cross-border business.
- SABIC is a member of the Ethisphere Institute, a global leader in defining and advancing the standards of ethical business practices, and Ethisphere's Business Ethics Leadership Alliance (BELA). This network has enabled SABIC to leverage shared knowledge and experiences from across many global organizations to further strengthen and benchmark our ethics and compliance program and build compliance leadership capacity internally and externally with our stakeholders.

- In 2024, SABIC presented findings from the 2023 “Integrity Engagement” global survey that measured perceptions about our ethics and compliance program and integrity culture. The survey had a strong response rate of 53% globally and revealed two opportunities for improvement: addressing perceived pressure to compromise on compliance and willingness to report misconduct, though these indicators remain within industry benchmarks. The survey was conducted by Ethisphere to ensure confidentiality and provide benchmarking against peers.

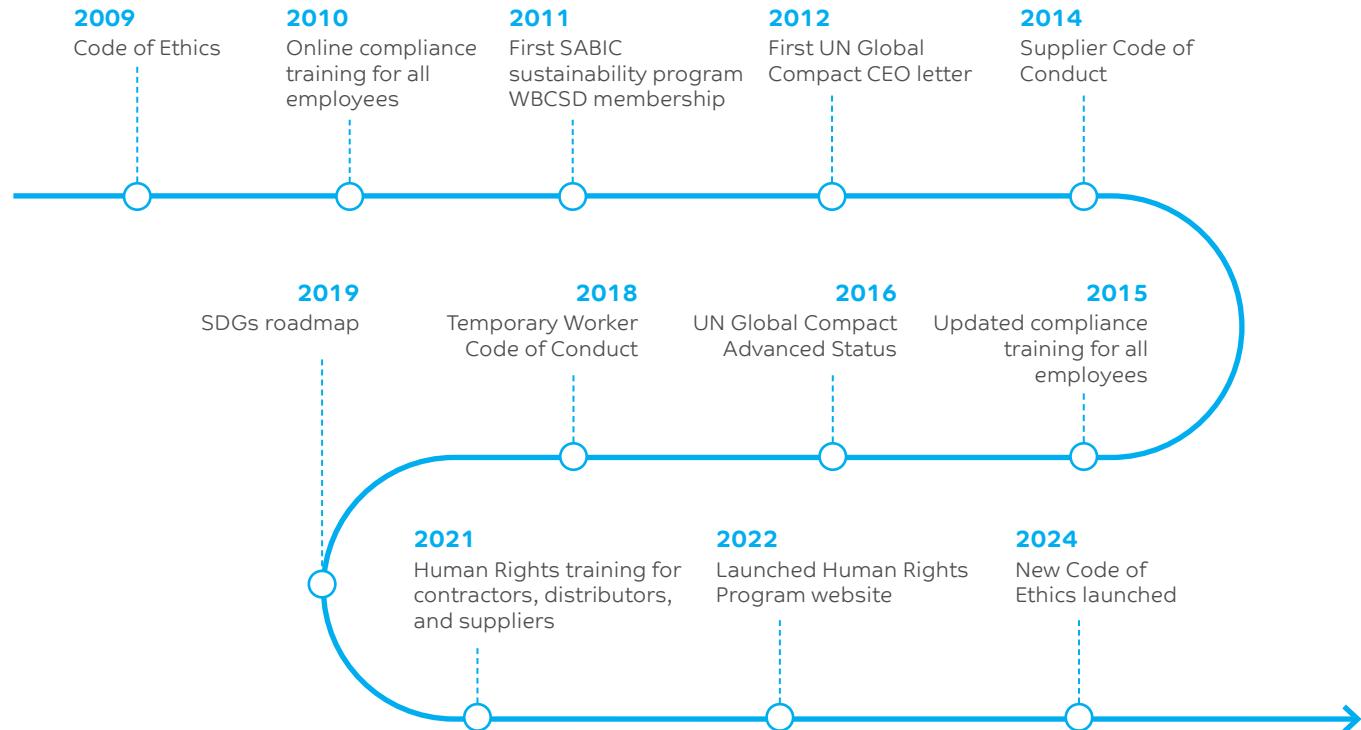
SABIC HUMAN RIGHTS PROGRAM

At SABIC, we seek to create Chemistry that Matters™ in a manner that respects and fosters human rights in our daily operations. We embrace this position even with our business partners in our value chain, in the communities where we operate, and in the application and use of our products.

Over the years, we have launched various initiatives in support of this aspiration. In 2024, we joined “Together for Sustainability”, a joint initiative of global companies that promotes best practices in the chemical industry’s supply chain. More information on this can be found in this report’s chapter on Procurement.

[Learn more about our human rights programs here](#)

JOURNEYING TOWARD EXCELLENCE IN BUSINESS ETHICS



Governance framework	Board of directors	Board committees	Executive management	Remuneration	Related-party transactions	Internal audit	Declarations
130	132	142	149	154	160	161	162

CORPORATE GOVERNANCE



Strong corporate governance is at the core of SABIC's success. Through clear accountability, strategic oversight, and adherence to global best practices, we uphold responsible decision-making and build long-term stakeholder trust.

GOVERNANCE FRAMEWORK

GOVERNANCE FRAMEWORK

Since our founding, SABIC has been resolute in its commitment to the highest standards of corporate governance, which is integral to our business ethos. We achieve this through careful strategic planning, risk management, transparent operations, and a strong emphasis on social and environmental responsibility.

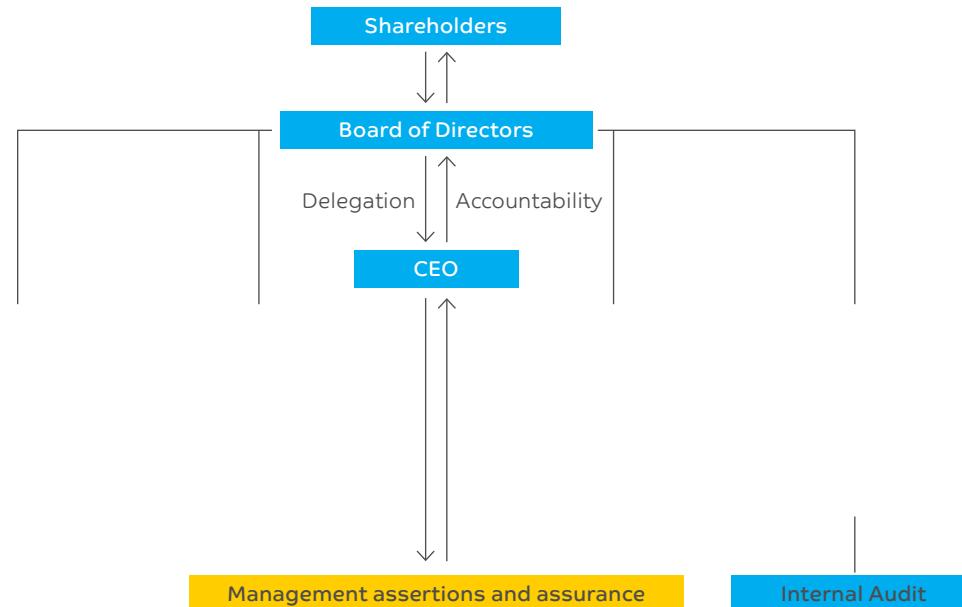
Our corporate governance approach goes beyond simply meeting regulatory requirements. SABIC has developed a tailored governance framework that outlines roles, responsibilities, decision-making processes, and accountability mechanisms aligned with the Board-approved delegation policy. This framework identifies the key governance bodies and illustrates their interactions and collaborations in fulfilling their functions.

SABIC's governance practices are aligned with relevant laws and regulations, including the Capital Market Authority (CMA), while adhering to internationally recognized best practices. Our Board is structured to ensure effective oversight and strategic direction, adding value to SABIC's operations and promoting long-term success.

The Board regularly reviews compliance with applicable laws, regulations, and evolving business conditions to inform its update of the company's governing documents including bylaws, charters, and policies, where required. Management implements the requirements of these governing documents through comprehensive guidelines and procedures designed to promote ethical conduct and ensure effective oversight and control. In 2024, the Board endorsed, and the General Assembly approved, several important documents including the Audit Committee Charter, the Remuneration and

Nomination Committee Charter, the Board Membership Policy, and the Remuneration Policy. Additionally, in accordance with the regulatory requirements, the Board approved the Board Charter, the Investment Committee Charter, and the Sustainability, Risk, and EHSS Committee Charter.

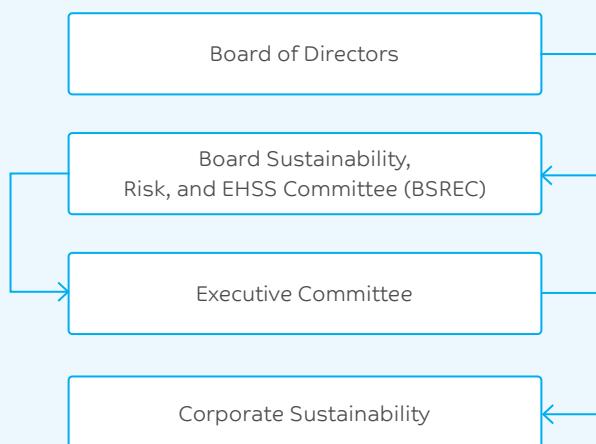
Respect for shareholder and stakeholder rights is a top priority. Our governance framework outlines these rights and detailed mechanisms for fair participation, transparency, fairness, and competitiveness while safeguarding interests. The Board actively engages with shareholders, incorporating their perspectives into decision-making to enhance accountability and build stakeholder trust.



Effective communication with stakeholders equips them for meaningful engagement. We believe that embedding governance throughout the organization is essential to achieving our strategic objectives, fostering accountability and transparency, and enhancing our capacity to build strong relationships with our diverse stakeholders.

SUSTAINABILITY GOVERNANCE

SUSTAINABILITY GOVERNANCE AND ORGANIZATION



SABIC's Board holds ultimate responsibility for driving the company's long-term success.

The Board Sustainability, Risk, and EHSS Committee (BSREC) supports the Board in overseeing performance across health, safety, process safety, security, environment, human rights, and corporate social responsibility. Additionally, the BSREC monitors economic, environmental, and social risks, making recommendations to the Board as needed. The Board actively engages with stakeholders through established two-way communication channels outlined in the "Stakeholders Policy." Management of these processes and systems is reviewed quarterly to annually, with corrective actions taken where necessary.

Chaired by the CEO, the SABIC Executive Committee comprises Executive Vice Presidents of business units and corporate functions, including the Chief Sustainability Officer (CSO). The SABIC Executive Committee is responsible for setting the company's sustainability vision, priorities, and goals, with ultimate accountability for sustainability performance outcomes.

This year, SABIC consolidated its corporate sustainability activities under the CSO to bring more focus and accountability. This will improve decision-making and further drive integration into core business activities. It will also focus on governance and delivery of key sustainability initiatives and creating value for SABIC shareholders.

The Corporate Sustainability function supports the Executive Committee and the BSREC in managing risks and opportunities, assessing financial impacts, and implementing mitigation actions. It collaborates with business units and functions to set sustainability targets and goals. Each business unit and function has a designated "ESG practitioner" who participates in regular sessions with other practitioners across the company in order to stay apprised of company sustainability initiatives and to drive awareness within their area, aligning with departmental plans.

Company performance against GHG emission reduction ambitions is directly linked to the financial compensation of all executive leaders.

BOARD OF DIRECTORS

BIOGRAPHIES OF BOARD AND COMMITTEE MEMBERS



KHALID AL-DABBAGH

BSc Industrial Engineering, Executive Cert. Management
SABIC Board Chairman, Non-Executive Director



DR. MOHAMMED AL-QAHTANI

PhD, MSc and BSc Petroleum Engineering
SABIC Board Vice Chairman, Non-Executive Director



ABDULRAHMAN AL-FAGEEH

MBA, BSc Chemical Engineering
SABIC Board Member and Chief Executive Officer,
Executive Director



● Board Audit Committee (BAC) ● Board Remuneration and Nomination Committee (BRNC) ● Board Sustainability, Risk, and EHSS Committee (BSREC) ● Board Investment Committee (BIC)
Filled circle: Committee Chairman Hollow Circle: Committee Member

**MOHAMMED AL-NAHAS** ○

BSc Accounting, Exec. Cert. Business Administration
SABIC Board Member, Non-Executive Director

**ZIAD AL-MURSHED** ○○

MBA, BSc Chemical Engineering
SABIC Board Member, Non-Executive Director

**NADER AL-WEHIBI** ●○

MA Social Protection Policy, BSc Insurance
SABIC Board Member, Independent Director

● Board Audit Committee (BAC) ● Board Remuneration and Nomination Committee (BRNC) ● Board Sustainability, Risk, and EHSS Committee (BSREC) ● Board Investment Committee (BIC)
Filled circle: Committee Chairman Hollow Circle: Committee Member

**YUSEF AL-ZAMEL** ○○

BSc Chemical Engineering

SABIC Board Member, Independent Director

**CALUM MACLEAN** ●○○

BSc Chemistry

SABIC Board Member, Independent Director

**DR. FAISAL AL-FAQEER** ●PhD and MSc Materials Science & Engineering,
BSc Chemical Engineering

SABIC Board Member, Non-Executive Director



● Board Audit Committee (BAC) ● Board Remuneration and Nomination Committee (BRNC) ● Board Sustainability, Risk, and EHSS Committee (BSREC) ● Board Investment Committee (BIC)
Filled circle: Committee Chairman Hollow Circle: Committee Member

AUDIT COMMITTEE NON-DIRECTOR (OUTSIDE) MEMBERS

**STEPHAN VAN SANTBRINK** ○

MSc Economics, MBA, LL.M Law

Audit Committee Non-Director
(Outside) Member*Resigned on February 27, 2024***WILHELMUS JANSEN** ○

MSc Economics, Fellow Chartered Accountant (FCA)

Audit Committee Non-Director (Outside) Member

**BASSAM ASIRI** ○

MBA, BSc Electrical Engineering

SABIC Audit Committee Non-Director (Outside) Member

**RALPH WETZELS** ○MSc Finance Economics, LL.M Tax Law, BSc Business
Administration Executive courses at Insead and IMD Lausanne
Audit Committee Non-Director (Outside) Member

● Board Audit Committee (BAC) ● Board Remuneration and Nomination Committee (BRNC) ● Board Sustainability, Risk, and EHSS Committee (BSREC) ● Board Investment Committee (BIC)
Filled circle: Committee Chairman Hollow Circle: Committee Member

BOARD RESPONSIBILITIES

The Board is ultimately responsible for setting the company strategy and direction, overseeing its management, protecting the interests of its stakeholders, and ensuring its operation in an effective, compliant, and ethical manner. Collectively, the Board oversees key areas such as capital structure, financial performance, reporting, auditing, internal controls, regulatory compliance, stakeholder relations, organizational governance, risk management and the appointment and evaluation of the Board and its committees. It is accountable to shareholders for generating value through effective management of operations and strategic goals*.

* Detailed Board duties and responsibilities are set out in the

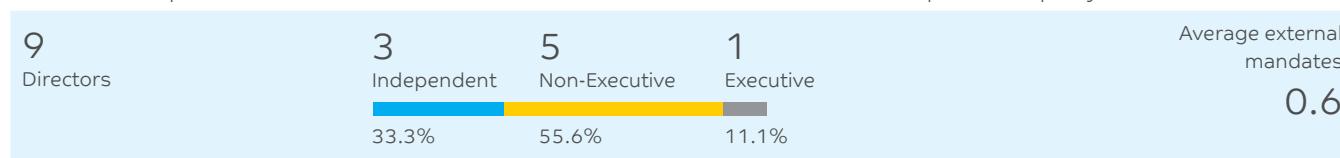
[Board Charter](#)

BOARD STRUCTURE AND COMPOSITION

SABIC has a one-tier Board consisting of nine directors, the majority of whom are non-executives, including independent directors. The SABIC Board has the right size and skill mix for managing the company's business affairs.

As of December 31, 2024, the SABIC Board comprises the following directors:

Name	Role	Classification	Capacity	External mandates**
Khalid Al-Dabbagh	Chairman	Non-Executive	In his personal capacity	1
Ziad Al-Murshed	Member	Non-Executive	In his personal capacity	–
Abdulrahman Al-Fageeh	Member	Executive	In his personal capacity	1
Mohammed Al-Nahas	Member	Non-Executive	Representing GOSI*	1
Dr. Mohammed Al-Qahtani	Member	Non-Executive	In his personal capacity	2
Yousef Al-Zamel	Member	Independent	In his personal capacity	–
Nader Al-Wehibi	Member	Independent	In his personal capacity	1
Calum MacLean	Member	Independent	In his personal capacity	–
Dr. Faisal Al-Faqeer	Member	Non-Executive	In his personal capacity	–



* General Organization for Social Insurance

** in joint-stock listed companies

BOARD DIVERSITY

SABIC directors are of diverse academic backgrounds, experiences, expertise, nationalities, ages, tenures, and cultural backgrounds. They come from Saudi Arabia and the United Kingdom, and two non-director members on the Audit Committee come from the Netherlands.

Name	Age	Tenure *		Gender	Nationality	Educational qualifications	Expertise	International experience
	Years	Date joined	Years	M/F				
Khalid Al-Dabbagh	63	Jun. 2020	>4	M	Saudi Arabia	BSc Industrial Engineering; Exec. Cert. Management	Finance; management; planning; sales and marketing	✓
Ziad Al-Murshed	51	Jun. 2020	>4	M	Saudi Arabia	MBA, BSc Chemical Engineering; Exec. Cert. General Management	Industry; manufacturing business development, strategic planning; international business; finance	✓
Abdulrahman Al-Fageeh	62	Mar. 2023	<2	M	Saudi Arabia	MBA, BSc Chemical Engineering	Industry (chemicals); management; business development	✓
Mohammed Al-Nahas	62	Sep. 2016	>8	M	Saudi Arabia	BSc Administrative Sciences; Exec. Cert. Business Administration	Finance; training; investment; pensions; banking; management; business development	✓
Dr. Mohammed Al-Qahtani	59	Apr. 2022	>2	M	Saudi Arabia	PhD, MSc and BSc Petroleum Engineering	Industry; energy; corporate planning	✓
Yousef Al-Zamel	72	Apr. 2022	>2	M	Saudi Arabia	BSc Chemical Engineering	Manufacturing; strategy, business development and investment	✓
Nader Al-Wehibi	45	Apr. 2018	>6	M	Saudi Arabia	MA in Social Protection Policy; BSc Insurance	Risk management; social protection; insurance; planning and development	✓
Calum MacLean	61	Oct. 2017	>7	M	United Kingdom	BSc Chemistry	Industry (chemicals); management	✓
Dr. Faisal Al-Faqeer	53	Sep. 2023	<2	M	Saudi Arabia	PhD and MSc Material Science and Engineering; BSc Chemical Engineering	Downstream oil and gas operations; chemical, petrochemical and related manufacturing; energy production and services; R&D services	✓

58.7
years
average
age

4
years
average
tenure

8
Saudi Arabia
1
United Kingdom

BOARD TENURE AND AGE

As on December 31, 2024, the ages of SABIC directors range from 45 to 72 years with an average age of 58.7 years. In line with CMA's corporate governance regulations (CGRs), SABIC does not currently impose a Board age limit. Our directors also have varied tenure lengths ranging from less than two to more than eight years. The average Board tenure is 4 years and the average Independent Director's tenure is five years. Aside from the legally prescribed limit of nine years for the Independent Director's maximum tenure, SABIC does not apply a tenure limit. A director's tenure concludes upon the expiry of the Board term of three years or upon his/her resignation, death, or dismissal for any of the reasons prescribed under the relevant laws and regulations. Directors from the outgoing Board are eligible for reappointment, if they meet the Board membership criteria. This broad diversity in age and tenure enables the Board to benefit from a positive interplay of wide-ranging perspectives and experiences.

GENDER DIVERSITY

Women play an important role across the management and operations of SABIC business. The Board is supportive of the management's proactive approach of enhancing female representation throughout SABIC's functions and organizational levels including leadership positions. The Board supports appointing female directors as soon as the opportunity arises and fostering gender diversity at all levels.

NOMINATION AND SELECTION

Nomination to the Board membership is publicly invited. Candidates are objectively assessed and short-listed based on merit and in accordance with the principles and criteria set forth in SABIC's Board Membership Policy. The Board's needs for skills, expertise balance and diversity enhancement are also considered during the nomination process. Candidates are nominated by the BRNC and the Board for election by voting at the GA for a three-year term or for the remainder of the Board term. The current Board term expires on April 9, 2025. A new Board will be elected to start a new Board term (April 10, 2025 – April 9, 2028).

BOARD INDEPENDENCE

SABIC maintains a clear separation between the roles of Chairperson and CEO with the Chairperson holding no executive position. As on December 31, 2024, independent directors on the SABIC Board account for one-third (33.3%)*, the non-executive directors make the majority (55.5%), and the independent and non-executive directors together constitute (88.8%) of the Board. The Board has the number of independent directors required by CMA's CGRs.

Each year, the SABIC Board, through the BRNC, verifies the independence of independent directors to identify any relationships or circumstances that may affect their independence. SABIC adheres to the independence criteria set forth under Article (19) of CMA's CGRs.

Absence of conflicts of interest among Board and committee members is also verified and assessed annually. This verification takes place in accordance with SABIC's Conflict of

Interest policy, which is aligned with the applicable laws and regulations. The policy outlines clear principles for avoiding, managing, mitigating, disclosing, recusing (when a conflict arise), and regular monitoring any cases of conflicts of interest, whether they are actual, perceived or potential. The policy applies to members of the Board, committees, executive management, employees, and substantial shareholders. The Board is responsible for ensuring observance of the policy as well as disclosing, to the CMA and the public, the company's contracts or transactions with related parties.

Most of the directors sit on the Board in their personal capacity and thus are better positioned to exercise independent judgment and decision.

BOARD PERFORMANCE ASSESSMENT

In 2024, SABIC updated the guidelines and the tools for conducting its Board assessment with the following frequency and scopes:

- An annual self-assessment conducted through a tailored written survey, which assesses the individual and collective performance of the Board. The 2024 self-assessment exercise was completed, with Board members reflecting on and transparently responding to questions covering aspects such as the Board's size, independence, diversity, skills, relationship with management, meeting effectiveness, and information flow. The assessment results are being considered for the creation of an action plan as part of the Board's continuous improvement process.
- A comprehensive Board assessment facilitated by an external board performance review consultant. Conducted every three years, it uses written surveys and individual interviews to assess the individual and collective performance of the Board and committees, Board dynamics, information structure, and selected executives' performance. The next externally facilitated Board assessment will take place in 2026.

GOVERNANCE DOCUMENTS REVIEW

In 2024, the Board endorsed, and the General Assembly approved, several governance documents including the Audit Committee Charter, the Remuneration and Nomination Committee Charter, the Board Membership Policy and the Remuneration Policy. Additionally, in accordance with the regulatory requirements, the Board approved the Board Charter, the Investment Committee Charter and the Sustainability, Risk and EHSS Committee Charter. SABIC governance documents and the below corporate policies and guidelines are published [here](#).

- Risk Management Policy
- Stakeholder Policy
- Dividend Policy
- Corporate Social Responsibility
- Global Tax Strategy
- Conflict of Interests Policy
- Sense of Belonging Statement

UPLIFTING BOARD EFFECTIVENESS ACROSS SABIC AFFILIATES

We are strengthening corporate governance across the organization, including our affiliates. In 2024, we introduced the Board Development Framework to enhance Board effectiveness through specialized programs tailored for Board stakeholders of SABIC affiliates. The initiative launched with the inaugural Board Chair Summit in December 2024. The framework encompasses key components such as Board certifications, structured Board assessments, and networking communities, aimed at fostering a culture of improvement and maximizing Board effectiveness to drive enterprise value.

INDUCTION

All new directors receive a tailored induction program including topics on the company's purpose, culture, values, governance, risk management, Code of Ethics and strategy including the business model and operations. The program also includes site visits to major plants and facilities. A Director Induction Kit, containing reference information on the company is also provided. The program aims at preparing the director to participate right away and effectively in the Board discussions and decision-making.

INFORMATION FLOW

In addition to the rich pre-read papers and meeting presentations, the Board receives a Quarterly Performance Report featuring the business performance and global emerging matters and trends, as well as areas of focus around ESG, cybersecurity, climate, and risks. Significant news and highlights relating to or affecting the company are relayed in a timely manner to the Board members.

TRAINING

The Board and committees go through continuous training and development programs, tailored and delivered by both internal and external experts. The Board members individually attend local, regional, and global conferences of relevance to the company's industry and its global context. In 2024 the Board, sufficiently represented, attended the Annual GPCA Forum and the 8th Edition of Future Investment Initiative (FII). During its visit to SABIC Houston (USA) office, the Board received a lecture on the economic and political outlook in the U.S., delivered by Rick Perry, the former U.S. Secretary of Energy.

SITE VISITS

Site visits are also part of the Board continuous development program. These visits typically include tours of operational facilities, meetings with local staff, and presentations on the site operations. These visits enable the Board members to familiarize themselves further with the business operations. In 2024, the Board visited SABIC Houston (USA) Office. Some members also visited other in-Kingdom and out-of-Kingdom sites.



BOARD MEETINGS

The Board holds at least four quarterly meetings a year at the Chairperson's invitation. Additional meetings are held upon request of any Board member, the external auditors, the internal auditor, or the CEO. The quorum for a Board meeting is constituted by the presence of a majority of members. During the year ended December 31, 2024, the Board met five times.

BOARD PARTICIPATION IN THE GENERAL ASSEMBLY MEETINGS

According to the Board Charter, the Board members are mandated to attend the GA meetings to engage directly with shareholders and collect their remarks on the company's performance. SABIC held one ordinary GA meeting on April 29, 2024; however, no extraordinary GA meeting was held.

The Board members' attendance at the Board and GA meetings in 2024 was as follows:

Name	Board meetings						GA meeting				
	1st	2nd	3rd	4th	5th	Total attended		Ordinary GA	Total attended		
	Feb. 27, 2024	May 21, 2024	Jul. 16, 2024	Sep. 16, 2024	Dec. 16, 2024	No.	%	Apr. 29, 2024	No.	%	
Khalid Al-Dabbagh	✓	✓	✓	✓	✓	5	100	✓	1	100	
Ziad Al-Murshed	✓	✓	✓	✓	✓	5	100	✓	1	100	
Abdulrahman Al-Fageeh	✓	✓	✓	✓	✓	5	100	✓	1	100	
Mohammed Al-Nahas	✓	✓	✓	✓	✓	5	100	✓	1	100	
Dr. Mohammed Al-Qahtani	✓	✓	✓	✓	✓	5	100	✓	1	100	
Yousef Al-Zamel	✓	✓	✓	✓	✓	5	100	✓	1	100	
Nader Al-Wehibi	✓	✓	✓	✓	✓	5	100	✓	1	100	
Calum MacLean	✓	✓	✓	✓	✓	5	100	✓	1	100	
Dr. Faisal Al-Faqeer	✓	✓	✓	✓	✓	5	100	✓	1	100	
							Average Board meeting attendance:		Average GA attendance:		
							100%		100%		

BOARD COMMITTEES

The Board holds ultimate responsibility for the oversight and overall leadership of SABIC. To enhance specialized focus, leverage expert knowledge and maintain good corporate governance, the Board has established four committees, which are the Audit Committee, Remuneration and Nomination Committee, Sustainability, Risk, and EHSS Committee, and Investment Committee. These committees oversee specific areas of the Board responsibilities as delegated by the Board, mandated by the law,

regulations or corporate governance best practices, in order to provide guidance and advice to the Board. The Board committees are provided with sufficient resources to discharge their duties and are empowered to obtain external independent advice when needed. The Board is ultimately responsible for the committees' performance of their duties and responsibilities and for assessing that periodically.

BOARD AUDIT COMMITTEE

SABIC's BAC is formed by the Board, according to the criteria approved by the GA, following recommendations from the BRNC. The current BAC comprises five members of whom two

are independent directors and three are non-director (outside) members. The committee's Chairperson is an independent director; none of its members is an executive director or officer; and one of its members has cross membership with the BSREC. The BAC members have an appropriate mix of expertise areas including finance, external reporting, governance, ethics & compliance, risk management, and industry.

A non-director (outside) member on SABIC BAC has all the membership's duties, rights and authorities, including voting, and is independent of SABIC management.

This composition underpins strong independence and ensures independent and effective audit oversight.

BAC COMPOSITION AND MEETINGS (AS OF DECEMBER 31, 2024)

Name	Role	Classification	Gender	Age	Nationality	Tenure with BAC	External mandates	Meeting attendance ⁽⁴⁾		Educational qualifications	Expertise
			M/F	Years		Years	Num	Attended	%		
Nader Al-Wehibi ⁽¹⁾	Chairperson	Independent	M	45	Saudi Arabia	>5	1	7/7	100	BSc Insurance; MA in Social Protection Policy	Risk management; social protection; insurance; planning
Calum MacLean	Member	Independent	M	61	United Kingdom	>2	–	7/7	100	BSc Chemistry	Industry (chemicals); management
Bassam Asiri	Member	Non-Director	M	56	Saudi Arabia	<2	5	7/7	100	BSc Electrical Engineering; MBA	Finance; planning and performance
Wilhelmus Jansen	Member	Non-Director	M	64	The Netherlands	>2	–	7/7	100	MSc Economics; Fellow Chartered Accountant (FCA); Business Finance Professional (BFP)	Finance; auditing, external reporting; risk management; governance
Ralph Wetzels ⁽²⁾	Member	Non-Director	M	52	The Netherlands	>1	1	5/5	100	MSc Finance Economics; LLM Tax Law; BSc Business Administration	Finance, Accounting, law (tax); JV Experience; Ethics & Compliance; IT
5 Members	2 Independent	3 Non-Directors							100%		
Stephan van Santbrink ⁽³⁾	Member	Non-Director	M	51	The Netherlands	>1	4	0/2	0	MSc Economics; MBA; LLM	Finance; risk management; strategy; capital investment; law

(1) Also a member of the BSREC.

(2) Joined the BAC on Feb. 28, 2024

(3) Resigned from the BAC on Feb. 27, 2024

(4) BAC meeting dates were: Jan. 20, 2024; Feb. 26, 2024; May 1, 2024; Jul. 31, 2024; Sep. 17, 2024; Oct. 9, 2024; and Nov. 3, 2024.

RESPONSIBILITIES

The BAC operates under its charter, which is recommended by the Board and approved by the GA, and in accordance with the applicable laws and regulations. The BAC role is to assist the Board in exercising its oversight with respect to:

- **Financial reporting:** including, among others, the group's financial statements, including unusual transactions and accounting estimates, and financial and accounting policies, and the Board report.
- **Internal control systems:** including, among others, the internal controls and risk management systems and ensuring their effectiveness and adequacy.
- **Internal audit:** including, among others, overseeing the Internal Audit function, assessing its performance, ensuring its independence, and evaluating the performance of its Head; and reviewing and approving the annual audit plan.
- **External audit:** including, among others, recommending appointment or dismissal of the external auditor and determining their fee; assessing their performance, independence, scope of work, and terms of engagement; reviewing the external audit plan; reviewing the external auditor reports; and ensuring that their recommendations are executed.

PwC fees for the year related to the audit and review of SABIC's consolidated financial statements were ₪ 27 Mn. (2023¹: ₪ 25 Mn.). Other fees for the year comprise ₪ 27 Mn. (2023: ₪ 26 Mn.) for the audit of the subsidiaries², and ₪ 2 Mn. (2023: ₪ 2 Mn.) for audit-related and compliance services.

¹ 2023 amounts have been updated to reflect the final fees for the year.

² The term subsidiaries, as defined by IFRS, refers to entities over which the company has control.

- **Compliance and Whistleblowing:** including, among others, ensuring compliance with relevant regulations, by-laws, and policies; reviewing regulatory bodies reports on the company compliance and ensuring recommended action are executed; reviewing proposed related-party transactions; and establishing and ensuring independence of appropriate procedures for whistleblowing to report compliance violations.

BAC DELIBERATIONS

In each of its seven meetings held in 2024, the key Company stakeholders (relevant members of management and the external auditor) participated to present reports and input to BAC on various matters including the following:

- Accuracy and integrity of the company's consolidated financial statements and reports.
- Performance, soundness, and effectiveness of the Company's internal controls, audit, financial reporting, and financial risk management to ensure compliance with the financial reporting standards and laws and regulations.
- External auditor's annual and quarterly audit and review of the consolidated financial statements, and its reports.
- Recommendation for appointment of the external auditor (PwC) for the financial period (Q2-2024 to Q1-2029) and endorsed it for the Board approval.

- Quarterly reports on the company's internal auditing activities in 2024; and approved 2025 Internal Audit Plan.
- SABIC Tax Policy.
- Reports on compliance, including compliance violations and corrective actions.
- Related-party transactions for onward approval by the Board.
- A report on control processes for the Integrated Annual Report's assurance and production.
- A report on the proposed updates to the Stakeholders Policy.
- A report on the company's governance structure and control framework for its Digital Transformation program.
- Quarterly reports on the effectiveness of the risk management system and financial risks.
- A review of the external auditor's performance and independence for 2024.

BOARD REMUNERATION AND NOMINATION COMMITTEE

SABIC's BRNC is formed by the Board, according to the criteria approved by the GA.

The current BRNC comprises four members, including one independent and three non-executive directors. The committee Chairperson is an independent director; none of its members is an executive director; and one member has cross membership with the BAC. The BRNC members have an appropriate mix of expertise areas including finance, industry, corporate planning, training and development.

With this composition, the BRNC is fully independent and capable of effective oversight and decision making in matters related to compensation, senior executives and the Board-level appointments.

BRNC COMPOSITION AND MEETING ATTENDANCE IN 2024

Name	Role	Classification	BRNC meetings					Meeting attendance	
			1st	2nd	3rd	4th	5th	Attended	%
			Jan. 18, 2024	Feb. 26, 2024	June 10, 2024	Sep. 10, 2024	Dec. 10, 2024		
Calum MacLean	Chairman	Independent	✓	✓	✓	✓	✓	5/5	100
Mohammed Al-Nahas	Member	Non-executive	✓	✓	✓	✓	✓	5/5	100
Ziad Al-Murshed	Member	Non-executive	✓	✓	✓	✓	✓	5/5	100
Dr. Mohammed Al-Qahtani	Member	Non-executive	✓	✓	✓	✓	✓	5/5	100
4 Members		1 Independent	3 Non-executive					Average meeting attendance:	100%

RESPONSIBILITIES

The BRNC operates under its charter, which is recommended by the Board and approved by the GA, and in accordance with the applicable law and regulations. The BRNC's role is to assist the Board in exercising its oversight with respect to:

- Remuneration Policy and Reporting: including, among others, developing and recommending remuneration policy to the Board for onward recommendation to the GA for approval ensuring SABIC is able to attract and retain necessary skills and qualifications; and reviewing and recommending the annual remuneration disclosures.

- Setting Remuneration: including, among others, recommending to the Board remuneration of the Members of the Board, Committees and Executive Management in accordance with the Remuneration Policy approved by the OGA; reviewing executive compensation arrangements and rewards including long-term incentive plans to ensure alignment with SABIC's purpose, values and long-term objectives; specifying the types of employee rewards and recommending them to the Board for approval; and ensuring appropriate and regular benchmarking of remuneration takes place to make informed decisions.

- Performance Evaluation and Composition: including, among others, developing and overseeing the performance evaluation process for the Board, the Board Committees and individual Directors and the CEO; reviewing the structure, size and composition of the Board and its Committees and determining weaknesses and strengths and making recommendations to the Board.
- Succession Planning and Appointments: including, among others, ensuring that a formal, rigorous and transparent procedure and effective succession plan is in place for the Board, its committees, and the Executive Management; assessing and recommending the Board and committees membership candidates for appointment in line with the Board Membership Policy; recommending appropriate policies and standards for the appointment of senior executives; evaluating the effectiveness of the succession planning process regularly.
- Board Membership: including, among others, developing the Board Membership Policy and Standards; verifying independence of Independent Directors and absence of any conflict of interest among members; and recommending the appointment or dismissal of members as needed.
- Board Development: Overseeing, reviewing and making recommendations to the Board on induction of the Board and Committee members and the training and development program to ensure the members receive briefings on relevant material developments.

BRNC DELIBERATIONS

In 2024, the BRNC received reports and reviewed various matters, including the following:

- The independence of the Board's independent members and the absence of any conflicts of interest with respect to any member.
- Executives' succession planning.
- Updated governance documents (Board charters and policies) for Board and GA approvals as appropriate.
- Updates to executives' short- and long-term incentive plans, enhancing linkage to performance, safety, and sustainability.

BOARD SUSTAINABILITY, RISK, AND EHSS COMMITTEE

SABIC's BSREC is formed by the Board following recommendations from the BRNC.

The current BSREC comprises three members, of whom two are independent directors and one is a non-executive director. The committee Chairperson is non-executive; none of its members is an executive director; and one of its members has cross membership with the BAC. The BSREC members have the appropriate mix of expertise areas including risk management, industry-related manufacturing, and strategy.

BSREC COMPOSITION AND MEETING ATTENDANCE IN 2024

RESPONSIBILITIES

The BSREC operates under its charter, which is approved by the Board, and in accordance with applicable law and regulations. The BSREC role is to assist the Board in exercising its oversight with respect to:

- **Risk management and risk strategy:** including, among others, overseeing the development of the Risk Management Policy and Framework and reviewing them periodically;

overseeing risk management systems and assessing their effectiveness; ensuring the feasibility of the company's continuation; assessing the company's risk tolerance and risk exposure; evaluating the effectiveness of risk response strategies; addressing any issues raised by the BAC that may affect risk management; informing the Board on the risk aspects of proposed strategic changes; and reviewing the appropriateness of the company's values and culture for managing risks.

Name	Role	Classification	BSREC meetings				Meeting attendance	
			1st	2nd	3rd	4th	Attended	%
			Feb. 20, 2024	May 13, 2024	Sep. 11, 2024	Dec. 11, 2024		
Dr. Faisal Al-Faqeer	Chairperson	Non-executive	✓	✓	✓	✓	4/4	100
Nader Al-Wehibi	Member	Independent	✓	✓	✓	✓	4 /4	100
Yousef Al-Zamel	Member	Independent	✓	✓	✓	✓	4/4	100
3 Members		2 Independent	1 Non-Executive					Average meeting Attendance: 100%

- **Sustainability:** including, among others, overseeing the development of a corporate Sustainability Strategy and policies, reviewing them periodically and overseeing their execution; overseeing the development of metrics to monitor sustainability; providing input to disclosures regarding sustainability; assessing overall sustainability performance and reviewing relevant annual report disclosures; advising the Board on corporate social responsibility matters and contribution to community development; advising on the adequacy of the risk management framework in addressing contemporary sustainability risks and monitoring developments and emerging best practices in sustainability approaches.
- **Environment, Health, Safety and Security (EHSS):** including, among others, reviewing and recommending changes the EHSS Policy for the Board approval; ensuring EHSS system comply with laws and regulations; monitoring safety performance and developing performance improvement measures; reviewing executive management reports on EHSS system effectiveness; and examining the management of major public concerns affecting SABIC's reputation and operational license including waste management, emissions and climate change.

BSREC DELIBERATIONS

In 2024, the BSREC received reports and reviewed various matters, including the following:

- Routine updates and assessments of several risks managed by the company, including risks related to supply chain disruption, cyber-attacks, climate change, and geopolitical tensions.
- Business continuity risks, as well as the management, mitigation, and response plans in place.
- A report on the environmental outlook and emerging local and global environmental legislations, including Carbon Border Adjustment Mechanism (CBAM), along with an assessment of their impact and the company's readiness for compliance.
- Progress updates on the journey towards carbon neutrality ambitions.
- Regular reports on EHSS performance and targets, including a review of adopted metrics and KPIs.
- A report reviewing operational efficiency and reliability.

The BSREC priorities for 2025 include ensuring a review of policies relevant to risk management, EHSS, and sustainability, with recommendations to the Board as needed; and maintaining a focus on geopolitical crises and political/trade conflicts, along with SABIC's response.

BOARD INVESTMENT COMMITTEE

SABIC's BIC is formed by the Board following recommendations from the BRNC.

The current BIC comprises five members, of whom two are independent, two are non-executive, and one is an executive director (who is the CEO). The committee Chairperson is a non-executive. The BIC members have an appropriate mix of expertise areas including strategic planning, and business development.

- Investment Activities: including, among others, reviewing and evaluating the investment activities proposed by management to consider the financing prospects and ensure alignment with SABIC's sustainability objectives, risk appetite and financial viability before approving or rejecting investments up to a certain amount, while investments above that amount require the Board approval; prioritizing investment proposals; ensuring that the proposed investment opportunities comply with relevant regulations and reviewing the executive management interim progress reports on approved investment opportunities.

Additionally, the BIC reviewed the updated Investment Committee Charter and endorsed it for onward endorsement by the Remuneration and Nomination Committee and subsequent approval by the Board.

BIC COMPOSITION AND MEETING ATTENDANCE IN 2024

Name	Role	Classification	BIC meetings				
			1st	2nd	3rd	Meeting attendance	
			Feb. 27, 2024	Sep. 10, 2024	Dec. 10, 2024	Attended	%
Dr. Mohammed Al-Qahtani	Chairperson	Non-Executive	✓	✓	✓	3/3	100
Yousef Al-Zamel	Member	Independent	✓	✓	✓	3/3	100
Ziad Al-Murshed	Member	Non-Executive	✓	✓	✓	3/3	100
Calum MacLean	Member	Independent	✓	✓	✓	3/3	100
Abdulrahman Al-Fageeh	Member	Executive	✓	✓	✓	3/3	100
5 Members		2 Independent	2 Non-Executive	1 Executive		Average meeting attendance:	100%

RESPONSIBILITIES

The BIC operates under its charter, which is approved by the Board. Its role is to assist the Board in exercising its oversight with respect to the investment's strategy, policy, and activities, including:

- Investment Strategy and Investment Policy: including, among others, overseeing the development and regular review of the investment strategy and policy to ensure alignment with SABIC's business, activities, and risk exposure as well as any changes in the external environment or relevant legislation before approving or recommending to the Board as appropriate.

BIC DELIBERATIONS

In 2024, the BIC received reports and proposals from management with respect to various investment matters, including the following:

- The company's investment plans, including management's assumptions and approaches to implement them.
- Management's proposals for new investment projects.
- Progress reports on various ongoing investments, including mergers and acquisitions and mega and growth projects.

EXECUTIVE MANAGEMENT

BIOGRAPHIES OF EXECUTIVE MANAGEMENT MEMBERS



ABDULRAHMAN AL-FAGEEH

Chief Executive Officer

See Mr. Al-Fageeh's profile under

[Board Member biographies.](#)



SALAH AL-HAREKY

Executive Vice President,
Corporate Finance



ERNESTO OCCHIELLO

Executive Vice President, Corporate Technology
& Innovation and Sustainability *(Since April 19, 2024)*





ABDULAZIZ AL-ODAN

Executive Vice President,
Shared Services



AHMED AL-SHAIKH

Executive Vice President,
Engineering and Project Management



ANAS KENTAB

Executive Vice President,
Strategy & Transformation



**ABDULRAHMAN AHMED SHAMSADDIN**

Executive Vice President, Manufacturing
(Since April 1, 2024)

**FAISAL AL-SUWAILEM**

Executive Vice President,
Corporate Human Resources

**SAMI AL-OSAIMI**

Executive Vice President,
Polymers





OLIVIER THOREL

Executive Vice President,
Chemicals



NAVEENA SHASTRI

Executive Vice President,
Corporate Governance





AHMED AL-JABR

Executive Vice President, Manufacturing
(Until April 1, 2024)



BOB MAUGHON

Executive Vice President, Technology & Innovation
(Until April 19, 2024)



REMUNERATION

Remuneration, allowances, and other benefits for the members of SABIC Board, the Board committees – including non-director (outside) members – and executive management are governed by the SABIC Remuneration Policy which was approved at the General Assembly and is subject to regular review.

The Policy sets out the objectives, principles, and rules underpinning the remuneration and other benefits for the members of the Board, committees, and senior management.

The key principles in respect of the Policy are as follows:

- Remuneration shall attract Relevant Individuals with the required qualifications, skills and expertise.
- Remuneration shall be a motivating factor (without exaggeration) for the achievement of objectives, and to enhance the company's ability to grow and sustain its business.
- Risk and compliance shall be among the factors of determining executive remuneration to promote sound and effective risk management and to discourage risk-taking that exceeds the risk tolerance level.
- Executive remuneration shall be competitive in accordance with the market and peer practices to attract, motivate and retain talent.
- Executive remuneration shall be considered based on job level, level of performance, duties, responsibilities and practical experience.
- Executive remuneration packages shall consist of base salary, allowances, benefits in kind and incentive plans. The CEO shall receive additional remuneration for membership on the Board.

- The Board and Committees' Members remuneration shall consist of a fixed fee and an allowance for attendance at the Board and Committee meetings.
- The Company shall be entitled to claim compensation for damage to its reputation or interests or in the event of the Board or Committee Members committing an offence or breaching their duties or responsibilities.

On the recommendation of the Remuneration and Nominations Committee, the Board of Directors determines remunerations of the Board Chairman and members at its discretion; provided, however, that the total of annual remuneration and financial or in kind benefits shall not exceed ₪ 1,800,000. To exceed that limit, the matter shall be presented to the General Assembly to decide thereon as it may deem appropriate.

Non Director member of a committee (including the Audit Committee) is entitled to annual remuneration of ₪ 300,000.

BOARD MEMBERS' REMUNERATION IN 2024

The total remunerations paid by the company to the members of the Board for the fiscal year ended on December 31, 2024, are set out below:

Name	Fixed remunerations						Variable remunerations						Grand total	Expenditure allowance		
	Fixed amount ⁽¹⁾	Attendance allowance for the Board meetings	Total attendance allowance for committee meetings	In-kind benefits	Remuneration of technical, administrative, and consulting works	Remuneration for Board/Committee Chairmanship	Total of remuneration and meeting Allowance	Profit rate	Periodic bonuses	Short-term incentive service	Long-term incentive service	Shares awarded			Total	End of service award
Board members																
Independent directors																
Nader Al-Wehibi	800,000	25,000	55,000	-	-	100,000	980,000	-	-	-	-	-	-	-	980,000	-
Yousef Al-Zamel	800,000	25,000	35,000	-	-	-	860,000	-	-	-	-	-	-	-	860,000	-
Calum MacLean	800,000	25,000	75,000	-	-	100,000	1,000,000	-	-	-	-	-	-	-	1,000,000	-
Subtotal	2,400,000	75,000	165,000	-	-	200,000	2,840,000	-	-	-	-	-	-	-	2,840,000	-
Non-executive directors																
Khalid Al-Dabbagh	800,000	25,000	-	-	-	800,000	1,625,000	-	-	-	-	-	-	-	1,625,000	-
Mohammed Al-Nahas	800,000	25,000	25,000	-	-	-	850,000	-	-	-	-	-	-	-	850,000	-
Dr. Mohammed Al-Qahtani	800,000	25,000	40,000	-	-	100,000	965,000	-	-	-	-	-	-	-	965,000	-
Ziad Al-Murshed	800,000	25,000	40,000	-	-	-	865,000	-	-	-	-	-	-	-	865,000	-
Dr. Faisal Al-Faqeer	800,000	25,000	20,000	-	-	100,000	945,000	-	-	-	-	-	-	-	945,000	-
Subtotal	4,000,000	125,000	125,000	-	-	1,000,000	5,250,000	-	-	-	-	-	-	-	5,250,000	-
Executive directors																
Abdulrahman Al-Fageeh	800,000	25,000	15,000	-	-	-	840,000	-	-	-	-	-	-	-	840,000	-
Total	7,200,000	225,000	305,000	-	-	1,200,000	8,930,000	-	-	-	-	-	-	-	8,930,000	-

All amounts are in Saudi Riyals

(1) The fixed amount is the annual remuneration specified for membership of the Board for the year 2024.

BOARD COMMITTEES' MEMBERS REMUNERATION 2024

The total remuneration paid by SABIC to the members of the Board committees for the fiscal year ended on December 31, 2024, are set out below:

Name	Fixed remunerations (Excluding session attendance allowance)				Meeting attendance allowance				Total
	BAC	BRNC	BSREC	BIC	BAC	BRNC	BSREC	BIC	
Board members									
Khalid Al-Dabbagh	-	-	-	-	-	-	-	-	-
Mohammed Al-Nahas	-	-	-	-	-	25,000	-	-	25,000
Nader Al-Wehibi	100,000*	-	-	-	35,000	-	20,000	-	155,000
Dr. Mohammed Al-Qahtani	-	-	-	100,000*	-	25,000	-	15,000	140,000
Calum MacLean	-	100,000*	-	-	35,000	25,000	-	15,000	175,000
Yousef Al-Zamel	-	-	-	-	-	-	20,000	15,000	35,000
Ziad Al-Murshed	-	-	-	-	-	25,000	-	15,000	40,000
Abdulrahman Al-Fageeh	-	-	-	-	-	-	-	15,000	15,000
Dr. Faisal Al-Faqeer	-	-	100,000*	-	-	-	20,000	-	120,000
Total									705,000
Non-director members									
Wilhelmus Jansen	300,000	-	-	-	35,000	-	-	-	335,000
Bassam Asiri	300,000	-	-	-	35,000	-	-	-	335,000
Stephan van Santbrink ⁽¹⁾	46,721	-	-	-	-	-	-	-	46,721
Ralph Wetzels ⁽²⁾	252,459	-	-	-	25,000	-	-	-	277,459
Total	899,180	-	-	-	95,000	-	-	-	994,180
Grand total	999,180	100,000	100,000	100,000	165,000	100,000	60,000	75,000	1,699,180

All amounts are in Saudi Riyals

(1) Resigned from the BAC on February 26, 2024.

(2) Joined the BAC on February 28, 2024.

* Annual remuneration for committee chairpersonship.

SENIOR EXECUTIVES REMUNERATION 2024

The aggregate total remunerations paid by SABIC to five executives who received the highest remuneration, including the CEO and CFO, for the year ended December 31, 2024, are as below:

Senior executives	Fixed remunerations				Variable remunerations					End-of-service benefits	Total remunerations for the Board	Total aggregate amount
	Salaries	Allowances	In-kind benefits	Total	Periodic profits	Short-term incentive plans*	Long-term incentive plans**	Granted shares	Total			
Total (ﷲ)	11,875,882.65	4,423,455.33	302,322.58	16,601,660.56	–	3,468,182.00	10,248,737.00	–	13,716,919.00	5,074,606.98	840,000.00	36,233,186.54

All amounts are in Saudi Riyals

* Remuneration for 2023

** Remuneration for 2023

Performance against business and functional goals is linked to the financial compensation for executive and senior leaders. The variable compensation for executives and senior leaders at SABIC comprises a short-term and a long-term incentive plan, which incorporates both financial and non-financial performance measures.

The 2024 short-term incentive scorecard includes two criteria linked to environmental, social and governance related objectives; (1) reduction in GHG emissions and (2) an internal measurement related to the safety, health, and environmental performance of SABIC globally. The long-term incentive plan is designed to drive performance in key financial, operational, and environmental/sustainability focus areas.

SHARE OWNERSHIP**BOARD SHARE OWNERSHIP IN 2024**

As on December 31, 2024, Board members, their spouses, and their minor children held the following shares in SABIC and/or its subsidiaries:

Name	Beginning of year shares (Numbers)				End of year shares (Numbers)				Net change			
	SABIC	Subsidiaries			SABIC	Subsidiaries			SABIC	Subsidiaries		
		SABIC Agri-Nutrients	Saudi Kayan	Yansab		SABIC Agri-Nutrients	Saudi Kayan	Yansab		SABIC Agri-Nutrients	Saudi Kayan	Yansab
Board members												
Independent directors												
Yousef Al-Zamel	69,200	2,185	86,500 *	137,000	69,200	4,030	82,017	137,000	-	1,845	(4,483)	-
Calum MacLean	-	-	-	-	-	-	-	-	-	-	-	-
Nader Al-Wehibi	310	6,900	13,000	350	310	6,900	13,000	350	-	-	-	-
Non-executive directors												
Khalid Al-Dabbagh	-	-	-	17,300	-	-	-	17,300	-	-	-	-
Mohammed Al-Nahas	-	-	-	-	-	-	-	-	-	-	-	-
Dr. Mohammed Al-Qahtani	-	-	-	130	-	-	-	130	-	-	-	-
Ziad Al-Murshed	-	-	-	30	-	-	-	30	-	-	-	-
Dr. Faisal Al-Faqeer	4,000	-	-	-	6,600	-	-	-	2,600	-	-	-
Executive directors												
Abdulrahman Al-Fageeh	-	-	-	10,000	-	-	-	10,397	-	-	-	397

* In 2023 IAR the ownership of shares at the end of 2023 was unintentionally disclosed as (7,000), which has been corrected in this table above.

SENIOR EXECUTIVES SHARE OWNERSHIP IN 2024

Name	Beginning of year shares (Numbers)				End of year shares (Numbers)				Net change			
	SABIC	Subsidiaries			SABIC	Subsidiaries			SABIC	Subsidiaries		
		SABIC Agri-Nutrients	Saudi Kayan	Yansab		SABIC Agri-Nutrients	Saudi Kayan	Yansab		SABIC Agri-Nutrients	Saudi Kayan	Yansab
Senior executives												
Salah Al-Hareky	-	-	-	-	-	-	-	-	-	-	-	-
Sami Al-Osaimi	-	-	-	10,000	-	-	-	10,000	-	-	-	-
Anas Kentab	15,000	12,000	10,000	12,000	15,000	12,000	10,000	12,000	-	-	-	-
Ernesto Occhiello	-	-	-	-	-	-	-	-	-	-	-	-
Abdulaziz Al-Oudan	-	-	-	-	-	-	-	-	-	-	-	-
Ahmed Al-Shaikh	-	-	20,000	-	-	-	-	-	-	-	(20,000)	-
Naveena Shastri	-	-	-	-	-	-	-	-	-	-	-	-
Faisal Al-Suwailem	-	-	-	-	-	-	-	-	-	-	-	-
Olivier Thorel	-	-	-	-	-	-	-	-	-	-	-	-
Abdulrahman Shamsaddin ⁽¹⁾	-	-	-	-	-	-	-	-	-	-	-	-
Ahmed Al-Jabr ⁽²⁾	-	342	1,000	85	-	342	1,000	85	-	-	-	-
Bob Maughon ⁽³⁾	-	-	-	-	-	-	-	-	-	-	-	-

(1) Joined on April 1, 2024.

(2) Until April 1, 2024.

(3) Until April 19, 2024.

RELATED-PARTY TRANSACTIONS

As part of its normal course of business, SABIC and its subsidiaries and joint ventures enter into various related-party contracts and transactions. These principally include sales and purchases, providing and receiving services, and giving and receiving loans. These transactions are conducted at terms equivalent to those that prevail in arm's length transactions. The Global Tax department has a dedicated team to monitor this.

SABIC has several service-level agreements with its subsidiaries and joint ventures in order to provide corporate business services; mainly procurement, engineering, transportation, warehouse, information technology, human resources, accounting, and compliance and ethics services.

SABIC also assumes marketing and sales of its subsidiaries, joint ventures, and certain Saudi Aramco's affiliates' products in various local, regional, and global markets through marketing agreements signed with those companies. SABIC subsidiaries and joint ventures also engaged in joint ownership production and tolling agreements with each other.

All intra-group asset and liabilities, equity, income, expenses and cash flows relating to transactions between members of the SABIC Group are eliminated to the extent of the Group's interest in these entities. All transactions and balances with related parties outside the Group are reported in the financial statements.

SABIC has also approved a policy to address actual and potential conflicts of Interest, which may affect the performance of the Board members, committees members, executive management, or any other employees of the company when dealing with the company or other stakeholders and when SABIC contracts or enters into a transaction with a related party.

SABIC has sales to and purchases from Saudi Aramco, (including its subsidiaries, joint ventures, and associates), Saudi government, semi-government entities, and other entities in which the government has ownership or control. These transactions are carried out under specific terms within the relevant regulatory framework in Saudi Arabia.

SABIC Industrial Investment Company (a wholly owned subsidiary of SABIC) sold its holding of 292,804,000 ordinary shares in Alba (representing 20.62% of its issued share capital) to Saudi Arabian Mining Company (Ma'aden). Dr. Mohammed Al-Qahtani, being a common director of (SABIC) and (Ma'aden), is considered to have an indirect interest in this transaction.

 [Consolidated Financial Statements Note 33](#)

INTERNAL AUDIT

SABIC's Internal Audit (IA) is a corporate function, led by the Chief Audit Executive, that reports functionally to the Board Audit Committee (BAC) and administratively to the CEO. IA is an independent function that performs its duties with full access to SABIC's sites around the world, information, documents, relevant resources, and employee-related matters.

IA operates in accordance with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors (IIA) as assessed by the external quality assurance and improvement program. In addition, IA maintains an internal quality assurance and improvement program, covering all aspects of the internal audit activities, to evaluate and continuously improve these activities.

IA conducted its planned audits in accordance with the agreed schedule and changes required during the year, as approved by the BAC to evaluate, objectively and independently, the adequacy and effectiveness of the internal controls system. In addition, SABIC IA participated in special assignments and conducted consulting services and other advisory engagements.

Throughout 2024, in accordance with applicable regulations, IA regularly issued audit progress reports to the BAC, including the audit plan progress, audit activities/observations, progress on internal audits' outcome, and overall update/view on internal controls' effectiveness. During 2024, IA continued its efforts with respective stakeholders to bring the audit findings to closure in a timely and reasonable manner.

SABIC IA continued working towards achieving the IA Strategy in 2024. The strategy focuses on three strategic pillars: 1) stronger lines of assurance; 2) ambitious talent; and 3) value creation. The three strategic pillars will enable more efficient and effective audits with tangible global influence on governance, internal controls, and risk management across SABIC's corporate functions, business units, and affiliates.

In strengthening the three lines of assurance, the IA Leadership team continued structured engagement sessions with SABIC Leadership Teams, proactively sharing key risks and common themes from audit observations while enhancing internal controls.

Human capital remains a top priority, with a focus on attracting, developing, and equipping talent with the skills and qualifications needed for effective and efficient auditing. Furthermore, SABIC IA contributes to SABIC's people development through various programs, such as the Internal Audit Capability Program, where employees from different departments are seconded to SABIC IA to improve governance, risk management, and the internal controls culture and gain relevant experience in internal audit processes.

IA maintained active collaboration with SABIC's external auditors to accommodate both responsibilities and add greater value to the organization and its shareholders. The external auditors' reports to management contribute to the formation of BAC's opinion on the effectiveness of the company's internal controls system.

The BAC is of the opinion that the company's executive management has maintained an effective internal controls system capable of providing reasonable assurance, and that the audit outcomes together with the BAC meeting discussions have provided reasonable grounds for formulating this opinion.

DECLARATIONS

The Board of Directors acknowledges that:

- the accounting records were properly prepared;
- the internal control system was established on a sound basis and implemented effectively; and
- there are no doubts about the company's ability to continue its business for the foreseeable future.

COMPANY DECLARATIONS

- The company has not concluded any transaction or contract of substantial interest involving any Board member, committee member, senior executive, or any person related to them, except as stated under [Related Party Transactions](#).
- The company has adhered to all provisions of the Capital Market Authority's Corporate Governance Regulations (CGRs), with the exception of the following:

Article/Clause no.	Provision of Article/Clause	Reason
Article 92 (Guiding Article): Formation of a Corporate Governance Committee	If the Board forms a corporate governance committee, it shall assign to it the competences stipulated in Article (91) of these regulations. Such committee shall oversee any matters relating to the implementation of governance and shall provide the Board with its reports and recommendations, at least once annually.	Based on Article (47) of the CGRs, which stipulates that the Board shall form specialized committees, based on the need and circumstances of the company, in a manner that enables it to perform effectively, the Board has not opted to form a "corporate governance committee". The Board and its committees collectively fulfill the corporate governance committee's functions and objectives through their duties and activities.

CONSOLIDATED STATEMENTS



A comprehensive view of our financial and non-financial performance, including complete financial statements and sustainability metrics and assurance disclosures.

CONSOLIDATED FINANCIAL STATEMENTS

CONTENTS

Independent auditor's report.....	165	15. Financial assets and financial liabilities	211	37. Financial risk management	242
Consolidated statement of financial position	171	16. Inventories	214	38. Capital management	246
Consolidated statement of income	172	17. Trade receivables	214	39. Commitments and contingencies.....	246
Consolidated statement of comprehensive income.....	173	18. Cash and cash equivalents.....	215	40. Appropriations	247
Consolidated statement of changes in equity.....	174	19. Share capital.....	216	41. Subsequent events.....	247
Consolidated statement of cash flows	175	20. Reserves.....	216	42. Subsidiaries and investments in associates and joint arrangements.....	248
Notes to the consolidated financial statements	177	21. Non-controlling interests	218		
1. Corporate information	177	22. Debt.....	221		
2. Basis of preparation	177	23. Employee benefits	223		
3. Significant accounting estimates, assumptions and judgements	178	24. Provisions	230		
4. Changes in accounting policies.....	181	25. Other liabilities.....	230		
5. IFRS issued but not yet effective	182	26. Trade payables	231		
6. Material accounting policy information	182	27. Revenue	231		
7. Property, plant and equipment	194	28. Expenses.....	231		
8. Right-of-use assets.....	196	29. Operating income and expenses.....	231		
9. Intangible assets.....	198	30. Finance income and cost.....	232		
10. Investments in associates and joint ventures.....	200	31. Zakat and income tax	233		
11. Investments in debt instruments and short-term investments.....	209	32. Basic and diluted earnings per share.....	236		
12. Investments in equity instruments	210	33. Related party transactions and balances	236		
13. Derivative financial instruments	210	34. Discontinued operation	238		
14. Other assets and receivables.....	210	35. Assets held for sale	239		
		36. Segment information	240		



Independent auditor's report to the shareholders of Saudi Basic Industries Corporation (SABIC)

(A Saudi Joint Stock Company)

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Saudi Basic Industries Corporation ("SABIC" or the "Company") and its subsidiaries (together the "Group") as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated statement of income for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PricewaterhouseCoopers Public Accountants (professional limited liability company), CR No. 1010371622, capital of 500,000 SAR, national address: 2239 Al Urubah Rd, Al Olaya District, postal code 12214, secondary number 9597, Riyadh, Kingdom of Saudi Arabia, physical address: Kingdom Tower, floor 24.

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Independent auditor's report to the shareholders of Saudi Basic Industries Corporation (SABIC) (continued)

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), that is relevant to our audit of the consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements.

Our audit approach

Overview

Key audit matter	<ul style="list-style-type: none"> • Impairment assessment of property, plant and equipment
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As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Independent auditor's report to the shareholders of Saudi Basic Industries Corporation (SABIC) (continued)

Key audit matter

Impairment assessment of property, plant and equipment

As at 31 December 2024, the consolidated statement of financial position includes property, plant and equipment amounting to Saudi Riyals (SR) 112.6 billion. At each reporting date, management assesses whether there is any indication that its Cash-Generating Units (CGUs) of property, plant and equipment may be impaired.

If indicators are identified, management estimates the recoverable amounts for the relevant CGUs. At 31 December 2024, management identified impairment indicators relating to certain CGUs of property, plant and equipment and carried out an exercise to calculate the recoverable amounts of these CGUs.

The recoverable amounts were determined based on value-in-use calculations derived using discounted cash flow models. The models were based on the most recent financial plans and included 5-year projection periods with terminal value projections thereafter.

Based on the exercise, the recoverable amounts were higher than the carrying amounts of the relevant CGUs and no impairment loss was recorded relating to the relevant CGUs for the year ended 31 December 2024.

We considered this to be a key audit matter for property, plant and equipment CGUs where impairment indicators were identified given the significant judgement and estimates involved in determining recoverable amounts and the uncertainty inherent in the underlying forecasts and assumptions. The key inputs and assumptions in determining the recoverable amounts included the cash flows projections, terminal values, and discount rates.

Refer to Note 3.1.1, Note 6.9 and Note 7 to the consolidated financial statements for further information.

How our audit addressed the Key audit matter

Our procedures included the following:

- We considered the appropriateness of management's determination of CGUs, based on the requirements of International Accounting Standard ("IAS") 36 'Impairment of Assets', that is endorsed in the Kingdom of Saudi Arabia.
- We considered the reasonableness of management's assessments of impairment indicators considering our knowledge of internal and external factors.
- We considered the completeness of the carrying amounts considered as part of the impairment tests for the relevant CGUs.
- With input from internal valuation experts, where considered necessary, we performed the following procedures on management's value-in-use calculations:
 - Assessed the reasonableness of the assumptions used in the cash flow projections, including look back analysis;
 - Assessed the reasonableness of the approach and inputs used to determine the terminal values;
 - Evaluated the reasonableness of the discount rates used by cross-checking the underlying assumptions against observable market data;
 - Tested the mathematical accuracy and logical integrity of the value-in-use calculations; and
 - Tested management's sensitivity analyses that considered the impact of changes in assumptions on the outcome of the impairment assessments.
- We considered the appropriateness of the related accounting policies and disclosures in the consolidated financial statements.



Independent auditor's report to the shareholders of Saudi Basic Industries Corporation (SABIC) (continued)

Other information

Management is responsible for the other information. The other information comprises the Integrated Annual Report, but does not include the consolidated financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Integrated Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, and the applicable requirements of the Regulations for Companies and the Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Group's financial reporting process.



Independent auditor's report to the shareholders of Saudi Basic Industries Corporation (SABIC) (continued)

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.



Independent auditor's report to the shareholders of Saudi Basic Industries Corporation (SABIC) (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers



Bader I. Benmohareb
License No. 471
25 February 2025

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

All amounts in thousands of Saudi Riyals unless otherwise stated.

As at 31 December	Note	2024	2023
Assets			
Non-current assets			
Property, plant and equipment	7	112,580,575	115,122,579
Right-of-use assets	8	4,835,543	5,578,572
Intangible assets	9	19,141,633	19,763,009
Investments in associates and joint ventures	10	35,435,785	41,237,301
Investments in debt instruments	11	332,458	332,458
Investments in equity instruments	12	253,402	236,485
Deferred tax assets	31	2,365,609	1,749,286
Derivative financial instruments	13	3,669,688	3,745,176
Other assets and receivables	14	8,020,234	6,011,266
Total non-current assets		186,634,927	193,776,132
Current assets			
Inventories	16	18,813,581	18,332,223
Trade receivables	17	20,439,823	19,295,374
Other assets and receivables	14	10,298,362	5,295,155
Short-term investments	11	7,668,807	9,842,617
Cash and cash equivalents	18	30,539,668	32,414,996
		87,760,241	85,180,365
Assets held for sale	34, 35	3,623,625	15,423,954
Total current assets		91,383,866	100,604,319
Total assets		278,018,793	294,380,451

As at 31 December	Note	2024	2023
Equity and liabilities			
Equity			
Share capital	19	30,000,000	30,000,000
General reserve	20	110,889,032	110,889,032
Other reserves	20	(4,112,475)	(1,576,557)
Retained earnings		20,056,576	28,116,139
Equity attributable to equity holders of the Parent		156,833,133	167,428,614
Non-controlling interests	21	27,085,026	27,853,926
Total equity		183,918,159	195,282,540
Non-current liabilities			
Debt	22	26,165,086	23,255,179
Lease liabilities	22	3,983,960	4,622,459
Employee benefits	23	13,507,010	12,894,392
Deferred tax liabilities	31	611,582	814,942
Derivative financial instruments	13	1,975,894	2,011,144
Provisions	24	870,565	1,090,489
Other liabilities	25	1,605,249	1,608,940
Total non-current liabilities		48,719,346	46,297,545
Current liabilities			
Short-term borrowings	22	2,080,922	2,414,233
Current portion of debt	22	2,022,996	2,301,534
Current portion of lease liabilities	22	945,105	903,362
Trade payables	26	19,793,604	20,087,016
Provisions	24	137,248	1,175,962
Other liabilities	25	19,695,999	18,198,349
Income tax payable	31	587,075	604,302
Zakat payable	31	118,339	1,414,718
		45,381,288	47,099,476
Liabilities directly associated with assets held for sale	34, 35	-	5,700,890
Total current liabilities		45,381,288	52,800,366
Total liabilities		94,100,634	99,097,911
Total equity and liabilities		278,018,793	294,380,451



EVP Corporate Finance



Chief Executive Officer



Chairman of the Board of Directors

The accompanying notes from 1 to 42 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF INCOME

All amounts in thousands of Saudi Riyals unless otherwise stated.

For the years ended 31 December	Note	2024	2023
Revenue	27	139,980,500	141,537,187
Cost of sales	28	(114,356,732)	(119,463,105)
Gross profit		25,623,768	22,074,082
General and administrative expenses	28	(9,909,146)	(9,119,995)
Research and development expenses	28	(2,063,168)	(1,893,085)
Selling and distribution expenses	28	(8,416,807)	(7,751,912)
Results from integral joint ventures	10	765,158	931,459
Other operating income	29	1,360,075	1,237,303
Other operating expenses	29	(1,622,501)	(1,757,459)
Income from operations		5,737,379	3,720,393
Results from associates and non-integral joint ventures*	10	(434,634)	(208,457)
Finance income	30	1,933,971	3,626,328
Finance cost	30	(2,820,297)	(2,614,650)
Income before zakat and income tax		4,416,419	4,523,614
Zakat expense	31	(213,827)	(1,269,160)
Income tax benefit	31	77,929	438,208
Net income from continuing operations		4,280,521	3,692,662
Net loss from discontinued operation	34	(557,386)	(4,076,939)
Net income (loss)		3,723,135	(384,277)

For the years ended 31 December	Note	2024	2023
Net income from continuing operations			
Attributable to:			
• Equity holders of the Parent		2,095,928	1,304,657
• Non-controlling interests		2,184,593	2,388,005
		4,280,521	3,692,662
Net income (loss)			
Attributable to:			
• Equity holders of the Parent		1,538,542	(2,772,282)
• Non-controlling interests		2,184,593	2,388,005
		3,723,135	(384,277)
Basic and diluted earnings per share from net income (loss) attributable to equity holders of the Parent (Saudi Riyals)			
	32		
• Net income from continuing operations		0.70	0.43
• Net income (loss)		0.51	(0.92)



EVP Corporate Finance



Chief Executive Officer



Chairman of the Board of Directors

The accompanying notes from 1 to 42 form an integral part of these consolidated financial statements.

* Includes impairment losses of SR 1,387 million (2023: SR 398 million).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

All amounts in thousands of Saudi Riyals unless otherwise stated.

For the years ended 31 December	Note	2024	2023
Net income (loss)		3,723,135	(384,277)
Other comprehensive income			
Items that will not be reclassified subsequently to the consolidated statement of income			
• Re-measurement gain (loss) on defined benefit plans	23	323,152	(555,672)
• Share of other comprehensive (loss) income of associates and joint ventures	10, 20	(135,099)	128,501
• Net change on revaluation of investments in equity instruments classified as fair value through other comprehensive income	20	(19,297)	(2,384)
• Tax benefit	31	36,794	5,925
		205,550	(423,630)
Items that will be reclassified subsequently to the consolidated statement of income			
• Exchange difference on translation	20	(1,255,981)	538,423
• Share of other comprehensive (loss) income of associates and joint ventures	10, 20	(847,156)	329,008
		(2,103,137)	867,431
Reclassification of other comprehensive income related to discontinued operation			
• Share of other comprehensive loss of a joint venture	34	(2,111)	-
		(2,111)	-
Net movement of other comprehensive income		(1,899,698)	443,801
Total comprehensive income		1,823,437	59,524

For the years ended 31 December	2024	2023
Total comprehensive (loss) income		
Attributable to:		
• Equity holders of the Parent	(395,481)	(2,417,684)
• Non-controlling interests	2,218,918	2,477,208
	1,823,437	59,524
Total comprehensive income (loss) attributable to equity holders of the Parent		
• Continuing operations	72,930	1,799,263
• Discontinued operation	(468,411)	(4,216,947)
	(395,481)	(2,417,684)



EVP Corporate Finance



Chief Executive Officer



Chairman of the Board of Directors

The accompanying notes from 1 to 42 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

All amounts in thousands of Saudi Riyals unless otherwise stated.

	Note	Attributable to the equity holders of the Parent					Total	Non-controlling interests	Total equity
		Share capital	Statutory reserve	General reserve	Other reserves	Retained earnings			
Balance as at 1 January 2023		30,000,000	15,000,000	110,889,032	(1,931,155)	32,088,421	186,046,298	31,570,961	217,617,259
Net (loss) income		-	-	-	-	(2,772,282)	(2,772,282)	2,388,005	(384,277)
Other comprehensive income		-	-	-	354,598	-	354,598	89,203	443,801
Total comprehensive income (loss)		-	-	-	354,598	(2,772,282)	(2,417,684)	2,477,208	59,524
Transfer of statutory reserve		-	(15,000,000)	-	-	15,000,000	-	-	-
Dividends and others	40	-	-	-	-	(16,200,000)	(16,200,000)	(6,194,243)	(22,394,243)
Balance as at 31 December 2023		30,000,000	-	110,889,032	(1,576,557)	28,116,139	167,428,614	27,853,926	195,282,540
Balance as at 1 January 2024		30,000,000	-	110,889,032	(1,576,557)	28,116,139	167,428,614	27,853,926	195,282,540
Net income		-	-	-	-	1,538,542	1,538,542	2,184,593	3,723,135
Other comprehensive (loss) income		-	-	-	(1,934,023)	-	(1,934,023)	34,325	(1,899,698)
Total comprehensive (loss) income		-	-	-	(1,934,023)	1,538,542	(395,481)	2,218,918	1,823,437
Reclassification of re-measurement gain on defined benefit plans related to discontinued operation	20	-	-	-	(601,895)	601,895	-	-	-
Dividends and others	40	-	-	-	-	(10,200,000)	(10,200,000)	(2,987,818)	(13,187,818)
Balance as at 31 December 2024		30,000,000	-	110,889,032	(4,112,475)	20,056,576	156,833,133	27,085,026	183,918,159



EVP Corporate Finance



Chief Executive Officer



Chairman of the Board of Directors

The accompanying notes from 1 to 42 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

All amounts in thousands of Saudi Riyals unless otherwise stated.

For the years ended 31 December	Note	2024	2023
Operating activities			
Income (loss) before zakat and income tax			
• from continuing operations		4,416,419	4,523,614
• from discontinued operation	34	(513,053)	(3,961,642)
Adjustment to reconcile income (loss) before zakat and income tax to net cash from operating activities:			
• Depreciation of property, plant and equipment	7	11,494,649	12,414,684
• Depreciation of right-of-use assets	8	1,155,390	1,348,817
• Amortisation of intangible assets and other assets		359,066	450,874
• Impairments and write-offs of property, plant and equipment	7,8,9	720,359	1,844,422
• Fair value re-measurement on assets held for sale	34	304,129	2,931,042
• Gain on sale of assets held for sale	35.2	(291,359)	–
• Results of associates and non-integral joint ventures	10	434,634	208,457
• Results of integral joint ventures	10	(765,158)	(931,459)
• Loss on disposals of property, plant and equipment		38,693	41,059
• Finance income	30	(1,933,971)	(3,644,535)
• Finance costs	30	2,820,297	2,785,876

For the years ended 31 December	Note	2024	2023
Change in operating assets and liabilities:			
Decrease in other non-current assets and receivables		278,093	488,482
(Increase) decrease in inventories		(967,296)	5,988,176
(Increase) decrease in trade receivables		(1,166,810)	1,863,250
Decrease in other current assets and receivables		1,986,411	47,093
(Decrease) increase in other non-current liabilities		(6,796)	334,951
(Decrease) increase in provisions		(1,258,522)	1,323,021
Decrease in trade payables		(668,661)	(1,921,939)
Increase in employee benefits		307,597	526,145
Increase (decrease) in other current liabilities		399,486	(750,824)
		17,143,597	25,909,564
Dividend received from integral joint ventures	10	1,756,390	1,787,474
Interest received		1,906,610	1,738,327
Interest paid		(2,130,000)	(1,989,138)
Zakat and income tax paid	31	(2,318,001)	(2,993,307)
Net cash from operating activities		16,358,596	24,452,920

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

For the years ended 31 December	Note	2024	2023
Investing activities			
Purchase of property, plant and equipment		(10,114,320)	(10,456,518)
Purchase of investments in equity instruments	12	(42,124)	(29,770)
Proceeds on the maturity of investments in debt	11	50,000	286,978
Additions of intangible assets		(85,909)	(36,757)
Proceeds from sale of property, plant and equipment		33,343	81,168
Capital contribution and acquisition in associates and joint ventures	10	(1,047,703)	(1,467,340)
Dividend received from associates and non-integral joint ventures	10	841,891	1,136,841
Proceeds from sale and divestiture of equity investments	10,12	855	101,621
Short-term investments, net		2,160,060	(1,380,968)
Proceeds from sale of discontinued operation	34	1,163,045	-
Cash and cash equivalents transferred	34	(1,365,147)	-
Net cash flow from disposal of discontinued operation		(202,102)	-
Proceeds from sale of assets held for sale	35.2	562,424	-
Cash and cash equivalents transferred	35.2	(142,781)	-
Net cash flow from disposal of assets held for sale		419,643	-
Net cash used in investing activities		(7,986,366)	(11,764,745)

For the years ended 31 December	Note	2024	2023
Financing activities			
Proceeds from debt	18	12,643,750	9,000,000
Repayment of debt	18	(10,405,275)	(9,706,174)
Lease payments	18	(1,075,329)	(1,480,851)
Dividends paid to shareholders	18	(10,100,547)	(11,400,961)
Dividends paid to non-controlling interests	18	(2,618,770)	(5,316,568)
Net cash used in financing activities		(11,556,171)	(18,904,554)
Decrease in cash and cash equivalents		(3,183,941)	(6,216,379)
Net foreign exchange loss on cash and cash equivalents		(75,025)	(27,381)
Cash and cash equivalents at the beginning of the year	18	33,795,375	40,039,135
Cash and cash equivalents at the end of the year	18	30,536,409	33,795,375
Cash and cash equivalents	18	30,539,668	32,414,996
Cash and cash equivalents (included in assets held for sale)	34, 35	-	1,383,646
Less: Short-term borrowings (bank overdrafts)		(3,259)	(3,267)
Cash and cash equivalents at the end of the year		30,536,409	33,795,375
Cash flows of discontinued operation	34		



EVP Corporate Finance



Chief Executive Officer



Chairman of the Board of Directors

The accompanying notes from 1 to 42 form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All amounts in thousands of Saudi Riyals unless otherwise stated.

1. CORPORATE INFORMATION

Saudi Basic Industries Corporation (“SABIC” or “the Parent”) is a Saudi Joint Stock Company established pursuant to Royal Decree Number M/66 dated 13 Ramadan 1396H (corresponding to 6 September 1976) registered in Riyadh under commercial registration No. 1010010813 dated 14 Muharram 1397H (corresponding to 4 January 1977). The registered office is located at Qurtubah district, P.O. Box 5101, Riyadh 11422, Kingdom of Saudi Arabia (“KSA”).

Saudi Arabian Oil Company (“Saudi Aramco”) owns 70% of SABIC through one of its subsidiaries, Aramco Chemicals Company. The Saudi Arabian Government is largest shareholder by 81.48% direct shareholding in Saudi Aramco. The remaining 30% of SABIC shares are held by the private sector.

SABIC and its subsidiaries (collectively the “Group”) are engaged in the manufacturing, marketing and distribution of chemicals, polymers, plastics and agri-nutrients products in global markets.

The consolidated financial statements of the Group for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Board of Directors on 25 February 2025.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and its interpretations as endorsed in KSA and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”) (collectively referred to as “IFRS as endorsed in KSA”).

The Group has prepared these consolidated financial statements on the basis that it will continue to operate as a going concern.

These consolidated financial statements are prepared under the historical cost convention, except for certain items, which are primarily investment in securities, derivatives and post-employment benefit plan assets. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of the transaction.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date, regardless whether that price is directly observable or estimated using another technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability, if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16 ‘Leases’, and measurements that have some similarities to fair value but are not, such as net realizable value in IAS 2 ‘Inventories’, value in use in IAS 36 ‘Impairment of Assets’ or net present value for employee benefits in IAS 19 ‘Employee Benefits’.

The Group has categorised its financial assets and liabilities into a three-level fair value hierarchy, based on the degree to which the lowest level inputs to fair value measurement are observable and the significance of the inputs to the fair value measurement as a whole, which are described as follows:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2.1 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of SABIC and subsidiaries controlled by SABIC, besides joint operations which are consolidated based on the Group’s relative share in the arrangement.

Consolidation of a subsidiary begins when SABIC obtains control over the subsidiary and ceases when SABIC loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed during the period are included in the consolidated financial statements from the date SABIC gains control until the date SABIC ceases to control the subsidiary. Refer Note 3.2.3 for judgements applied by SABIC to assess control. SABIC re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to the elements of control.

Net income or loss and each component of Other Comprehensive Income (“OCI”) are attributed to the equity holders of the Parent of the Group and to the non-controlling interests (“NCI”), even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies. All intra-group asset and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated on consolidation.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of financial position, consolidated statement of income, consolidated statement of comprehensive income and consolidated statement of changes in equity. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction between shareholders.

All amounts in thousands of Saudi Riyals unless otherwise stated.

2. BASIS OF PREPARATION (CONTINUED)

2.1 BASIS OF CONSOLIDATION (CONTINUED)

If SABIC loses control over a subsidiary, it de-recognises the related assets (including goodwill, if applicable), liabilities, non-controlling interests and other components of equity, while any resulting gain or loss is recognised in the consolidated statement of income.

2.2 FOREIGN CURRENCIES

The consolidated financial statements are presented in Saudi Riyals (“SR” and / or “ﷻ”), which is the functional currency of the Parent and all amounts are rounded to the nearest thousand (“ﷻ 000”), except when otherwise indicated. For each entity, the Group determines the functional currency and items included in their financial statements using that functional currency.

TRANSACTIONS AND BALANCES

Transactions in foreign currencies are initially recognised by the Group’s entities at their respective functional currencies’ spot rates at transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of income.

Non-monetary items that are measured at historical cost in a foreign currency are recognised using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are recognised using the exchange rates at the date when the fair value is applied. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with

the recognition of gain or loss on change in fair value of the item. Foreign exchange gains and losses that relate to debt/ borrowings, cash and cash equivalents and short-term investments are presented in the consolidated statement of income within finance income or finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of income within other operating income or expenses.

GROUP’S COMPANIES

On consolidation, the assets and liabilities of foreign operations are translated into Saudi Riyals at the rate of exchange prevailing at reporting date and their statements of income are translated at exchange rates prevailing at the transactions dates. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in the consolidated statement of income.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at reporting date.

The rates for SABIC’s major currencies are as follows:

	2024		2023	
	Spot rates at 31 December	Average rates	Spot rates at 31 December	Average rates
– USD	3.75	3.75	3.75	3.75
– EUR	3.90	4.06	4.14	4.06
– GBP	4.71	4.79	4.77	4.66
– CNY	0.51	0.52	0.53	0.53

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Preparation of the Group’s consolidated financial statements requires management to make judgements, estimates and assumptions at reporting date that affect the reported amounts of revenues, expenses, assets and liabilities, and disclosures. However, uncertainty about these assumptions and estimates could result in outcomes that could require material adjustments in the future to the carrying amount of the asset or liability affected.

The estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, if the changed estimates affect both current and future periods.

Other disclosures relating to the Group’s exposure to risks and uncertainties include:

- capital management, financial instrument risk management and policies (refer Notes 38 and 37); and
- sensitivity analysis disclosures (refer Note 37).

3.1 ESTIMATES AND ASSUMPTIONS

The Group used assumptions and estimates on the basis available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur. The key assumptions concerning the future and other key sources of estimation uncertainty, that have a significant risk of causing material differences in the carrying amounts of assets and liabilities within the next financial period, are disclosed in the next paragraphs.

All amounts in thousands of Saudi Riyals unless otherwise stated.

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

3.1.1 IMPAIRMENT OF NON-FINANCIAL ASSETS (REFER NOTE 7)

Impairment exists when the carrying value of an asset or Cash Generating Unit (“CGU”) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal is based on available data from binding sales transactions, conducted at arm’s length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use is based on a Discounted Cash Flow (“DCF”) model. The cash flows are derived from the approved budget and business plan for the next five years and do not include restructuring activities or significant future investments that will enhance the performance of the CGU being tested or other initiatives that the Group is not yet committed to. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future net cash-inflows and the growth rate used for extrapolation purposes.

3.1.2 INCREMENTAL BORROWING RATE FOR LEASE AGREEMENTS (REFER NOTES 8 AND 22)

The Group cannot readily determine the interest rate implicit in the lease agreement. Therefore, it uses its Incremental Borrowing Rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group ‘would have to pay’, which requires estimation when no observable rates are available, such as for subsidiaries that do not enter into

financing transactions or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs, such as market interest rates when available and is required to make certain entity-specific estimates.

3.1.3 MEASUREMENT OF FINANCIAL INSTRUMENTS (REFER NOTES 11, 12, 13, 15 AND 17)

The Group is required to make judgements about the basis to determine the fair value of its investments in equity instruments or financial derivatives, in reference to similar kind of investments being sold in the market. The selection of the investments or derivatives to determine the basis requires judgement by management to recognise investments in equity instruments and financial derivatives. For fair value determination, these investments qualify as Level 2 or 3 (refer Note 2).

3.1.4 PROVISIONS (REFER NOTE 24)

SABIC is subject to legal, environmental and regulatory risks. These may include non-compliance with competition and anti-trust laws, export controls, data protection, intellectual property rights, tax and environmental legislations. Furthermore, litigation and regulatory proceedings are unpredictable, and legal or regulatory proceedings in which SABIC is or becomes involved, or settlements thereof, could result in substantial penalties, which may not be recovered by insurance policies.

By their nature, provisions are dependent upon estimates and assessments whether the criteria for recognition have been met, including estimates of the probability of cash outflows. Management’s estimates related to provisions for environmental matters are based on an estimate of the

costs, taking into account legal advice and other information. Provisions for termination benefits and exit costs, if any, also involve management’s judgement in estimating the expected cash outflows for severance payments and site closures or other exit costs.

Provisions for onerous contracts involve management’s best estimate for the amount/measurement of unavoidable costs.

3.1.5 DEFINED EMPLOYEE BENEFIT PLANS (REFER NOTE 23)

Post-employment defined benefits plans, end-of-service benefits plans, legal indemnity liabilities and other long-term employee related liabilities, represent obligations that will be settled in the future due to services provided by the employees. These arrangements require actuarial valuations to measure these obligations. The Group is required to make assumptions regarding variables such as discount rates, rate of salary increase, longevity, attrition rates and future healthcare costs, as applicable. Changes in key assumptions can have a significant impact on the projected benefit obligations and subsequent employee defined benefit costs. The assumptions are reviewed at each reporting date.

Defined benefit obligations are discounted at a rate set by reference to relevant market yields at the end of the reporting period on high quality corporate or government bonds, if there is no deep market in such high quality corporate bonds. Significant judgement is required when setting the criteria for bonds to be included in the population from which the yield curve is derived. The most significant criteria considered for the selection of bonds include the size of the bonds, quality of the corporate bonds and the identification of outliers which are excluded, if any.

All amounts in thousands of Saudi Riyals unless otherwise stated.

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

3.1 ESTIMATES AND ASSUMPTIONS (CONTINUED)

3.1.6 ACCOUNTING FOR INCOME TAX (REFER NOTE 31)

As part of the process of preparing consolidated financial statements, the Group estimates income tax in each of the jurisdictions it operates. This process involves estimating current and deferred tax expenses. Temporary differences result in deferred tax assets and liabilities, which are included in the consolidated statement of financial position.

Significant judgement is required in assessing the recoverability of deferred tax assets recognised on deductible temporary differences, tax credits and tax losses carried forward. The Group performs analyses of profitability forecasts for future years, which may include scheduled future reversals of taxable temporary differences and available tax planning strategies. Recoverability of deferred tax assets is contingent on the ability of the Group to adhere to its business plan, refer to Note 31.

The Group is exposed to tax risks and uncertainty over complex tax treatments in the many jurisdictions in which it operates. Significant management judgement is required in the recognition and measurement of uncertain tax positions, whereby positive and negative evidence are weighted with regard to the facts and circumstances of each case, technical arguments and case law decision or rulings on similar issues.

3.1.7 INVESTMENTS IN EQUITY INSTRUMENTS (REFER NOTES 12 AND 13)

For all equity investments, SABIC assesses such financial assets measured at fair value, whether gains and losses are recognised either in consolidated statement of income ("FVIS") or consolidated statement of comprehensive income ("FVOCI") through an irrevocable election at the time of initial recognition.

For investments in equity instruments which are measured as FVIS, further elaborations on the judgements made are disclosed below.

FINANCIAL DERIVATIVES ON EQUITY INSTRUMENTS

Put and call options offer contract parties the right to exercise them or to refrain from exercising the option rights. Call, put options and forward contracts on the equity instruments are derivative financial instruments recognised at FVIS. Put options and forward contracts are recognised at the present value of the best estimated amount to be paid at the end of the agreement. Call options are recognised at their fair value.

Due to the nature of these derivatives, the fair values of financial assets and financial liabilities recognised in the consolidated statement of financial position cannot be measured based on quoted prices in active markets. Therefore, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk, volatility and dividend yield. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments (refer Note 15).

EQUITY INVESTMENTS MEASURED AT FAIR VALUE LESS COSTS OF DISPOSAL

For some listed equity investments, the Group has significant influence and ability to affect decisions in general meetings of shareholders due to its relative share in the company without being able to control it. If sources of impairment indicate that an impairment test is required, impairment testing of these listed equity investments, require determining the premium over fair value less costs of disposal as quoted on stock exchanges, due

to the Group's significant influence. The premium is determined, based on market data to capture a reasonable range as premium paid upon business acquisitions for similar partial acquisitions in the same industry. At each reporting date the Group has to assess its share in income due to a time lag in the availability of public information.

3.2 CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING STANDARDS

In addition to the application of the judgement in the above-mentioned estimates and assumptions, the following critical judgements have the most significant effect on the amounts recognised in the consolidated financial statements:

3.2.1 PRINCIPAL VS AGENT CONSIDERATION FOR THE SALE OF GOODS

A certain portion of SABIC's revenue is derived from marketing agreements, whereby in some cases, SABIC purchases products from its related parties, and sells these to end customers. There is significant judgement whether SABIC controls the products before they are transferred to the customer. It has been concluded that SABIC is 'the principal' in these arrangements due to the following factors, as SABIC:

- is exposed to fulfilment risk and is the primary obligor for the goods;
- has a direct relationship with the customer and controls the underlying products before they are transferred to the end customers; and
- remains solely responsible for the quality of the goods and customers hold a substantive right of return which results in the Group being exposed to inventory risk.

All amounts in thousands of Saudi Riyals unless otherwise stated.

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

3.2 CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING STANDARDS (CONTINUED)

3.2.2 PRINCIPAL VS AGENT CONSIDERATION FOR LOGISTICS SERVICES

For sales contracts with C-class incoterms, revenue from logistics and freight services is recognised as a separate performance obligation. For these contracts, SABIC considers itself to be 'the principal'. There is significant judgement whether SABIC controls the freight and logistics services prior to transferring this to the customer. It has been concluded that SABIC is 'the principal' in these arrangements due to the following factors, as SABIC:

- is exposed to fulfilment risk and is the primary obligor for the freight and logistic service provided;
- is exposed to the risk of losses in relation to the service not being fulfilled; and
- has a direct relationship with the customer and controls the underlying service before it is transferred to the end customers.

3.2.3 DETERMINATION OF CONTROL, JOINT CONTROL AND SIGNIFICANT INFLUENCE

Subsidiaries are all equity investments over which the Group has control. Management considers that it controls an investee when the Group is exposed to or has rights to the majority of the variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of those returns through its power to direct the relevant activities of the investees.

The determination about whether the Group has power depends on the way decisions about the relevant activities are made and the rights the Group has, over the investees. In contrast, there are certain cases where the Group owns less than 50% of voting rights but considers it has control by directing the relevant activities of the investee as it has de-facto control or there are contractual arrangements which allow the Group to exercise control.

It is generally presumed that the Group has significant influence when the Group has 20% shareholding. Judgement is required, particularly where the Group owns shareholding and voting rights of more or less than 20% and where the Group has assessed to have 'significant influence' over such investees.

3.2.4 DETERMINING THE LEASE TERM OF CONTRACTS WITH RENEWAL AND TERMINATIONS OPTIONS

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination clauses. The Group applies judgement in evaluating if it is reasonably certain whether or not to exercise the option to renew or terminate the lease. All relevant factors that create an economic incentive for the Group and its contract partners to exercise either the renewal or termination are considered. Such facts and circumstances include a long term preferential rental rates availability, existence of

significant penalty on terminations, substantial lease hold improvements etc. The Group reassesses the lease term if there is a significant event or change in the circumstances that affects its ability to exercise or not to exercise the option to renew or to terminate the contract.

4. CHANGES IN ACCOUNTING POLICIES

The amendments to IFRS, which are relevant to the Group and that have been applied on 1 January 2024 by the Group are described below:

4.1 AMENDMENT TO IAS 1: CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT

Amendment to IAS 1: 'Classification of Liabilities as Current or Non-current' elaborates the requirements of 'right to defer settlement' by clarifying the meaning of right to defer and how the classification is unaffected by the likelihood that an entity will exercise such deferral right. The amendments published in 2020 and 2022 respectively, clarify that the classification of liabilities as current or non-current is based solely on a company's right to defer settlement for at least 12 months at the reporting date. The right needs to exist at the reporting date and must have substance. Only covenants with which a company must comply on or before the reporting date may affect this right.

Covenants to be complied with after the reporting date do not affect the classification of a liability as current or non-current at the reporting date.

This amendment does not have any material impact on the Group's consolidated financial statements.

All amounts in thousands of Saudi Riyals unless otherwise stated.

5. IFRS ISSUED BUT NOT YET EFFECTIVE

The IFRS that are issued and relevant for the Group, but not yet effective, are elaborated below. These standards will be adopted by the Group when they become effective or endorsed by the local jurisdiction.

5.1 AMENDMENTS TO THE CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (AMENDMENTS TO IFRS 9 – 'FINANCIAL INSTRUMENTS' AND IFRS 7 – 'FINANCIAL INSTRUMENTS: DISCLOSURES')

The amendments clarify financial assets and financial liabilities are recognized and derecognized at settlement date except for regular way purchases or sales of financial assets and financial liabilities meeting conditions for new exception.

The new exception permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date.

Additionally, the amendment clarify with further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) test which apply to all contingent cash flows, including those arising from environmental, social, and governance (ESG)-linked features. These amendments also introduce new disclosure requirements and update others. The amendment is effective for annual reporting periods beginning on or after 1 January 2026 and will be adopted by the Group when applicable.

This amendment will not have any material impact on the Group's consolidated financial statements.

5.2 IFRS 18 'PRESENTATION AND DISCLOSURE IN FINANCIAL STATEMENTS'

IFRS 18 is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. IFRS 18 replaces IAS 1, which sets out presentation and base disclosure requirements for financial statements. The changes, which mostly affect the income statement, include the requirement to classify income and expenses into three new categories – operating, investing and financing – and present subtotals for operating profit or loss and profit or loss before financing and income taxes. The new standard also requires disclosures in the financial statements for certain management-defined performance measures that are reported outside an entity's financial statements and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The new standard is effective for annual reporting periods beginning on or after 1 January 2027 and will modify the Group's income statement presentation, specifically the presentation of share of results of integral and non-integral JVs. The new standard will be adopted when applicable.

5.3 AMENDMENTS TO IFRS 9 AND IFRS 7 WITH RESPECT TO POWER PURCHASE AGREEMENTS (PPAS)

On December 18, 2024 IASB issued highly anticipated and deliberated amendment to lend clarity on the accounting exemption and hedge application on the nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs).

The IASB has now clarified vide targeted amendments to IFRS 9: Financial Instruments, the application of "own use" exemptions to such PPAs. Additionally, IASB has also permitted hedge accounting if these agreements are used as hedging instruments. Consequently, IASB has amended IFRS 7 Financial Instruments: Disclosures to add disclosure requirements to enable investors to understand the effect of these PPAs on a company's financial performance and cash flows.

These amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application of the amendments is permitted. The new standard will be adopted when applicable. This amendment will not have any material impact on the Group's consolidated financial statements.

6. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted by the Group in preparing these consolidated financial statements are applied consistently and are elaborated below including amendments to IFRS as elaborated in Note 4 that have to be applied from 1 January 2024 onwards.

6.1 BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for by applying the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred which is measured at fair value on the acquisition date and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed in the consolidated statement of income when incurred.

When the Group acquires a business, it assesses the financial assets acquired and financial liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument is measured at fair value with the changes in fair value recognised in the consolidated statement of income or OCI.

All amounts in thousands of Saudi Riyals unless otherwise stated.

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

6.1 BUSINESS COMBINATIONS AND GOODWILL (CONTINUED)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed. If the reassessment still results in excess, the gain is recognised in the consolidated statement of income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses, if applicable. For the purpose of impairment testing, goodwill acquired in a business combination is, from acquisition date, allocated to each of the Group's CGUs that are expected to benefit from synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed off, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

6.2 INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS

INVESTMENTS IN ASSOCIATES

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

INVESTMENTS IN JOINT ARRANGEMENTS

Investments in joint arrangements are classified as either joint operations or joint ventures ("JVs"). The classification depends on the legal structure of the joint arrangement and also contractual rights and obligations of each investor. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

- *Joint operations*

A joint operation is an arrangement whereby the parties that have joint control on the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held assets or incurred liabilities, revenues and expenses for its joint operations.

- *Joint ventures*

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position.

Under the equity method of accounting, the investments in an associate or joint venture are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition results in the consolidated statement of income, and the Group's share of movements in OCI in the consolidated statement of comprehensive income. Dividends received from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it is liable due to constructive or legal obligations on behalf of the entity.

Income from operations include share of results of integral joint ventures. Integral joint ventures are the joint ventures which are integral to and support SABIC's core operating activities. Al-Jubail Petrochemical Company ("KEMYA"), Saudi Yanbu Petrochemical Company ("YANPET") and Eastern Petrochemical Company ("SHARQ") are considered to be integral joint ventures. For integral joint ventures SABIC manages the production, logistics, feedstock and shared services. All other joint ventures are classified as non-integral joint ventures. Share of results of non-integral joint ventures is recognised separately as results from non-integral joint ventures.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

All amounts in thousands of Saudi Riyals unless otherwise stated.

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

6.2 INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in the consolidated statement of income.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in the consolidated statement of income. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in OCI in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in OCI are reclassified to the consolidated statement of income.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in OCI, except for the items that will not be reclassified to the consolidated statement of income, are reclassified to the consolidated statement of income, where appropriate.

6.3 CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Group presents assets and liabilities in the consolidated statement of financial position based on current and non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no right at the end of the reporting period to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

6.4 ZAKAT AND TAX

ZAKAT

Zakat is levied based on adjusted income subject to zakat and the zakat base in accordance with the Regulations of the Zakat, Tax and Customs Authority (“ZATCA”) in KSA. The zakat provision is charged to the consolidated statement of income. Differences, if any, resulting from the final assessments are adjusted in the period of their finalisation.

CURRENT INCOME TAX

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the relevant tax authorities.

UNCERTAIN ZAKAT AND TAX POSITIONS

Uncertain positions relate to risk or uncertainty over complex zakat and tax treatments. Such uncertain zakat and tax positions are measured using the single most likely amount or the expected value method, depending on which method is expected to better predict the resolution of the uncertainty.

DEFERRED TAX

Deferred tax is provided for using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax law enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets

All amounts in thousands of Saudi Riyals unless otherwise stated.

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

6.4 ZAKAT AND TAX (CONTINUED)

and current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

6.5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such costs include the cost of replacing part of plant and equipment and borrowing costs for long-term construction projects, when recognition criteria are met. When significant parts of plant and equipment are required to be replaced in intervals, the Group recognises and depreciates them separately based on its specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement when the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the consolidated statement of income when incurred. The present value of the expected cost for demolishing the asset after its use, is included in the cost of the respective asset when the recognition criterion for a provision are met.

Depreciation is calculated on a straight-line basis over the useful life of the asset as follows:

– Buildings	13 to 40 years
– Plant and equipment	4 to 50 years
– Furniture, fixtures and vehicles	3 to 10 years

Assets under construction, which are not ready for their intended use, and land are not depreciated.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising on de-recognising the asset, calculated as the difference between the net disposal proceeds and the carrying amount of the asset is included in the consolidated statement of income when the asset is de-recognised.

The assets' residual values, useful lives and methods of depreciation are periodically reviewed, and adjusted prospectively in case of a significant change in the assets technological capabilities or estimated planned use.

6.6 RIGHT-OF-USE ASSETS

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, if any, and adjusted for any re-measurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

– Land and buildings	13 to 99 years
– Plant and equipment	4 to 50 years
– Storage and tanks	20 to 30 years
– Vessels and vehicles	4 to 25 years

6.7 LEASES

The Group assesses at contract inception whether a contract is or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

GROUP AS LESSEE

Leases are recognised as right-of-use assets along with their corresponding liabilities at the date of which the leased assets are available for use by the Group. Each lease payment is allocated between the liability and finance cost.

Lease liabilities include, if applicable, the net present value of fixed payments including in-substance fixed payments, less any lease incentives receivables, variable lease payment that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

SHORT-TERM AND LOW VALUE ASSETS' LEASES

Short-term leases are leases with a contract term of 12 months or less. Low-value assets are items that do not meet the Group's capitalisation threshold and are considered to be insignificant for the statement of financial position for the Group as a whole. Payments for short-term leases and leases of low-value assets are recognised on a straight-line basis in the consolidated statement of income.

VARIABLE LEASE PAYMENTS

Some leases contain variable payments that are linked to the usage or performance of the leased asset. Such payments are recognised in the consolidated statement of income.

All amounts in thousands of Saudi Riyals unless otherwise stated.

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

6.7 LEASES (CONTINUED)

EXTENSION AND TERMINATION OPTIONS

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. Extension options or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options, if there is a significant event or significant change in circumstances within control.

GROUP AS A LESSOR

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

6.8 INTANGIBLE ASSETS

Intangible assets are measured at cost upon initial recognition. Intangible assets acquired in a business combination are measured at fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indicator that the intangible asset may be impaired. The estimated useful life is reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for prospectively.

Research costs are expensed as incurred. Development expenditures on projects are recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- its intention to complete and its ability and intention to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure during development.

Amortisation of the intangible asset begins when development is complete and the asset is available for its intended use. It is amortised over the period of expected future benefits. The amortisation or impairment losses on intangible assets are recognised in the consolidated statement of income in the expense category that is consistent with the function the intangible asset serves. During the period of development, the asset is tested for impairment annually.

The amortisation period for intangible assets with a finite useful life is as follows:

– Software and IT development	3 to 5 years
– Licenses, including trademarks	5 to 22 years
– (Un)patented technology and customer lists	3 to 18 years

6.9 IMPAIRMENT OF NON-CURRENT ASSETS

The Group assesses each reporting date, whether there is an indication that an asset may be impaired. If any indication exists or when annual impairment testing is required, the Group estimates the assets' recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

The Group's impairment calculation is based on detailed budgets and forecast calculations which are prepared separately for each of the Group's CGU's to which the individual assets are allocated. These budgets and forecast calculations are generally covering a five-year period. A long-term growth rate is calculated and applied to project future cash flows after the budget period using a terminal value.

All amounts in thousands of Saudi Riyals unless otherwise stated.

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

6.9 IMPAIRMENT OF NON-CURRENT ASSETS (CONTINUED)

Impairment losses of continuing operations are recognised in the consolidated statement of income in those expense categories consistent with the function of the impaired asset.

For assets other than goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. Such reversal is recognised in the consolidated statement of income.

Goodwill is tested for impairment annually or when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGU's) to which the goodwill relates. Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future years.

6.10 FINANCIAL ASSETS

Classification of financial assets depends on the Group's business model for managing its financial assets and the contractual terms of the cash flows. The Group classifies its financial assets as:

- financial assets measured at amortised cost; or
- financial assets measured at fair value.

Gains or losses of financial assets measured at fair value will be recognised either through the consolidated statement of income or through the consolidated statement of OCI.

Loans receivables which are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interests, are measured at amortised cost.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are Solely Payments of Principal and Interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Certain sales contracts have a provisional pricing clause with the final pricing based on an average market price over a specific period. Such trade receivables are measured at fair value because the contractual cash flows are not solely payments of principal and interest. Other trade receivables meet these criteria and are measured at amortised cost.

INITIAL MEASUREMENT

Financial assets are initially measured at their fair value plus transaction costs. Transaction costs of financial assets carried at fair value through income statement are recognised in the consolidated statement of income. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows meet the requirements as solely payment of principal and interest.

SUBSEQUENT MEASUREMENT

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (Debt Instruments)
Financial assets at amortised cost are subsequently measured using the Effective Interest Rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.
- Financial assets at 'Fair Value through Other Comprehensive Income' ("FVOCI") with recycling of cumulative gains and losses (Debt Instruments).
For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the consolidated statement of income and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon de-recognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon de-recognition (Equity Instruments)

SABIC measures all equity investments at fair value and presents changes in fair value of equity investments in OCI. Dividends from such investments continue to be recognised in the consolidated statement of income as other income when the SABIC's right to receive payments is established. Gains and losses on these financial assets are never recycled to the consolidated statement of income. These investments were irrevocably designated at fair value through OCI as the Group considers these investments to be strategic in nature.

All amounts in thousands of Saudi Riyals unless otherwise stated.

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

6.10 FINANCIAL ASSETS (CONTINUED)

- Financial assets at FVIS

Financial assets that do not meet the criteria for subsequent recognition at amortised cost or FVOCI, are measured at FVIS. A gain or loss on a debt investment that is subsequently measured at fair value through the income statement and which is not part of a hedging relationship is recognised and presented net in the consolidated statement of income in the period in which it arises.

DE-RECOGNITION

A financial asset or a part of a financial asset is de-recognised when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either:
 - The Group has transferred substantially all the risks and rewards of the asset; or
 - The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

IMPAIRMENT

Management assesses on a forward-looking basis the Expected Credit Losses ("ECL") associated with its debt instruments as part of its financial assets, which are carried at amortised cost and FVOCI.

The ECL is based on a 12-month ECL or a lifetime ECL. The 12-month ECL results from default events on a financial instrument that are possible within 12 months after the reporting date. When there has been a significant increase in credit risk since initial recognition, the allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (the lifetime ECL).

For trade receivables, management applies the simplified approach in calculating ECL's. Therefore, management does not track changes in credit risk, but instead recognised a loss allowance base on lifetime ECL's at each reporting date. Management has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

6.11 FINANCIAL LIABILITIES

INITIAL RECOGNITION AND MEASUREMENT

Financial liabilities are classified under either of the below two classes:

- Financial liabilities at FVIS; and
- Other financial liabilities measured at amortised cost using the EIR method.

The category of financial liability at FVIS has two sub-categories:

- Designated: A financial liability that is designated by the entity as a liability at FVIS upon initial recognition; and
- Held for trading: A financial liability classified as held for trading, such as an obligation for securities borrowed in a short sale, which have to be returned in the future. This category also includes derivative financial instruments

entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are classified as held for trading.

All financial liabilities are recognised initially when the Group becomes party to contractual provisions and obligations under the financial instrument. The liabilities are recognised at fair value, and in the case of loans and borrowings and payables, the proceeds received net of directly attributable transaction costs.

SUBSEQUENT MEASUREMENT

Financial liabilities at FVIS continue to be recognised at fair value with changes being recognised in the consolidated statement of income.

For other financial liabilities, including loans and borrowings, after initial recognition, these are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the consolidated statement of income when the liabilities are de-recognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR method. The EIR amortisation is included as finance costs in the consolidated statement of income.

TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 30 to 60 days of recognition. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

All amounts in thousands of Saudi Riyals unless otherwise stated.

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

6.11 FINANCIAL LIABILITIES (CONTINUED)

FINANCIAL GUARANTEE CONTRACTS

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value adjusted for transaction costs that are directly attributable to the issuance of the guarantee. The fair value of financial guarantee is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligation.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

DE-RECOGNITION

A financial liability is de-recognised when the obligation under the liability is settled or discharged. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of income.

6.12 OPTIONS AND FORWARD CONTRACTS ON (OWN) EQUITY INSTRUMENTS

Call and put options on equity instruments are derivative financial instruments to be recognised at fair value through income statement. When there are call or put options on an entity's equity instruments controlled by the shareholder, the shareholder is assumed to have options on its own equity instruments with specific recognition requirements. Due to the nature of the stipulations in (option) agreements, the shareholder has no present ownership interest in the shares subject to these options and therefore, a non-controlling interest will be recognised.

PUT AND CALL OPTIONS

Put options are recognised at the present value of the best estimated amount to be paid at the end of the agreement. Call options are recognised at their fair value. Subsequent re-measurement of put and call options will be recognised through statement of income as financial income and expense. Put and call options offer contract parties the right to exercise them or to refrain from exercising the option rights.

If put options are being exercised, the financial liability, as re-measured immediately before the transaction, is extinguished by payment of the exercise price and the non-controlling interest purchased is derecognised against equity attributable to the owners of the parent. If the put option expires unexercised, the financial liability is reclassified to retained earnings.

If call options are being exercised, the fair value of the call option will be recognised as part of the consideration paid for the acquisition of the non-controlling interest. If call option expires unexercised, it is derecognised through income statement as a finance expense.

FORWARD SHARE PURCHASE CONTRACTS

Forward share purchase contract are commitments to purchase the shares subject to the contract stipulations in due time. Therefore, the present value of the best estimated amount to be paid at the end of the agreement is recognised as a liability. The subsequent movement in liability is recognised in the consolidated statement of income.

6.13 OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount is disclosed in the consolidated statement of financial position if there is a currently enforceable legal right to offset recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

6.14 INVENTORIES

Inventories include raw materials, work in progress, finished goods, and consumables, spare parts and are measured at the lower of cost i.e. historical purchase prices based on the weighted average principle plus directly attributable costs and the net realisable value. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Inventories of work in progress and finished goods include cost of materials, labour and an appropriate proportion of direct overheads.

6.15 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at banks and fixed term deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. Fixed term deposits with an original maturity of greater than three months but less than twelve-months, are included as part of short-term investments.

All amounts in thousands of Saudi Riyals unless otherwise stated.

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

6.15 CASH AND CASH EQUIVALENTS (CONTINUED)

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and fixed term deposits, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

6.16 CASH DIVIDEND PAID TO EQUITY HOLDERS OF THE PARENT

The Group recognises a liability for cash dividend distribution to equity holders of the Parent when the distribution is authorised and the distribution is no longer at the discretion of the Group. In accordance with the Companies Law in KSA, a distribution is authorised when it is approved by the shareholders. Interim dividends, if any, are recognised when approved by the Board of Directors. A corresponding amount is recognised directly in the consolidated statement of changes in equity.

6.17 PROVISIONS

Provisions are recognised when the Group has a present obligation, either legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

ENVIRONMENTAL AND REMEDIATION COSTS

In accordance with the Group's environmental policy and applicable legal requirements, the Group recognises a provision when the amount of cash outflow can be reasonably estimated. Environmental and remedial provisions are recognised for expected costs of environmental remediation and rehabilitating contaminated sites across the regions.

ONEROUS CONTRACTS

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost meeting its obligation under the contract. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

ASSET DEMOLISHING AND SITE RESTORATION COSTS

The Group recognises a provision for demolishing costs of manufacturing facilities when an obligation exists. Demolition costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax risk free rate that reflects the risks specific to this liability. The unwinding of the discount is expensed as incurred and recognised in the consolidated statement of income as finance cost. The estimates for this provision is reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

6.18 EMPLOYEE BENEFITS

LONG-TERM EMPLOYEE BENEFITS OBLIGATIONS

Long-term employee benefit obligations are measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method and recognised as non-current liabilities. Consideration is given to expected future salary increase and historic attrition rates. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate or government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Re-measurements as a result of changes in actuarial assumptions are recognised in the consolidated statement of comprehensive income. The Group offers various post-employment schemes, including both defined contribution and defined benefit plans, and post-employment medical and life insurance plans for eligible employees and their dependents.

DEFINED CONTRIBUTION PLANS

A defined contribution plan is a post-employment benefit plan under which the Group pays contributions into a separate entity, trust or fund, and has no other legal or constructive obligation. The contributions are recognised as employee benefit expense in the consolidated statement of income when they are due.

DEFINED BENEFIT PLANS

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group primarily has end of service benefits, defined benefit pension plans and post-retirement medical and life insurance plans, which qualify as defined benefit plans.

All amounts in thousands of Saudi Riyals unless otherwise stated.

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

6.18 EMPLOYEE BENEFITS (CONTINUED)

END OF SERVICE BENEFITS AND PENSION PLANS

In KSA, for the liability for employees' end of service benefits, the actuarial valuation process takes into consideration the provisions of the Saudi Labour Law as well as the Group's policy. In other countries, the respective labour laws are taken into consideration.

The net pension asset or liability recognised in the consolidated statement of financial position in respect of defined benefit post-employment plans is the present value of the projected Defined Benefits Obligation ("DBO") less the fair value of plan assets at reporting date, if any.

When the fair value of plan assets exceeds the DBO, the Group assesses whether asset ceiling should be applied; if not, the net balance will be presented as other non-current financial assets.

DBO is re-measured on a periodic basis by independent actuaries using the projected unit credit method. The present value of the DBO is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used. The net interest cost are calculated by applying the discount rate to the net balance of the DBO and the fair value of plan assets.

Service costs are calculated, using the actuarially determined cost rate at the end of the prior year, adjusted for significant market fluctuations and for any significant one-off events, such as plan amendments, curtailments and settlements. In the

absence of such significant market fluctuations and one-off events, the actuarial liabilities are rolled forward based on the assumptions as at the beginning of the year. If there are significant changes to the assumptions or arrangements during the year, consideration is given to re-measure such liabilities and the related costs.

Re-measurement gains and losses arising from changes in actuarial assumptions are recognised in the period in which they occur in OCI. Changes in the present value of the DBO resulting from plan amendments or curtailments are recognised immediately in the consolidated statement of income as past service costs.

When the benefit plans are amended, the portion of the change in benefit relating to the past service by employees is recognised as an expense or income; if applicable, on a straight-line basis over the average period until the benefits become vested in the consolidated statement of income. To the extent that benefits vest immediately, the expense or income, if applicable is recognised immediately in the consolidated statement of income.

Current and past service costs related to post-employment benefits are recognised immediately in the consolidated statement of income while unwinding of the liability at discount rates used are recognised as financial cost. Any changes in net liability due to actuarial valuations and changes in assumptions are taken as re-measurement in OCI.

EMPLOYEE SAVING PLAN

The Group operates a saving plan to encourage its Saudi employees to make savings. The saving contributions from the participants are deposited in a separate bank account other than the Company's normal operating bank accounts. Employee saving plan represents the contribution made by the employee and SABIC in accordance with the Group HR policy and is presented as current liabilities.

EMPLOYEE HOME OWNERSHIP PROGRAM ("HOP")

Certain companies within the Group have established employee's HOP that offer eligible employees the opportunity to buy residential units constructed by these subsidiaries through a series of payments over a particular number of years. Ownership of the houses is transferred upon completion of full payment.

Under the HOP, the amounts paid by the employee towards the house are repayable back to the employee in case the employee discontinues employment and the house is returned back to the Group. HOP is recognised as a non-current prepayment asset at time the residential units are allocated to the employees and are amortised over the repayment period of the facility due from employees.

EMPLOYEE HOME LOAN PROGRAM ("HLP")

The Group provides interest free home loan to its eligible employees for purposes related to purchase or building of a house or apartment. The loan is repaid in monthly instalment by deduction of employee's pay.

HLP is recognised as a non-current financial asset initially at fair value and subsequently measured at amortised cost using the EIR method. The difference between the fair value and the actual amount of cash given to the employee is recognised as a "non-current prepaid employee benefit" and is amortised as an expense equally over the period of service. The same amount is also amortised as finance income against the receivables from employees.

6.19 REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. Revenue arrangements are assessed against specific criteria to determine whether the Group is acting as a principal or agent.

All amounts in thousands of Saudi Riyals unless otherwise stated.

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

6.19 REVENUE RECOGNITION (CONTINUED)

For certain revenue contracts, an intermediary is used to provide the goods and services. The Group assesses whether it is an agent or principal in these arrangements. The Group acts as a principal when it controls the specified good or service prior to transfer. When the Group acts as a principal the revenue recognised is the gross amount billed. Certain other arrangements with certain customer are such that the Group's responsibility is to arrange for a third party to provide a specified good or service to the client. If the Group is acting as an agent and does not control the relevant good or service before it is transferred to the customer. If the Group is acting as an agent, the revenue is recognised at the net amount retained.

SALES REVENUE

The Group recognises revenue when control of the products sold, transfers to the customer, which shall be considered in the context of a five-step approach and applying the applicable shipping terms.

RIGHTS OF RETURN

When a contract with a customer provides a right of return of the good within a specified period, the Group accounts for the right of return when requested by the customer and contractual conditions are met.

ALLOCATION OF PERFORMANCE OBLIGATIONS

In certain instances, the Group determines delivery services as separately identifiable and distinct from the sale of goods. These are when the Group transfers control of goods at

the Group's loading site and provides delivery services to the buyer's site. The Group allocates a portion of the total transaction price to delivery services based on a best estimate of a similar stand-alone service.

PROVISIONAL PRICING

Certain revenue contracts with customers include provisional pricing at the time of shipment. Initially, revenue on these contracts is recognised based on the estimate of the final price at the time control is transferred to the customer. The final pricing is based on the actual average market indexed price. Any difference between the estimate and the final price is recognised as a change in fair value of the related receivables, as part of revenue, in the consolidated statement of income. The associated trade receivables related to contracts with provisional pricing arrangements are subsequently measured at FVIS.

VARIABLE PRICING – VOLUME REBATES

The Group provides retrospective volume rebates to its customers on products purchased by the customer once the quantity of products purchased during the period exceeds a threshold specified in the contract. The Group estimates the expected volume rebates using a prudent assessment of the expected amount of rebates, reviewed and updated on a regular basis. These amounts will subsequently be repaid in cash to the customer or are offset against amounts payable by the customer, if allowed by the contract.

Volume rebates give rise to variable consideration. The Group considers the "most likely amount" method to be the best estimate of this variable consideration.

RENDERING OF SERVICES

LOGISTIC SERVICES

In certain instances, the Group provides the delivery services for goods sold based on the C-class incoterms. The service is considered as a separate performance obligation. The separate transaction price is not explicitly available in the contract and SABIC uses estimation method to allocate the transaction price to such performance obligation. The estimation is based on standalone selling price. This service is satisfied over the period of delivery.

RENTAL INCOME

The Group also provides services pertaining to storage and warehousing as well as terminal services for some of the goods handled by Group Companies. Rental income from these arrangements is recognised on systematic basis over the contract term.

6.20 RESEARCH AND DEVELOPMENT EXPENSES

Research and development ("R&D") activities include expenses to:

- develop and improve our existing materials, products, solutions and processes,
- improve ecological footprint

These activities focus on delivering differentiated and sustainable product and application solutions and sustainable cost-advantaged process innovation to meet the needs of our customers and the value chain over the near, mid-, and long term horizon.

All amounts in thousands of Saudi Riyals unless otherwise stated.

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

6.21 FINANCE INCOME

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as investments in equity instruments at FVOCI, finance income is recognised using the EIR. EIR is the rate that discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

6.22 FINANCE COST

Finance expense is recognised for interest portion paid to the lender of all financial instruments measured at amortised cost. Finance expense is also recognised for the time value of money considered while discounting the liability to its present value. The finance expense is recognised using the EIR for liabilities measured at amortised cost. EIR is the rate that discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial liability. Typical financial instruments include bonds, conventional notes, murabaha, etc. Additionally, the finance expense also includes time value of money for all the lease liabilities recognised. For the purpose of consolidated statement of cash flows, finance cost paid is presented as part of the operating activities.

6.23 DISPOSAL GROUPS HELD FOR SALE AND DISCONTINUED OPERATIONS

A discontinued operation is a component of the entity that has been classified as held for sale and that represents a separate major line of business and is part of a single co-ordinated plan to dispose of such a line of business. Group of non-current assets under such discontinued operation, referred as disposal group is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. The held for sale classification also includes investments that meets the criteria of IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'. Such disposal group is measured at the lower of the carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the disposal group to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of the disposal group, but not in excess of any cumulative impairment loss previously recognised. Non-current assets that are part of a disposal group are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

The assets of a disposal group classified as held for sale are presented separately from the other assets in consolidated statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated statement of financial position. The results of discontinued operations are presented separately in the consolidated statement of income.

All amounts in thousands of Saudi Riyals unless otherwise stated.

7. PROPERTY, PLANT AND EQUIPMENT

	For the year ended 31 December 2024					
	Land and buildings	Plant and equipment (i)	Furniture and fixtures	Vehicles	Assets under construction	Total
Cost:						
As at the beginning of the year	28,495,745	256,591,969	1,048,873	662,483	14,284,682	301,083,752
Additions	60,503	2,390,320	14,719	10,850	8,027,071	10,503,463
Transfers (ii)	187,163	4,916,685	39,718	34,589	(5,250,572)	(72,417)
Disposals and retirements	(35,171)	(1,386,270)	(5,771)	(2,594)	(43,118)	(1,472,924)
Reclassified to assets held for sale	(48,825)	(913,335)	(1,541)	(2,125)	(8,305)	(974,131)
Foreign currency translation adjustment	(297,616)	(1,407,022)	(9,233)	(791)	(158,846)	(1,873,508)
As at the end of the year	28,361,799	260,192,347	1,086,765	702,412	16,850,912	307,194,235
Accumulated depreciation and impairment:						
As at the beginning of the year	(14,570,862)	(169,075,725)	(761,804)	(452,465)	(1,100,317)	(185,961,173)
Charge for the year	(823,074)	(10,531,954)	(91,433)	(48,188)	-	(11,494,649)
Transfers (ii)	(2,692)	33,956	(477)	254	(31,041)	-
Impairment and write-offs	(54,066)	(25,390)	-	-	(530,531)	(609,987)
Disposals and retirements	33,944	1,358,739	5,583	2,586	36	1,400,888
Reclassified to assets held for sale	36,151	664,357	1,342	1,888	25	703,763
Foreign currency translation adjustment	234,308	1,096,169	6,566	759	9,696	1,347,498
As at the end of the year	(15,146,291)	(176,479,848)	(840,223)	(495,166)	(1,652,132)	(194,613,660)
Net book value:						
As at 31 December 2024	13,215,508	83,712,499	246,542	207,246	15,198,780	112,580,575
As at 1 January 2024	13,924,883	87,516,244	287,069	210,018	13,184,365	115,122,579

(i) Property, plant and equipment includes assets leased to related and third parties. The opening and closing cost of these leased assets amounted to ₪ 2,453 million and ₪ 2,453 million respectively whereas, the opening and closing accumulated depreciation amounted to ₪ 839 million and ₪ 968 million respectively. The movement during the year mainly related to depreciation charge for the year amounting to ₪ 129 million.

(ii) Transfers represent the capitalisation of assets under construction, transfers to intangible assets and transfers of HOP related assets to "Other assets and receivables" within non-current assets and are non-cash in nature.

All amounts in thousands of Saudi Riyals unless otherwise stated.

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	For the year ended 31 December 2023					
	Land and buildings	Plant and equipment (i)	Furniture and fixtures	Vehicles	Assets under construction	Total
Cost:						
As at the beginning of the year	31,900,190	270,377,143	1,153,531	726,232	13,670,959	317,828,055
Additions	267,259	3,576,231	1,377	2,826	6,649,878	10,497,571
Transfers (ii)	277,561	5,420,012	12,252	49,849	(5,329,901)	429,773
Disposals and retirements	(228,598)	(2,514,369)	(69,824)	(47,523)	(82,216)	(2,942,530)
Reclassified to assets held for sale	(3,867,922)	(21,404,347)	(49,814)	(69,270)	(741,366)	(26,132,719)
Foreign currency translation adjustment	147,255	1,137,299	1,351	369	117,328	1,403,602
As at the end of the year	28,495,745	256,591,969	1,048,873	662,483	14,284,682	301,083,752
Accumulated depreciation and impairment:						
As at the beginning of the year	(16,076,318)	(172,978,841)	(806,122)	(457,270)	(712,504)	(191,031,055)
Charge for the year	(877,081)	(11,416,095)	(68,120)	(53,388)	-	(12,414,684)
Transfers (ii)	935	(841,823)	(1,441)	(46,135)	-	(888,464)
Impairment and write-offs	(104,692)	(1,361,955)	-	-	(377,775)	(1,844,422)
Disposals and retirements	228,319	2,484,186	65,162	47,523	-	2,825,190
Reclassified to assets held for sale	2,362,805	15,836,860	49,758	57,167	-	18,306,590
Foreign currency translation adjustment	(104,830)	(798,057)	(1,041)	(362)	(10,038)	(914,328)
As at the end of the year	(14,570,862)	(169,075,725)	(761,804)	(452,465)	(1,100,317)	(185,961,173)
Net book value:						
As at 31 December 2023	13,924,883	87,516,244	287,069	210,018	13,184,365	115,122,579
As at 1 January 2023	15,823,872	97,398,302	347,409	268,962	12,958,455	126,797,000

(i) Property, plant and equipment includes assets leased to related and third parties. The opening and closing cost of these leased assets amounted to ₪ 2,453 million and ₪ 2,453 million respectively whereas, the opening and closing accumulated depreciation amounted to ₪ 704 million and ₪ 839 million respectively. The movement during the year mainly related to depreciation charge for the year amounting to ₪ 135 million.

(ii) Transfers represent the capitalisation of assets under construction, transfers to intangible assets and transfers of HOP related assets to "Other assets and receivables" within non-current assets and are non-cash in nature. In addition, it includes reclassification of certain assets classes between cost and accumulated depreciation. This change has no impact on the total reported carrying values or depreciation expense.

ALLOCATION OF DEPRECIATION CHARGE

	For the years ended 31 December	2024	2023
Cost of sales		10,704,845	11,039,638
General and administrative expenses		562,990	452,161
Research and development expenses		186,272	186,177
Selling and distribution expenses		40,542	39,364
		11,494,649	11,717,340
Reclassified to discontinued operation		-	697,344
		11,494,649	12,414,684

LAND AND BUILDINGS

Land and buildings include an amount of ₪ 2,251 million as at 31 December 2024 (2023: ₪ 2,122 million) representing the cost of freehold land.

ASSETS UNDER CONSTRUCTION

Assets under construction mainly represents the expansion of existing plants and new projects being executed by certain legal entities. The related capital commitments are reported in Note 39.

CAPITALISED BORROWING COSTS

The borrowing cost capitalised during the year ended 31 December 2024 amounted to nil (2023: ₪ 18 million). The Group used the capitalisation rate of 4.5% in 2023 to determine the amount of borrowing costs eligible for capitalisation.

All amounts in thousands of Saudi Riyals unless otherwise stated.

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

PLEGDED PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment of certain subsidiaries in the KSA are pledged to the Saudi Industrial Development Fund ("SIDF") as security for its term loans amounting to ₪ 23,883 million (2023: ₪ 25,739 million).

IMPAIRMENT AND WRITE-OFFS OF PLANT AND EQUIPMENT

IMPAIRMENT

During the year ended 31 December 2024, as a result of the changed global market conditions which affected the profitability of the related Cash Generating Units (CGUs), management performed a detailed impairment assessment of its underperforming CGUs. As a result of such assessment, the value of recoverable amount is higher than the value of carrying amount. With respect to the assessment of the value in use, management believes that reasonably possible changes in its used assumptions would not cause the carrying value of its CGUs to exceed its recoverable amount.

During the year ended 31 December 2023, impairment losses were ₪ 1,467 million, the impairment mainly related to certain Polymers assets in the Petrochemicals segment in the European and Americas regions amounting to ₪ 941 million and one production line in the Cartagena industrial complex was permanently suspended, leading to an impairment loss of ₪ 328 million. The value in use of the respective cash generating unit in 2023 was calculated based on post-tax WACC rate of 8.5%, pre-tax WACC rate of 10.2% and a growth rate of 2.4%.

WRITE-OFF

During the year ended 31 December 2024, write-off of ₪ 531 million (2023: ₪ 378 million) was recorded related to an impairment provision of certain capital assets.

8. RIGHT-OF-USE ASSETS

For the year ended 31 December 2024

	Land and buildings (i)	Plant and equipment	Storage and tanks	Vessels and vehicles	Total
Cost:					
As at the beginning of the year	3,719,757	2,299,920	1,222,781	2,914,706	10,157,164
Additions (ii)	120,612	102,010	73,456	548,790	844,868
Re-measurement (ii)	(188,401)	–	–	–	(188,401)
Disposals and retirements (ii)	(91,655)	(190,368)	(72,563)	(555,582)	(910,168)
Reclassified to assets held for sale	(117,916)	(59,942)	(1,183)	(1,764)	(180,805)
Foreign currency translation adjustment	(40,282)	(16,001)	(57,604)	(57,255)	(171,142)
As at the end of the year	3,402,115	2,135,619	1,164,887	2,848,895	9,551,516
Accumulated depreciation and impairment:					
As at the beginning of the year	(1,002,031)	(1,179,529)	(802,129)	(1,594,903)	(4,578,592)
Charge for the year	(302,153)	(170,420)	(187,539)	(495,278)	(1,155,390)
Impairment	–	(21,396)	–	–	(21,396)
Disposals and retirements	110,702	186,797	67,196	544,576	909,271
Reclassified to assets held for sale	13,040	4,941	158	664	18,803
Foreign currency translation adjustment	16,189	11,764	43,117	40,261	111,331
As at the end of the year	(1,164,253)	(1,167,843)	(879,197)	(1,504,680)	(4,715,973)
Net book value:					
As at 31 December 2024	2,237,862	967,776	285,690	1,344,215	4,835,543
As at 1 January 2024	2,717,726	1,120,391	420,652	1,319,803	5,578,572

(i) The land on which plant and related facilities of certain subsidiaries in KSA are constructed are leased from the Royal Commission for Jubail and Yanbu, an agency of Saudi Arabian government. The Group has similar kind of arrangements and terms for some of its major sites in Europe.

(ii) Additions, re-measurement and disposals and retirements are non-cash in nature.

All amounts in thousands of Saudi Riyals unless otherwise stated.

8. RIGHT-OF-USE ASSETS (CONTINUED)

	For the year ended 31 December 2023				
	Land and buildings (i)	Plant and equipment	Storage and tanks	Vessels and vehicles	Total
Cost:					
As at the beginning of the year	4,128,298	2,621,724	1,060,069	3,031,244	10,841,335
Additions (ii)	411,913	81,025	153,925	478,449	1,125,312
Re-measurement (ii)	81,913	–	–	–	81,913
Disposals and retirements (ii)	(389,985)	(66,573)	(21,151)	(611,539)	(1,089,248)
Reclassified to assets held for sale	(531,043)	(346,890)	–	(14,752)	(892,685)
Foreign currency translation adjustment	18,661	10,634	29,938	31,304	90,537
As at the end of the year	3,719,757	2,299,920	1,222,781	2,914,706	10,157,164
Accumulated depreciation and impairment:					
As at the beginning of the year	(1,089,803)	(1,256,174)	(597,100)	(1,591,539)	(4,534,616)
Charge for the year	(340,070)	(194,655)	(207,056)	(607,036)	(1,348,817)
Disposals and retirements	297,225	66,315	21,006	607,688	992,234
Reclassified to assets held for sale	137,218	211,148	–	11,371	359,737
Foreign currency translation adjustment	(6,601)	(6,163)	(18,979)	(15,387)	(47,130)
At the end of the year	(1,002,031)	(1,179,529)	(802,129)	(1,594,903)	(4,578,592)
Net book value:					
As at 31 December 2023	2,717,726	1,120,391	420,652	1,319,803	5,578,572
As at 1 January 2023	3,038,495	1,365,550	462,969	1,439,705	6,306,719

(i) The land on which plant and related facilities of certain subsidiaries in KSA are constructed are leased from the Royal Commission for Jubail and Yanbu, an agency of Saudi Arabian government. The Group has similar kind of arrangements and terms for some of its major sites in Europe.

(ii) Additions, re-measurement and disposals and retirements are non-cash in nature.

ALLOCATION OF DEPRECIATION CHARGE

	For the years ended 31 December	2024	2023
Cost of sales		571,905	629,081
General and administrative expenses		203,258	233,390
Research and development expenses		21,505	20,979
Selling and distribution expenses		358,722	408,416
		1,155,390	1,291,866
Reclassified to discontinued operation		–	56,951
		1,155,390	1,348,817

All amounts in thousands of Saudi Riyals unless otherwise stated.

9. INTANGIBLE ASSETS

	For the year ended 31 December 2024					
	Goodwill (i)	Software and IT development	Licenses	Others	Intangibles under development	Total
Cost:						
As at the beginning of the year	17,937,205	1,903,021	9,117,052	409,837	180,548	29,547,663
Additions	–	11,891	4,414	17,711	89,393	123,409
Transfers (ii)	–	43,081	24,924	8,810	(69,096)	7,719
Disposals and retirements	–	(746,713)	(8,017)	–	–	(754,730)
Reclassified to assets held for sale	–	(197)	(81,022)	(679)	–	(81,898)
Foreign currency translation adjustment	(264,867)	(20,849)	(78,415)	(451)	–	(364,582)
As at the end of the year	17,672,338	1,190,234	8,978,936	435,228	200,845	28,477,581
Accumulated amortisation and impairment:						
As at the beginning of the year	–	(1,786,509)	(7,886,281)	(82,996)	(28,868)	(9,784,654)
Charge for the year	–	(25,342)	(311,211)	(22,513)	–	(359,066)
Disposals and retirements	–	746,674	7,568	–	–	754,242
Impairment	–	–	(21,670)	–	(67,306)	(88,976)
Reclassified to assets held for sale	–	197	80,456	678	–	81,331
Foreign currency translation adjustment	–	20,255	40,360	560	–	61,175
As at the end of the year	–	(1,044,725)	(8,090,778)	(104,271)	(96,174)	(9,335,948)
Net book value:						
As at 31 December 2024	17,672,338	145,509	888,158	330,957	104,671	19,141,633
As at 1 January 2024	17,937,205	116,512	1,230,771	326,841	151,680	19,763,009

(i) This includes goodwill amounting to ₪ 8,888 million as a result of exercising option to purchase the remaining shares held by another investor in some of the SABIC subsidiaries, out of which ₪ 3,186 million related to Saudi Petrochemical Company (“SADAF”) and ₪ 5,702 million related to Saudi Methanol Company (“AR-RAZI”). Effective 1 October 2019, SADAF merged with Arabian Petrochemical Company (“PETROKEMYA”).

(ii) Includes transfers within intangible assets, transfers from property, plant and equipment and transfers from/to other assets, which are non-cash in nature.

All amounts in thousands of Saudi Riyals unless otherwise stated.

9. INTANGIBLE ASSETS (CONTINUED)

For the year ended 31 December 2023

	Goodwill (i)	Software and IT development	Licenses	Others	Intangibles under development	Total
Cost:						
As at the beginning of the year	17,713,384	1,919,537	9,248,575	423,328	158,764	29,463,588
Additions	–	113	14,860	–	21,784	36,757
Transfers (ii)	–	857	3,152	(13,226)	–	(9,217)
Disposals and retirements	–	(28,445)	(13,883)	–	–	(42,328)
Reclassified to assets held for sale	–	–	(166,613)	–	–	(166,613)
Foreign currency translation adjustment	223,821	10,959	30,961	(265)	–	265,476
As at the end of the year	17,937,205	1,903,021	9,117,052	409,837	180,548	29,547,663
Accumulated amortisation and impairment:						
As at the beginning of the year	–	(1,780,253)	(7,613,709)	(27,994)	(28,868)	(9,450,824)
Charge for the year	–	(24,287)	(404,956)	(63,991)	–	(493,234)
Disposals and retirements	–	28,424	11,450	9,135	–	49,009
Reclassified to assets held for sale	–	–	146,048	–	–	146,048
Foreign currency translation adjustment	–	(10,393)	(25,114)	(146)	–	(35,653)
As at the end of the year	–	(1,786,509)	(7,886,281)	(82,996)	(28,868)	(9,784,654)
Net book value:						
As at 31 December 2023	17,937,205	116,512	1,230,771	326,841	151,680	19,763,009
As at 1 January 2023	17,713,384	139,284	1,634,866	395,334	129,896	20,012,764

(i) This includes goodwill amounting to ₪ 8,888 million as a result of exercising option to purchase the remaining shares held by another investor in some of the SABIC subsidiaries, out of which ₪ 3,186 million related to Saudi Petrochemical Company ("SADAF") and ₪ 5,702 million related to Saudi Methanol Company ("AR-RAZI"). Effective 1 October 2019, SADAF merged with Arabian Petrochemical Company ("PETROKEMYA").

(ii) Includes transfers within intangible assets, transfers from property, plant and equipment and transfers from/to other assets, which are non-cash in nature.

ALLOCATION OF AMORTISATION CHARGE

	2024	2023
Cost of sales	64,615	93,138
General and administrative expenses	268,876	375,963
Research and development expenses	24,020	12,232
Selling and distribution expenses	1,555	2,563
	359,066	483,896
Reclassified to discontinued operation	–	9,338
	359,066	493,234

GOODWILL

Goodwill has been allocated to the Group's operating segments that represent its CGUs at which the goodwill is managed. For goodwill impairment testing, these CGUs are Petrochemicals and Specialties. The goodwill allocated to Petrochemicals amounts to ₪ 15,028 million (2023: ₪ 15,229 million) and for Specialties CGU amounts to ₪ 2,644 million (2023: ₪ 2,708 million).

The post-tax WACC rate applied at Group's level is 8.8% for Petrochemicals (2023: 9.2%) and for Specialties 8.75%

(2023: 8.75%). The pre-tax WACC rate is 9.6% (2023: 11.3%) for Petrochemicals and 10.6% (2023: 10.5%) for Specialties.

All amounts in thousands of Saudi Riyals unless otherwise stated.

9. INTANGIBLE ASSETS (CONTINUED)

GOODWILL (CONTINUED)

The WACC is calculated based on long-term moving monthly average assumptions that reflect market assessments of the risk specific to each CGU. Segment specific risk is incorporated by applying average beta factors. The beta factors are evaluated annually based on publicly available market data of SABIC's peers. The average effective zakat rate is assumed to be 3%

(2023: 3%) for MEA region and the average effective tax rate is assumed to be 23%-26% (2023: 24%-26%) for rest of the world. The cash flow projections are derived from the respective business plans covering a period of 5 years. Cash flow projections beyond the five-year business plan are extrapolated taking into account an assumed growth rate of 2.4% (2023: 2.4%) for Petrochemicals and 2.4% (2023: 2.4%) for Specialties.

No impairment loss was recognised for 2024 and 2023 respectively.

With respect to the assessment of the value in use, management believes that a reasonably possible change in its used assumptions would not cause the carrying value of its goodwill to exceed its recoverable amount.

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The table below outlines the Group's investments in associates:

	Ownership %	Place of business/ country of incorporation	Nature of activities	31 December 2024	31 December 2023
Clariant AG ("CLARIANT") (refer Note 10.1)	31.50	Switzerland	Specialty Chemical	5,687,701	7,520,449
Ma'aden Phosphate Company ("MPC")	30.00	KSA	Agri-Nutrients	4,036,409	3,763,486
Ma'aden Wa'ad Al Shamal Phosphate Company ("MWSPC")	15.00	KSA	Agri-Nutrients	2,300,311	2,205,971
Power and Water Utilities Company for Jubail and Yanbu ("MARAFIQ")	17.50	KSA	Utilities	1,455,220	1,414,926
Gulf Petrochemical Industries Company ("GPIC") (iii)	33.33	Bahrain	Agri-Nutrients, Petrochemicals	997,158	985,413
National Chemical Carrier Company ("NCC")	20.00	KSA	Transportation	709,080	562,704
Saudi Arabian Industrial Investment Company ("DUSSUR")	25.00	KSA	Investments	620,252	540,996
ARG mbH & Co KG ("ARG") entities	25.00	Germany	Transportation	128,933	171,117
Nusaned Fund I, Nusaned Fund II	50.00, 60.00	KSA	Equity Investments	39,656	38,701
German Pipeline Development Company GMBH ("GPDC")	39.00	Germany	Transportation	33,914	33,141
Aluminium Bahrain B.S.C. ("Alba")	20.62	Bahrain	Aluminium	-	3,664,441
Gulf Aluminium Rolling Mill Company ("GARMCO")	14.90	Bahrain	Aluminium	-	9
				16,008,634	20,901,354

(i) Determination of the classification of these investments as associates is based on underlying agreements and constitutive documents.

(ii) During the year, the group classified its investment in Alba as 'assets held for sale' (refer Note 35.1).

(iii) GPIC is owned 33.33% by SABIC Agri-Nutrients Company (known as "SABIC AN") and SABIC's effective share is 16.70%.

All amounts in thousands of Saudi Riyals unless otherwise stated.

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

The table below outlines the Group's investments in joint ventures:

	Ownership %	Place of business/ country of incorporation	Nature of activities	31 December 2024	31 December 2023
Al-Jubail Petrochemical Company ("KEMYA")	50.00	KSA	Petrochemicals	5,429,981	5,854,859
Eastern Petrochemical Company ("SHARQ")	50.00	KSA	Petrochemicals	4,482,082	4,830,729
Saudi Yanbu Petrochemical Company ("YANPET")	50.00	KSA	Petrochemicals	2,804,067	2,953,068
Sinopec Sabic Tianjin Petrochemical Company ("SSTPC")	50.00	China	Petrochemicals	2,702,316	3,238,476
ETG Inputs Holdco Limited ("EIHL") (refer Note 10.2) (ii)	49.00	UAE	Agri-Nutrients	1,200,854	1,266,222
SABIC Fujian Petrochemicals Co., Ltd. ("FUJIAN")	51.00	China	Petrochemicals	1,152,017	477,628
Sabic SK Nexlene Company Pte. Ltd. ("SSNC")	50.00	Singapore	Petrochemicals	742,557	849,623
Cosmar Company ("COSMAR")	50.00	USA	Petrochemicals	522,916	444,516
Utility Support Group B.V. ("USG")	50.00	Netherlands	Utilities	306,356	299,213
SABIC Plastic Energy Advanced Recycling BV ("SPEAR")	50.00	Netherlands	Petrochemicals	77,008	94,962
Isotopes Company ("IHC")	13.44	KSA	Machinery Equipment	6,997	6,493
Saudi Pallet Manufacturing Company ("SPMC")	38.00	KSA	Logistics	-	20,158
				19,427,151	20,335,947
				35,435,785	41,237,301

(i) Determination of the classification of these investments as joint venture is based on underlying agreements and constitutive documents.

(ii) SABIC made investment of ₪ 1,208 million in EIHL during the year ended 31 December 2023. EIHL is owned 49.00% by SABIC Agri-Nutrients Company (known as "SABIC AN") and SABIC's effective share is 25.55%.

All amounts in thousands of Saudi Riyals unless otherwise stated.

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

The movement of investments in associates is as follows:

	CLARIANT	MPC	ALBA	MWSPC	MARAFIQ	GPIC	NCC	DUSSUR	ARG	NUSANED FUNDS	GPDC	GARMCO	Total
As at 1 January 2024	7,520,449	3,763,486	3,664,441	2,205,971	1,414,926	985,413	562,704	540,996	171,117	38,701	33,141	9	20,901,354
Capital contribution	-	-	-	-	-	-	-	137,500	-	13,474	-	-	150,974
Share of results (i)	208,251	531,673	278,753	94,340	56,079	92,468	206,376	(58,244)	24,432	(9,140)	2,790	-	1,427,778
Impairment and fair value remeasurement loss (refer Notes 10.1 and 35.1)	(1,170,336)	-	(200,634)	-	-	-	-	-	-	-	-	-	(1,370,970)
Movements in OCI	(688,067)	-	(18,616)	-	-	(5,723)	-	-	(9,050)	-	(2,017)	(9)	(723,482)
Dividends received	(182,596)	(258,750)	(100,319)	-	(15,785)	(75,000)	(60,000)	-	(57,566)	-	-	-	(750,016)
Reclassified to assets held for sale (refer Note 35.1)	-	-	(3,623,625)	-	-	-	-	-	-	-	-	-	(3,623,625)
Others	-	-	-	-	-	-	-	-	-	(3,379)	-	-	(3,379)
As at 31 December 2024	5,687,701	4,036,409	-	2,300,311	1,455,220	997,158	709,080	620,252	128,933	39,656	33,914	-	16,008,634

(i) The Group's share of results in associates' net income is recognised after fair value adjustments and changes in estimated results.

The movement of investments in joint ventures is as follows:

	KEMYA	SHARQ	SSTPC	YANPET	EIHL	SSNC	COSMAR	FUJIAN	USG	SPEAR	SPMC	IHC	Total
As at 1 January 2024	5,854,859	4,830,729	3,238,476	2,953,068	1,266,222	849,623	444,516	477,628	299,213	94,962	20,158	6,493	20,335,947
Capital contributions (i)	-	-	-	-	-	-	152,538	743,041	-	-	-	1,150	896,729
Share of results (ii) (iii)	517,294	(282,646)	(452,574)	530,510	68,640	12,312	(74,138)	(36,952)	25,083	(13,009)	(3,691)	(646)	290,183
Impairment	-	-	-	-	-	-	-	-	-	-	(16,467)	-	(16,467)
Movements in OCI	10,933	12,665	(83,586)	15,200	(42,133)	(119,378)	-	(31,700)	(17,940)	(4,945)	-	-	(260,884)
Dividends received (iv)	(945,074)	(85,000)	-	(726,316)	(91,875)	-	-	-	-	-	-	-	(1,848,265)
Others	(8,031)	6,334	-	31,605	-	-	-	-	-	-	-	-	29,908
As at 31 December 2024	5,429,981	4,482,082	2,702,316	2,804,067	1,200,854	742,557	522,916	1,152,017	306,356	77,008	-	6,997	19,427,151

(i) The total capital contributions in associates and joint ventures is amounting to # 1,048 million (2023: # 1,467 million).

(ii) The Group's share of results in joint ventures' net income is recognised after fair value adjustments and changes in estimated results.

(iii) Share of results includes the share of results of integral joint ventures related to SHARQ, YANPET and KEMYA amounting to # 765 million (2023: # 931 million) and this has been presented in the consolidated statement of income before income from operations.

(iv) Dividends received from the integral joint ventures is amounting to # 1,756 million (2023: # 1,787 million) and from the associates and non-integral joint ventures is # 842 million (2023: # 1,137 million).

All amounts in thousands of Saudi Riyals unless otherwise stated.

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

The movement of investments in associates is as follows:

	CLARIANT	MPC	ALBA	MWSPC	MARAFIQ	GPIC	NCC	DUSSUR	ARG	NUSANED FUNDS	GPDC	MALLINDA	GARMCO	Total
As at 1 January 2023	8,076,945	3,883,110	3,738,418	2,091,643	1,455,221	869,901	379,455	593,715	154,895	34,168	32,138	912	-	21,310,521
Capital contribution	-	-	-	-	-	-	-	-	-	7,697	-	-	37	7,734
Share of results (i)	(619,805)	330,376	215,203	170,578	55,955	109,789	183,249	(52,719)	33,981	(3,164)	-	-	(1)	423,442
Impairment (refer Note 10.1)	(367,500)	-	-	-	-	-	-	-	-	-	-	(912)	-	(368,412)
Movements in OCI	612,559	-	(1,282)	-	-	5,723	-	-	5,208	-	1,003	-	(27)	623,184
Dividends received	(181,750)	(450,000)	(287,898)	(56,250)	(96,250)	-	-	-	(17,036)	-	-	-	-	(1,089,184)
Others	-	-	-	-	-	-	-	-	(5,931)	-	-	-	-	(5,931)
As at 31 December 2023	7,520,449	3,763,486	3,664,441	2,205,971	1,414,926	985,413	562,704	540,996	171,117	38,701	33,141	-	9	20,901,354

(i) The Group's share of results in associates' net income is recognised after fair value adjustments and changes in estimated results.

The movement of investments in joint ventures is as follows:

	KEMYA	SHARQ	SSTPC	YANPET	SSNC	COSMAR	FUJIAN	USG	TAKAMUL	SPEAR	AESSC	SPMC	IHC	EIHL	Total
As at 1 January 2023	6,158,686	5,370,901	3,721,375	3,002,952	730,076	460,552	326,418	272,700	173,142	97,438	33,734	25,334	2,934	-	20,376,242
Capital contribution (i)	-	-	-	-	-	67,112	180,760	-	-	-	-	-	4,050	-	251,922
Acquisitions (i)	-	-	-	-	-	-	-	-	-	-	-	-	-	1,207,684	1,207,684
Share of results (ii) (iii)	705,606	(340,579)	(375,508)	566,432	168,068	(83,148)	(14,319)	27,680	-	(5,397)	(4,016)	(5,176)	(491)	58,538	697,690
Impairment	-	-	-	-	-	-	-	-	-	-	(29,718)	-	-	-	(29,718)
Movements in OCI	(15,097)	(17,779)	(107,391)	(11,067)	(11,021)	-	(15,231)	8,990	-	2,921	-	-	-	-	(165,675)
Dividends received (iv)	(1,008,684)	(181,814)	-	(596,976)	(37,500)	-	-	(10,157)	-	-	-	-	-	-	(1,835,131)
Others	14,348	-	-	(8,273)	-	-	-	-	-	-	-	-	-	-	6,075
Reclassified to assets held for sale	-	-	-	-	-	-	-	-	(173,142)	-	-	-	-	-	(173,142)
As at 31 December 2023	5,854,859	4,830,729	3,238,476	2,953,068	849,623	444,516	477,628	299,213	-	94,962	-	20,158	6,493	1,266,222	20,335,947

(i) The total capital contributions and acquisitions in associates and joint ventures is amounting to # 1,467 million (2022: # 749 million).

(ii) The Group's share of results in joint ventures' net income is recognised after fair value adjustments and changes in estimated results.

(iii) Share of results includes the share of results of integral joint ventures related to SHARQ, YANPET and KEMYA amounting to # 931 million (2022: # 1,722 million) and this has been presented in the consolidated statement of income before income from operations.

(iv) Dividends received from the integral joint ventures is amounting to # 1,787 million (2022: # 2,538 million) and from the associates and non-integral joint ventures is # 1,137 million (2022: # 1,293 million).

All amounts in thousands of Saudi Riyals unless otherwise stated.

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

10.1 INVESTMENT IN CLARIANT A.G. ("CLARIANT")

SABIC owns 31.50% of the shares in CLARIANT, a global specialty chemicals company listed at the Swiss stock exchange ("SIX"). The investment is accounted for as an associate using the equity method in these consolidated financial statements.

During the year ended 31 December 2024, the share price of CLARIANT has declined from CHF 12.42 as at 31 December 2023 to CHF 10.09 as at 31 December 2024, mainly due to global market challenges.

The reduction of the share price to CHF 10.09, being the first source for investment assessment, triggered an impairment of ₪ 1,170 million during the year ended 31 December 2024 (2023: ₪ 368 million), which has been recognised and presented within 'share of results of non-integral joint ventures and associates' in the consolidated statement of income and consolidated statement of cash flows.

As at 31 December 2024, the carrying amount of investment in CLARIANT is ₪ 5,688 million (2023: ₪ 7,520 million), which also represents its recoverable amount.

10.2 ACQUISITION OF JOINT VENTURE

On 19 Ramadan 1444H (corresponding to 10 April 2023), SABIC Agri-Nutrients Investment Company ("SANIC"), a subsidiary of SABIC Agri-Nutrients Company completed the acquisition procedure of 49% shareholding in ETG Inputs Holdco Limited ("EIHL") by virtue of receipt of regulatory approvals in compliance with the terms and conditions of acquisition agreement.

The investment is recognised as a joint venture investment under equity method of accounting.

During the year ended 31 December 2024, the Group concluded the provisional price exercise to determine the fair values of the net identifiable assets attributable to the acquisition of 49% shareholding in EIHL and its subsidiaries.

All amounts in thousands of Saudi Riyals unless otherwise stated.

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

10.3 SUMMARISED FINANCIAL INFORMATION OF MATERIAL ASSOCIATES

The tables below provide summarised financial information of the material associates of the Group. The information disclosed reflects the amounts presented in the available financial statements of the relevant investee and not SABIC's share of those amounts.

As at 31 December 2024	MPC	MARAFIQ (i)	MWSPC	Clariant (ii)
Current assets				
Cash and cash equivalents	4,707,225	1,194,342	3,023,019	1,531,206
Others	3,672,510	2,346,708	3,169,071	8,095,889
Total current assets	8,379,735	3,541,050	6,192,090	9,627,095
Non-current assets	11,873,697	19,408,372	23,104,827	16,747,826
Current liabilities				
Financial liabilities (excluding trade and other payables)	3,593,664	1,169,402	812,929	2,879,829
Others	2,082,191	1,682,947	3,038,511	3,323,838
Total current liabilities	5,675,855	2,852,349	3,851,440	6,203,667
Non-current liabilities	1,005,668	11,995,819	13,310,782	10,423,820
Net assets	13,571,909	8,101,254	12,134,695	9,747,434
Reconciliation:				
Group's share	30%	17.5%	15%	31.5%
Group's share in associate	4,071,573	1,417,719	1,820,204	3,070,442
Intangible/goodwill	-	-	468,423	6,655,763
Impairment	-	-	-	(4,062,465)
Estimated year end result/dividends paid (iii)/others	(35,164)	37,501	11,684	23,961
Carrying amount	4,036,409	1,455,220	2,300,311	5,687,701

For the year ended 31 December 2024	MPC	MARAFIQ (i)	MWSPC	Clariant (ii)
Revenue	7,816,570	5,175,111	7,399,773	8,589,693
Depreciation and amortisation	(915,951)	(926,126)	(1,111,961)	493,804
Interest income	205,332	51,796	155,758	74,693
Interest expense	(295,161)	(377,847)	(897,272)	(91,291)
Zakat and Income tax expense	(155,179)	(40,655)	(103,612)	(203,331)
Net income for the year	2,130,900	294,115	1,052,050	730,331
Other comprehensive income for the year	(5,517)	(33,236)	(11,691)	647,339
Total comprehensive income for the year	2,125,383	260,879	1,040,359	1,377,670
Reconciliation:				
Group's share	30%	17.50%	15%	31.5%
Group's share in associate	639,270	51,470	157,808	230,054
Share in earnings (iii)	531,673	56,079	94,340	208,251

- (i) The information provided for MARAFIQ is as at 30 September 2024 and for the 9 months ended 30 September 2024, being the last financial period publically available.
- (ii) The information provided for CLARIANT is as at 30 June 2024 and for the 6 months ended 30 June 2024, being the last financial period publically available.
- (iii) Carrying amount of the investments and Group's share in associates are based on estimated results and include inter-group profit elimination, zakat, income tax and other adjustments.

All amounts in thousands of Saudi Riyals unless otherwise stated.

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

10.3 SUMMARISED FINANCIAL INFORMATION OF MATERIAL ASSOCIATES (CONTINUED)

As at 31 December 2023	MPC	MARAFIQ (i)	ALBA	MWSPC (ii)	Clariant (iii)
Current assets					
Cash and cash equivalents	1,817,047	1,136,890	589,192	1,191,334	1,189,003
Others	4,848,374	2,044,709	5,739,170	4,431,352	8,068,532
Total current assets	6,665,421	3,181,599	6,328,362	5,622,686	9,257,535
Non-current assets	12,085,018	19,939,237	18,902,020	23,968,252	14,430,740
Current liabilities					
Financial liabilities (excluding trade and other payables)	1,429,187	837,678	2,022,196	617,924	2,569,915
Others	573,459	1,449,494	1,652,301	2,817,527	3,496,086
Total current liabilities	2,002,646	2,287,172	3,674,497	3,435,451	6,066,001
Non-current liabilities	4,551,267	12,667,803	3,877,432	14,571,835	6,992,171
Net assets	12,196,526	8,165,861	17,678,453	11,583,652	10,630,103
Reconciliation:					
Group's share	30.00%	17.50%	20.62%	15.00%	31.50%
Group's share in associate	3,658,958	1,429,026	3,645,297	1,737,548	3,348,482
Intangible/goodwill	–	–	–	468,423	8,094,449
Impairment	–	–	–	–	(2,860,755)
Estimated year end result/dividends paid (iv)/ others	104,528	(14,100)	19,144	–	(1,061,727)
Carrying amount	3,763,486	1,414,926	3,664,441	2,205,971	7,520,449

For the year ended 31 December 2023	MPC	MARAFIQ (i)	ALBA	MWSPC (ii)	Clariant (iii)
Revenue	6,770,362	4,766,019	15,254,537	7,313,593	9,528,711
Depreciation and amortisation	(1,142,455)	(875,374)	(1,322,847)	(1,081,192)	(500,633)
Interest income	134,748	81,425	–	162,439	54,235
Interest expense	(265,225)	(401,476)	(614,862)	(995,751)	(187,737)
Zakat and Income tax expense	(121,166)	(37,464)	(1,650)	(320,333)	166,878
Net income for the year	761,627	454,157	1,166,142	1,259,410	959,546
Reconciliation:					
Group's share	30.00%	17.50%	20.62%	15.00%	31.50%
Group's share in associate	228,488	79,477	240,458	188,912	302,257
Share in earnings (iv)	330,376	55,955	215,203	170,578	(619,805)

- (i) The information provided for MARAFIQ is as at 30 September 2023 and for the 9 months ended 30 September 2023, being the last financial period publicly available.
- (ii) The Group's investment in MWSPC includes additional contribution made to one of the shareholders in relation to mineral rights.
- (iii) The information provided for CLARIANT is as at 30 June 2023 and for the 6 months ended 30 June 2023, being the last financial period publicly available.
- (iv) Carrying amount of the investments and Group's share in associates are based on estimated results and include inter-group profit elimination, zakat, income tax and other adjustments.

All amounts in thousands of Saudi Riyals unless otherwise stated.

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

10.4 SUMMARISED FINANCIAL INFORMATION OF MATERIAL JOINT VENTURES

The tables below provide the summarised financial information of material joint ventures of the Group. The information disclosed reflects the amounts presented in the financial statements of the joint venture and not SABIC's share of those amounts.

As at 31 December 2024	SSTPC	SHARQ	YANPET	KEMYA	EIHL (i)
Current assets					
Cash and cash equivalents	276,723	267,357	665,268	156,315	497,934
Others	2,356,169	4,180,648	3,444,185	3,563,853	2,711,465
Total current assets	2,632,892	4,448,005	4,109,453	3,720,168	3,209,399
Non-current assets	8,898,987	9,254,081	4,406,656	9,427,721	464,651
Current liabilities					
Financial liabilities (excluding trade and other payables)	2,089,796	18,297	14,158	198,694	1,332,034
Others	1,645,208	2,314,401	1,654,884	1,314,897	732,450
Total current liabilities	3,735,004	2,332,698	1,669,042	1,513,591	2,064,484
Non-current liabilities	2,382,226	2,429,774	1,214,201	1,321,831	89,452
Net assets	5,414,649	8,939,614	5,632,866	10,312,467	1,520,114
Reconciliation:					
Group's share	50.00%	50.00%	50.00%	50.00%	49.00%
Group's share in joint venture	2,707,325	4,469,807	2,816,433	5,156,234	744,856
Intangible/goodwill	-	-	-	-	417,848
Impairment	-	-	-	-	-
Estimated year end result/ dividends paid/others	(5,009)	12,275	(12,366)	273,747	38,151
Carrying amount	2,702,316	4,482,082	2,804,067	5,429,981	1,200,854

For the year ended 31 December 2024	SSTPC	SHARQ	YANPET	KEMYA	EIHL (i)
Revenue	10,271,830	8,179,415	5,749,491	8,280,591	5,218,700
Depreciation and amortisation	(675,541)	(1,540,032)	(601,257)	(804,619)	(23,218)
Interest income	-	-	5,503	37,415	8,237
Interest expense	(77,609)	(46,103)	(61,946)	(38,304)	(137,473)
Net income before income tax and zakat (ii)	(895,675)	(474,353)	1,095,862	1,072,136	261,856
Zakat and income tax benefit/(expense)	-	(8,418)	(167,055)	(159,233)	(7,618)
Net (loss) income for the year	(895,675)	(482,771)	928,807	912,903	254,238
Other comprehensive income (loss)	-	-	-	-	-
Total comprehensive income	(895,675)	(482,771)	928,807	912,903	254,238
Reconciliation:					
Group's share	50.00%	50.00%	50.00%	50.00%	49.00%
Group's share of earnings in joint venture	(447,837)	(241,386)	464,404	456,452	124,577
Share of earnings (ii)	(452,574)	(282,646)	530,510	517,294	68,640

(i) For EIHL, the excess consideration pertains to difference between the book value of the share of net assets and the consideration paid by the Group to acquire the investment.

(ii) For the KSA based joint ventures, namely SHARQ, YANPET and KEMYA the net income has been adjusted with zakat expenses to reflect the carrying value of the investments.

All amounts in thousands of Saudi Riyals unless otherwise stated.

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

10.4 SUMMARISED FINANCIAL INFORMATION OF MATERIAL JOINT VENTURES (CONTINUED)

As at 31 December 2023	SSTPC	SHARQ	YANPET	KEMYA	EIHL (i)
Current assets					
Cash and cash equivalents	1,575,967	479,829	830,702	501,988	309,862
Others	1,301,016	3,045,505	3,420,111	3,947,653	2,749,113
Total current assets	2,876,983	3,525,334	4,250,813	4,449,641	3,058,975
Non-current assets	9,936,994	10,244,932	4,556,050	10,021,270	317,227
Current liabilities					
Financial liabilities (excluding trade and other payables)	900,801	3,574	8,118	5,130	989,365
Others	2,365,346	1,613,895	1,548,241	1,864,248	823,851
Total current liabilities	3,266,147	1,617,469	1,556,359	1,869,378	1,813,216
Non-current liabilities	3,050,437	2,583,208	1,190,981	1,355,224	80,454
Net assets	6,497,393	9,569,589	6,059,523	11,246,309	1,482,532
Reconciliation:					
Group's share	50.00%	50.00%	50.00%	50.00%	49.00%
Group's share in joint venture	3,248,697	4,784,795	3,029,762	5,623,155	726,441
Intangible/goodwill	-	-	-	-	417,848
Impairment	-	-	-	-	-
Estimated year end result/dividends paid/others	(10,221)	45,934	(76,694)	231,704	121,933
Carrying amount	3,238,476	4,830,729	2,953,068	5,854,859	1,266,222

For the year ended 31 December 2023	SSTPC	SHARQ	YANPET	KEMYA	EIHL (i)
Revenue	9,818,820	7,489,422	5,594,163	8,973,967	3,628,072
Depreciation and amortisation	(695,339)	(1,391,437)	(557,719)	(791,555)	-
Interest income	60,163	1,309	27,154	12,620	6,359
Interest expense	(108,463)	(43,956)	(64,575)	(60,657)	(74,159)
Net income before income tax and zakat (ii)	(971,162)	(630,430)	1,217,431	1,541,126	163,315
Zakat and income tax benefit/(expense)	224,432	31,438	(175,843)	(138,043)	25,227
Net (loss) income for the year	(746,730)	(598,992)	1,041,588	1,403,083	188,542
Other comprehensive income (loss)	-	(32,002)	(19,919)	(27,175)	(58,531)
Total comprehensive income	(746,730)	(630,994)	1,021,669	1,375,908	130,011
Reconciliation:					
Group's share	50.00%	50.00%	50.00%	50.00%	49.00%
Group's share of earnings in joint venture	(373,365)	(299,496)	520,794	701,542	92,386
Share of earnings (ii)	(375,508)	(340,579)	566,432	705,606	58,538

(i) For EIHL, the excess consideration pertains to difference between the book value of the share of net assets and the consideration paid by the Group to acquire the investment.

(ii) For the KSA based joint ventures, namely SHARQ, YANPET and KEMYA the net income has been adjusted with zakat expenses to reflect the carrying value of the investments.

All amounts in thousands of Saudi Riyals unless otherwise stated.

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

10.5 FINANCIAL PERFORMANCE OF INVESTMENTS IN INDIVIDUALLY IMMATERIAL ASSOCIATES AND JOINT VENTURES

For the years ended 31 December	2024		2023	
	Individually immaterial associates	Individually immaterial joint ventures	Individually immaterial associates	Individually immaterial joint ventures
Net income for the year	1,164,600	329,054	1,161,456	96,465
Other comprehensive (loss) income	(58,572)	(660,167)	40,486	(28,085)
Total comprehensive income (loss)	1,106,028	(331,113)	1,201,942	68,380

10.6 MARKET VALUE OF LISTED ASSOCIATES

The market value of the Group's investment in CLARIANT and MARAFIQ based on its trading price at 31 December 2024 is ₪ 4,378 million and ₪ 2,398 million respectively (2023: ₪ 5,782 million and ₪ 2,835 million respectively).

11. INVESTMENTS IN DEBT INSTRUMENTS AND SHORT-TERM INVESTMENTS

INVESTMENTS IN DEBT INSTRUMENTS

As at 31 December	Remaining Maturity	Interest rate	2024	2023
Non-conventional				
Fixed rate long-term debt instruments	18 years	5.06%	187,429	187,429
Floating rate long-term debt instruments	13 years	SAIBOR variable rate plus margin	145,029	145,029
Total investments in debt instruments			332,458	332,458

SHORT-TERM INVESTMENTS

As at 31 December	Remaining Maturity	Interest rate	2024	2023
Non-conventional				
Fixed rate long-term debt instruments	Less than 12 months	5.06%	3,637	471
Floating rate long-term debt instruments (i)	Less than 12 months	SAIBOR variable rate plus margin	487	54,062
Murabaha (including fixed term deposits)	Greater than 3 months and less than 12 months	Fixed rate	6,745,142	9,012,670
Total non-conventional			6,749,266	9,067,203
Conventional				
Conventional fixed term deposits			681,767	615,188
Certificates of deposits			237,774	160,226
Total conventional			919,541	775,414
Total short-term investments			7,668,807	9,842,617

(i) During the year ended 31 December 2024, Saudi Electric Company SUKUK was matured amounting to ₪ 50 million.

LONG-TERM DEBT CURRENCY EXPOSURE

	2024	2023
SR	145,516	196,084
USD	191,066	190,907
	336,582	386,991

All amounts in thousands of Saudi Riyals unless otherwise stated.

12. INVESTMENTS IN EQUITY INSTRUMENTS

Carrying value of the investments in equity instruments are as follows:

As at 31 December	2024	2023
Unlisted securities		
Equity securities measured at FVOCI	253,402	232,794
Listed securities		
Investment in equity fund measured at FVIS	–	3,691
	253,402	236,485

During the years ended 31 December 2024 and 2023, no investment was reclassified from 'investments in equity instruments' to 'investments in associates and joint ventures'.

Movement in the equity instruments measured at fair value for the years ended 31 December 2024 and 2023 is as follows:

	2024	2023
As at 1 January	236,485	235,419
Additions	42,124	29,770
Foreign currency translation difference	(4,853)	329
Sale of equity instrument	(447)	(23,659)
Change in fair value	(19,297)	(2,384)
Transfer from/to debt instruments and other assets	(610)	(2,990)
As at 31 December	253,402	236,485

13. DERIVATIVE FINANCIAL INSTRUMENTS

As at 31 December	2024	2023
Financial assets – option rights	3,669,688	3,745,176
	3,669,688	3,745,176
Financial liabilities – options and forward contracts	1,095,000	1,438,875
Obligations to acquire the remaining shares of certain subsidiaries	880,894	572,269
	1,975,894	2,011,144

14. OTHER ASSETS AND RECEIVABLES

As at 31 December	2024	2023
Non-current:		
Employee advances and receivables (i)	3,523,623	3,399,222
Receivable from PIF (ii)	1,793,503	–
Receivables from related parties (iii)	1,216,692	1,467,811
Loan receivables from related parties (refer Note 33) (iv)	736,920	649,326
Finance lease receivables (refer Note 39)	119,678	202,490
Receivables against dilution of investment	–	101,845
Miscellaneous (v)	629,818	190,572
	8,020,234	6,011,266
Current:		
Receivable from PIF (ii)	3,032,588	–
Tax receivable	2,223,915	1,681,945
Prepaid expenses	1,981,447	1,754,700
Receivables from related parties (iii)	1,741,192	836,789
Employee advances and receivables (i)	313,222	569,433
Trade advances	221,329	97,068
Current portion of loan receivable from related parties (refer Note 33) (iv)	37,086	13,934
Miscellaneous (v)	747,583	341,286
	10,298,362	5,295,155

- (i) Employee advances and receivables represent receivables from employees mainly related to Housing Ownership Program ("HOP") and employee home loans.
- (ii) Receivables from PIF, to be received in next two years, are presented net of discounting impact and recognised as a 'financial asset at amortised cost' in accordance with IFRS 9 'Financial Instruments'.
- (iii) Receivables from related parties mainly relate to operations and production advances, under Joint Ownership and Production Agreement with integral joint ventures. These production advances are amortised on a straight-line basis over the estimated useful life of the related assets (refer Note 25 (i)).
- (iv) Loans receivable from certain associates and joint ventures are at normal market rates.
- (v) Miscellaneous include long-term receivable against sale of Film & Sheet ("F&S") business amounting to ₪ 375 million (refer note 35.2) and insurance claims.

All amounts in thousands of Saudi Riyals unless otherwise stated.

15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

As at 31 December 2024

	Notes	Total	Financial assets/ liabilities at amortised cost	Financial assets/ liabilities at FVIF	Financial assets at FVOCI	Fair value	Level I	Level II	Level III
Financial assets									
Investments in debt instruments:									
– Fixed	11	191,066	191,066	–	–	191,066	–	191,066	–
– Floating	11	145,516	145,516	–	–	145,516	–	145,516	–
Investment in equity instruments	12	253,402	–	–	253,402	253,402	–	38,390	215,012
Trade receivables (i)	17	20,439,823	20,439,823	–	–	N/A	–	–	–
Short-term investments:									
– Fixed term deposits	11	7,426,909	7,426,909	–	–	N/A	–	–	–
– Certificates of deposits	11	237,774	–	237,774	–	237,774	–	237,774	–
Cash and cash equivalents:									
– Cash and bank balances	18	9,133,745	9,133,745	–	–	N/A	–	–	–
– Fixed term deposits	18	21,405,923	21,405,923	–	–	N/A	–	–	–
Derivatives financial instruments	13	3,669,688	–	3,669,688	–	3,669,688	–	–	3,669,688
Other financial assets (ii)		9,223,333	9,223,333	–	–	N/A	–	–	–
		72,127,179	67,966,315	3,907,462	253,402	4,497,446	–	612,746	3,884,700
Financial liabilities									
Debt	22	30,269,004	30,269,004	–	–	29,231,085	6,510,019	22,721,066	–
Lease liabilities	22	4,929,065	4,929,065	–	–	N/A	–	–	–
Trade payables	26	19,793,604	19,793,604	–	–	N/A	–	–	–
Derivatives financial instruments	13	1,095,000	–	1,095,000	–	1,095,000	–	–	1,095,000
Obligations to acquire the remaining shares of certain subsidiaries	13	880,894	–	880,894	–	880,894	–	–	880,894
Other financial liabilities (ii)		8,693,436	8,693,436	–	–	N/A	–	–	–
		65,661,003	63,685,109	1,975,894	–	31,206,979	6,510,019	22,721,066	1,975,894

The Group assessed fair value of short-term investments, cash and cash equivalents, trade payables and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

(i) The trade receivables are disclosed net of expected credit losses.

(ii) Other financial assets mainly include receivable from PIF, finance lease receivables and loans to related parties, net of expected credit losses, where applicable. Other financial liabilities mainly include dividend payable.

N/A = not applicable

All amounts in thousands of Saudi Riyals unless otherwise stated.

15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

As at 31 December 2023

	Notes	Total	Financial assets/ liabilities at amortised cost	Financial assets/ liabilities at FVIS	Financial assets at FVOCI	Fair value	Level I	Level II	Level III
Financial assets									
Investments in debt instruments:									
– Fixed	11	187,900	187,900	–	–	176,719	–	176,719	–
– Floating	11	199,091	199,091	–	–	199,091	–	199,091	–
Investment in equity instruments	12	236,485	–	3,691	232,794	236,485	3,691	35,555	197,239
Trade receivables (i)	17	19,295,374	19,295,374	–	–	N/A	–	–	–
Short-term investments:									
– Fixed term deposits	11	9,627,858	9,627,858	–	–	N/A	–	–	–
– Certificates of deposits	11	160,226	–	160,226	–	160,226	–	160,226	–
Cash and cash equivalents:									
– Cash and bank balances	18	11,474,217	11,474,217	–	–	N/A	–	–	–
– Fixed term deposits	18	20,940,779	20,940,779	–	–	N/A	–	–	–
Derivatives financial instruments	13	3,745,176	–	3,745,176	–	3,745,176	–	–	3,745,176
Other financial assets (ii)		3,816,759	3,816,759	–	–	N/A	–	–	–
		69,683,865	65,541,978	3,909,093	232,794	4,517,697	3,691	571,591	3,942,415
Financial liabilities									
Debt	22	27,970,946	27,970,946	–	–	26,979,194	6,640,257	20,338,937	–
Lease liabilities	22	5,525,821	5,525,821	–	–	N/A	–	–	–
Trade payables	26	20,087,016	20,087,016	–	–	N/A	–	–	–
Derivatives financial instruments	13	1,438,875	–	1,438,875	–	1,438,875	–	–	1,438,875
Obligations to acquire the remaining shares of certain subsidiaries	13	572,269	–	572,269	–	572,269	–	–	572,269
Other financial liabilities (ii)		7,645,800	7,645,800	–	–	N/A	–	–	–
		63,240,727	61,229,583	2,011,144	–	28,990,338	6,640,257	20,338,937	2,011,144

The Group assessed fair value of short-term investments, cash and cash equivalents, trade payables and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

(i) The trade receivables are disclosed net of expected credit losses.

(ii) Other financial assets include lease receivables, loans to related parties, net of expected credit losses, where applicable. Other financial liabilities include dividend payable and payables to related parties.

N/A = not applicable

All amounts in thousands of Saudi Riyals unless otherwise stated.

15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

The Group's exposure to various risks associated with the financial instruments is discussed in Note 37. The maximum exposure to credit risk at the end of the reporting year is the carrying amount of each class of financial assets mentioned above.

The following methods and assumptions were used to estimate the fair values:

- Fair value of the quoted bonds is the respective market price at the reporting date. The fair value of unquoted debt instruments, loans from banks and other financial liabilities as well as other non-current financial liabilities is estimated by discounting future cash flows using market rates for debt instruments with similar terms, credit risk and maturities.
- When there are no quoted prices in the market to determine the fair value of equity instruments, the Group makes certain assumptions in valuation for model inputs, including information derived from comparable transactions. The probabilities of the various estimates within a range can be reasonably assessed in the Group's estimate of fair value for these unquoted equity investments. Fair values of quoted equity investments are derived from quoted prices in active markets, when a proxy is required.

The following table summarises the information about the significant non-observable inputs used in level 3 fair value measurements:

Description	Valuation technique	Significant non-observable input	Range	
			2024	2023
Derivative financial instruments	Market approach	Put options and forward contracts:		
		Equity value to EBITDA multiple	5.97	5.4
		Call option valuation:		
		Implied volatility	25% to 28%	25% to 30%
		Assumed dividend yield	8.5% to 14.2%	8.5% to 14.2%
		Risk free rate	4.5% to 5.1%	3.9% to 4.3%

A change in the assumptions underlying the valuation of the options of +/- 10% would reflect in a change in the value of the call option up to approximately +/- ₪ 680 million and approximately +/- ₪ 180 million in the value of the put/call options (31 December 2023: change of approximately +/- ₪ 654 million and +/- ₪ 206 million in value of call option and put/call options respectively).

There is no material unquoted equity instrument at FVOCI to be disclosed separately.

The following table presents the changes in level 3 items for the years ended 31 December 2024 and 31 December 2023:

	Unlisted equity instruments	Derivatives financial assets	Derivatives financial liabilities	Obligations to acquire the remaining shares of certain subsidiaries
As at 1 January 2023	197,517	2,687,250	(2,373,750)	(554,860)
Additions	29,770	–	–	–
Sale of equity instrument	(5,599)	–	–	–
Net movement in unrealised fair value gain (loss)	(21,725)	1,057,926	934,875	(17,409)
Net movement in unrealised foreign currency translation	329	–	–	–
Net movement in realised fair value loss	(3,053)	–	–	–
As at 31 December 2023	197,239	3,745,176	(1,438,875)	(572,269)
Additions	40,265	–	–	–
Sale of equity instrument	(5)	–	–	–
Net movement in unrealised fair value (loss) gain	(17,633)	(75,488)	343,875	(308,625)
Net movement in unrealised foreign currency translation	(4,854)	–	–	–
As at 31 December 2024	215,012	3,669,688	(1,095,000)	(880,894)

All amounts in thousands of Saudi Riyals unless otherwise stated.

16. INVENTORIES

As at 31 December	2024	2023
Finished goods	12,186,150	12,085,716
Spare parts	3,952,236	3,841,443
Raw materials	2,452,960	2,931,752
Goods in transit	1,693,019	1,134,260
	20,284,365	19,993,171
Less: Provision for slow moving and obsolete items	(1,470,784)	(1,660,948)
	18,813,581	18,332,223

During the year ended 31 December 2024, net reversal of write-downs of finished goods amounted to ₪ 16 million (2023: net reversal of write-downs of finished goods amounted to ₪ 613 million) which were recognised in cost of sales.

Movements in the provision for slow moving and obsolete inventories were as follows:

	2024	2023
As at 1 January	1,660,948	1,840,588
(Release) charge for the year, net	(190,164)	41,972
Reclassified to assets held for sale	–	(221,612)
As at 31 December	1,470,784	1,660,948

The reversal is essentially due to consumption or utilisation of certain inventory items.

17. TRADE RECEIVABLES

As at 31 December	2024	2023
Trade receivables	17,721,406	15,573,135
Due from related parties (refer Note 33)	2,862,177	3,920,479
	20,583,583	19,493,614
Less: Allowance for expected credit losses	(143,760)	(198,240)
	20,439,823	19,295,374

Accounts receivables are non-interest bearing and are generally between 30 – 120 days terms.

As at 31 December the ageing analysis of trade receivables along with related expected credit loss is as follows:

	Total	Current	Less than 60 days	60-90 days	91-180 days	181-365 days	More than one year
31 December 2024							
Expected credit loss rate	0.70%	0.03%	0.35%	8.61%	1.56%	6.62%	34.12%
Gross carrying amount	20,583,583	19,046,583	453,612	21,585	443,789	302,657	315,357
Expected credit loss	143,760	5,737	1,585	1,858	6,942	20,026	107,612
31 December 2023							
Expected credit loss rate	1.02%	0.07%	0.58%	3.48%	18.28%	75.33%	95.30%
Gross carrying amount	19,493,614	18,612,715	623,425	3,048	62,827	61,948	129,651
Expected credit loss	198,240	12,767	3,597	106	11,482	46,665	123,623

Movements in the allowance for expected credit losses were as follows:

	2024	2023
As at 1 January	198,240	185,940
Charge for the year	–	26,317
Reversals during the year	(54,480)	(13,593)
Reclassified to assets held for sale	–	(424)
As at 31 December	143,760	198,240

All amounts in thousands of Saudi Riyals unless otherwise stated.

18. CASH AND CASH EQUIVALENTS

Cash and cash equivalents can be broken down as follows:

As at 31 December	2024	2023
Cash in hand	869	1,277
Call account	2	2
Murabaha call accounts	938,054	461,112
Non-conventional current accounts	4,485,193	7,714,636
Conventional current accounts	3,709,627	3,297,190
	9,132,876	11,472,940
Conventional fixed term deposits	157,670	112,500
Murabaha fixed term deposits	21,248,253	20,828,279
	21,405,923	20,940,779
	30,539,668	32,414,996
Conventional cash and cash equivalents	3,867,299	3,409,693
Non-conventional cash and cash equivalents	26,672,369	29,005,303
	30,539,668	32,414,996

At 31 December 2024, the Group has funds amounting to ₪ 1,126 million (31 December 2023: ₪ 977 million) that are held in separate bank accounts within KSA related to unclaimed dividend and cannot be used as part of normal business operations.

The table below provides details of amounts placed in various currencies:

As at 31 December	2024	2023
SR	17,731,102	14,252,806
USD	10,638,751	16,010,074
Others	2,169,815	2,152,116
	30,539,668	32,414,996

CASH FLOWS RELATED DISCLOSURES

Cash and cash equivalents can be broken down as follows:

As at 31 December	2024	2023
Cash and cash equivalents	30,539,668	32,414,996
Less: Short-term borrowings (bank overdraft, refer Note 22)	(3,259)	(3,267)
	30,536,409	32,411,729

Bank overdrafts are used in the normal business operations of the Group and represent cash balances that cannot be legally off-set.

All amounts in thousands of Saudi Riyals unless otherwise stated.

18. CASH AND CASH EQUIVALENTS (CONTINUED)

Change in liabilities arising from financing activities can be broken down as follows:

	As at 1 January 2024	Cash inflows	Cash outflows	Interest paid	Other non-cash movements	As at 31 December 2024
Debt (i)	27,967,679	12,643,750	(10,405,275)	(1,875,754)	1,935,345	30,265,745
Lease (ii)	5,525,821	–	(1,075,329)	(254,246)	732,819	4,929,065
Dividends to shareholders (iii)	5,933,460	–	(10,100,547)	–	10,200,000	6,032,913
Dividends to non-controlling interests (iv)	1,069,875	–	(2,618,770)	–	2,987,818	1,438,923
	40,496,835	12,643,750	(24,199,921)	(2,130,000)	15,855,982	42,666,646

	As at 1 January 2023	Cash inflows	Cash outflows	Interest paid	Other non-cash movements	As at 31 December 2023
Debt (i)	28,419,052	9,000,000	(9,706,174)	(1,733,426)	1,988,227	27,967,679
Lease (ii)	6,374,077	–	(1,480,851)	(255,712)	888,307	5,525,821
Dividends to shareholders (iii)	1,134,421	–	(11,400,961)	–	16,200,000	5,933,460
Dividends to non-controlling interests (iv)	192,200	–	(5,316,568)	–	6,194,243	1,069,875
	36,119,750	9,000,000	(27,904,554)	(1,989,138)	25,270,777	40,496,835

(i) Other non-cash movements mainly refer to interest attributable to debt.

(ii) Other non-cash movements mainly refer to additions to leases, interest expenses, foreign exchange differences, remeasurement and lease liabilities reclassified to liabilities directly associated with assets held for sale.

(iii) Other non-cash movements mainly refer to appropriation for dividends from retained earnings.

(iv) Other non-cash movements mainly refer to appropriation for NCI dividends.

19. SHARE CAPITAL

As at 31 December	2024	2023
Authorised shares:		
Ordinary shares of ₪ 10 each ('000)	3,000,000	3,000,000
Ordinary shares issued and fully paid of ₪ 10 each ('000)	3,000,000	3,000,000
Issued and paid capital	30,000,000	30,000,000

20. RESERVES

GENERAL RESERVE

In accordance with SABIC's By-Laws, the General Assembly can establish a general reserve as an appropriation of retained earnings. This general reserve can be increased or decreased by a resolution of the shareholders and is available for distribution.

All amounts in thousands of Saudi Riyals unless otherwise stated.

20. RESERVES (CONTINUED)

OTHER RESERVES

The following table shows a breakdown of other reserves and the movements during the year:

	Equity instruments	Foreign currency translation	Actuarial gain (loss)	Cash flow hedge	Total
As at 1 January 2024	44,551	(3,750,814)	2,110,741	18,965	(1,576,557)
Exchange difference on translation	-	(1,255,981)	-	-	(1,255,981)
Re-measurement gain on defined benefit plans, net of tax	-	-	325,621	-	325,621
Net change on revaluation of investments in equity instruments classified as FVOCI	(19,297)	-	-	-	(19,297)
Share of other comprehensive loss of associates and joint ventures	-	(837,411)	(135,099)	(11,856)	(984,366)
Other comprehensive (loss) income for the year	(19,297)	(2,093,392)	190,522	(11,856)	(1,934,023)
Reclassification of re-measurement gain on defined benefit plans related to discontinued operation	-	-	(601,895)	-	(601,895)
As at 31 December 2024	25,254	(5,844,206)	1,699,368	7,109	(4,112,475)
	Equity instruments	Foreign currency translation	Actuarial gain (loss)	Cash flow hedge	Total
As at 1 January 2023	46,935	(4,630,029)	2,621,190	30,749	(1,931,155)
Exchange difference on translation	-	538,423	-	-	538,423
Re-measurement loss on defined benefit plans, net of tax	-	-	(638,950)	-	(638,950)
Net change on revaluation of investments in equity instruments classified as FVOCI	(2,384)	-	-	-	(2,384)
Share of other comprehensive income (loss) of associates and joint ventures	-	340,792	128,501	(11,784)	457,509
Other comprehensive (loss) income for the year	(2,384)	879,215	(510,449)	(11,784)	354,598
As at 31 December 2023	44,551	(3,750,814)	2,110,741	18,965	(1,576,557)

All amounts in thousands of Saudi Riyals unless otherwise stated.

21. NON-CONTROLLING INTERESTS

Below is the summarised financial information disclosed for each consolidated subsidiary in which the Group has less than full ownership with non-controlling interests that are significant to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations:

As at 31 December 2024	YANSAB	AR-RAZI	IBN RUSHD	SABIC AN	SAUDI KAYAN	GAS	UNITED	IBN ZAHR
Current assets	5,680,299	1,609,628	1,029,065	14,143,339	4,491,659	754,295	2,155,831	3,267,228
Current liabilities	1,855,468	777,328	1,289,602	3,562,165	7,613,235	368,017	1,126,268	1,352,321
Net current assets (liabilities)	3,824,831	832,300	(260,537)	10,581,174	(3,121,576)	386,278	1,029,563	1,914,907
Non-current assets	8,443,877	2,985,599	953,756	11,375,228	20,377,631	4,282,993	6,517,376	3,898,168
Non-current liabilities	1,032,047	699,266	2,977,599	2,448,378	5,753,210	952,520	1,694,337	767,116
Net non-current assets (liabilities)	7,411,830	2,286,333	(2,023,843)	8,926,850	14,624,421	3,330,473	4,823,039	3,131,052
Net assets (liabilities)	11,236,661	3,118,633	(2,284,380)	19,508,024	11,502,845	3,716,751	5,852,602	5,045,959
Accumulated non-controlling interests (i)	5,383,157	794,646	(1,246,389)	10,056,794	7,087,922	975,999	1,457,990	1,074,182

As at 31 December 2023	YANSAB	AR-RAZI	IBN RUSHD	SABIC AN	SAUDI KAYAN	GAS	UNITED	IBN ZAHR
Current assets	5,393,903	1,005,623	1,154,946	13,702,986	4,555,474	721,440	2,502,415	3,423,299
Current liabilities	1,859,645	564,965	1,321,896	3,711,174	6,321,565	381,383	1,472,012	1,748,262
Net current assets (liabilities)	3,534,258	440,658	(166,950)	9,991,812	(1,766,091)	340,057	1,030,403	1,675,037
Non-current assets	9,387,983	2,864,151	1,005,267	11,600,543	22,125,320	4,674,060	6,933,676	3,948,685
Non-current liabilities	1,021,438	756,270	3,097,381	2,793,047	7,075,153	1,096,665	1,902,513	806,264
Net non-current assets (liabilities)	8,366,545	2,107,881	(2,092,114)	8,807,496	15,050,167	3,577,395	5,031,163	3,142,421
Net assets (liabilities)	11,900,803	2,548,539	(2,259,064)	18,799,308	13,284,076	3,917,452	6,061,566	4,817,458
Accumulated non-controlling interests (i)	5,683,789	738,700	(1,233,315)	9,712,115	8,237,524	999,494	1,515,370	963,930

(i) Accumulated non-controlling interests includes adjustments such as inter-group profit elimination, absorption of income tax in non-controlling interests and others.

All amounts in thousands of Saudi Riyals unless otherwise stated.

21. NON-CONTROLLING INTERESTS (CONTINUED)

SUMMARISED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024	YANSAB	AR-RAZI	IBN RUSHD	SABIC AN	SAUDI KAYAN	GAS	UNITED	IBN ZAHR
Revenue	6,160,537	3,499,008	2,004,687	11,061,291	8,726,026	1,562,559	4,718,222	7,983,419
Net income (loss) for the year	420,331	1,427,768	(25,998)	3,442,233	(1,803,718)	415,790	3,985	1,016,511
Other comprehensive income (loss)	40,522	15,333	(374)	(85,030)	22,488	8,676	17,051	16,260
Total comprehensive income (loss)	460,853	1,443,101	(26,372)	3,357,203	(1,781,230)	424,466	21,036	1,032,771
Net income (loss) attributable to non-controlling interests (i)	219,065	268,897	(13,426)	1,973,029	(1,164,219)	107,962	(4,143)	203,257
Dividends to non-controlling interests	528,722	295,313	–	1,620,250	–	135,200	57,500	180,000
For the year ended 31 December 2023	YANSAB	AR-RAZI	IBN RUSHD	SABIC AN	SAUDI KAYAN	GAS	UNITED	IBN ZAHR
Revenue	4,532,731	3,723,391	1,860,558	11,033,429	8,170,642	1,523,625	4,825,711	9,128,549
Net (loss) income for the year	(485,144)	1,791,394	(394,909)	3,864,110	(2,136,474)	285,886	285,373	2,081,832
Other comprehensive income (loss)	22,594	(22,811)	(19,955)	(81,422)	(56,736)	(19,985)	(22,665)	(35,808)
Total comprehensive (loss) income	(462,550)	1,768,583	(414,864)	3,782,688	(2,193,210)	265,901	262,708	2,046,024
Net (loss) income attributable to non-controlling interests (i)	(244,890)	357,944	(203,894)	2,477,375	(1,382,264)	72,942	75,224	396,061
Dividends to non-controlling interests	808,673	508,125	–	3,847,968	–	139,017	137,500	446,250

(i) Net (loss) income attributable to non-controlling interests includes adjustments such as inter-group profit elimination, absorption of income tax in non-controlling interests and others.

All amounts in thousands of Saudi Riyals unless otherwise stated.

21. NON-CONTROLLING INTERESTS (CONTINUED)

SUMMARISED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024	YANSAB	AR-RAZI	IBN RUSHD	SABIC AN	SAUDI KAYAN	GAS	UNITED	IBN ZAHR
Cash flow from (used in) operating activities	1,593,181	1,873,169	(394,540)	4,110,794	2,276,796	676,106	228,610	1,432,831
Cash flow (used in) from investing activities	(952,405)	(466,794)	82,858	2,497,467	(761,834)	(220,072)	(343,688)	(567,498)
Cash used in financing activities	(993,205)	(790,371)	(3,201)	(3,037,175)	(1,773,220)	(566,929)	(401,387)	(813,673)
Net (decrease) increase in cash and cash equivalents	(352,429)	616,004	(314,883)	3,571,086	(258,258)	(110,895)	(516,465)	51,660

For the year ended 31 December 2023	YANSAB	AR-RAZI	IBN RUSHD	SABIC AN	SAUDI KAYAN	GAS	UNITED	IBN ZAHR
Cash flow from (used in) operating activities	971,622	2,221,893	(209,521)	5,679,990	884,517	851,820	1,395,128	2,341,061
Cash flow from (used in) investing activities	520,807	(302,772)	(12,529)	(4,527,961)	(787,645)	(154,415)	(478,450)	(389,616)
Cash (used in) from financing activities	(1,274,782)	(1,888,351)	(9,533)	(5,528,113)	42,902	(583,887)	(731,275)	(2,123,171)
Net increase (decrease) in cash and cash equivalents	217,647	30,770	(231,583)	(4,376,084)	139,774	113,518	185,403	(171,726)

During the year ended 31 December 2022, certain equity transactions were incurred. These transactions and their impact are elaborated in the next paragraphs as changes in shareholding of subsidiaries and acquisition of non-controlling interests.

All amounts in thousands of Saudi Riyals unless otherwise stated.

22. DEBT

Total debt can be broken down as follows

As at 31 December	Interest rate	2024	2023
Non-current portion of debt			
Bonds	2.15 % to 4.50%	7,466,527	7,458,700
Related party loans and borrowings	USD SOFR plus margin	7,396,268	3,746,812
Commercial loans	USD SOFR & SAIBOR variable rates plus margin	89,482	225,898
Conventional Loans		14,952,277	11,431,410
Murabaha	USD SOFR & SAIBOR variable rates plus margin	10,923,718	11,395,566
Saudi Industrial Development Fund	Commission fee	289,091	428,203
Non-Conventional loans		11,212,809	11,823,769
Total non-current portion of debt		26,165,086	23,255,179
Short-term borrowings			
Murabaha	USD SOFR & SAIBOR variable rates plus margin	2,077,663	2,410,966
Conventional short-term bank borrowings (bank overdraft)		3,259	3,267
Total short-term borrowings		2,080,922	2,414,233
Current portion of debt			
Commercial loans	USD SOFR & SAIBOR variable rates plus margin	148,788	201,953
Bonds	4%	66,669	66,669
Related party loans and borrowings	USD SOFR plus margin	42,715	31,279
Conventional loans		258,172	299,901
Murabaha	USD SOFR & SAIBOR variable rates plus margin	1,658,994	1,790,746
Saudi Industrial Development Fund	Commission fee	105,830	210,887
Non-conventional loans		1,764,824	2,001,633
Total current portion of debt		2,022,996	2,301,534
Total debt		30,269,004	27,970,946

BONDS

The following bonds were outstanding as at 31 December 2024:

- In October 2018, the Group through its subsidiary, SABIC Capital II BV, issued a 10-year USD 1,000 million, unsecured bond with a coupon rate of 4.5%. The bonds are issued in accordance with Rule 144A/Reg S offering requirements under the U.S. Securities Act of 1933, as amended. The bonds are listed on the Irish Stock Exchange (Euronext Dublin) and the proceeds were used for refinancing maturing debt.
- In September 2020, the Group, through its subsidiary, SABIC Capital I BV, issued a 10-year and 30-year USD 500 million bond each, equivalent to total ₪ 3,750 million. These bonds are unsecured and carry coupon rates of 2.15% and 3.00% for those maturing in 10 and 30 years, respectively. The bonds are issued in accordance with Regulation S offering requirements under the U.S. Securities Act of 1933, as amended. Both bonds are listed on the Irish Stock Exchange (Euronext Dublin) and the 30-year bond is dual listed in Taipei Exchange in Taiwan. The proceeds were used for general purpose and refinancing maturing debt.

RELATED PARTY BORROWING

In August 2024, the three-year revolving credit facility ("RCF") with Aramco Overseas Company ("AOC"), is increase from ₪ 3,750 million up to ₪ 11,250 million which carries a floating interest rate based on the prevailing market interest rates.

All amounts in thousands of Saudi Riyals unless otherwise stated.

22. DEBT (CONTINUED)

The movement in debt can be broken down as follows:

	As at 1 January 2024	Borrowings	Repayments	Others	As at 31 December 2024
Short-term	3,267	–	–	(8)	3,259
Murabaha	15,597,278	5,237,493	(6,207,810)	33,414	14,660,375
Bonds	7,525,369	–	–	7,827	7,533,196
Saudi Industrial Development Fund	639,090	–	(261,000)	16,831	394,921
Related party	3,778,091	3,843,757	(187,500)	4,635	7,438,983
Others	427,851	3,562,500	(3,748,965)	(3,116)	238,270
	27,970,946	12,643,750	(10,405,275)	59,583	30,269,004

	As at 1 January 2023	Borrowings	Repayments	Others	As at 31 December 2023
Short-term	20,196	–	(17,649)	720	3,267
Murabaha	15,773,907	1,500,000	(1,817,855)	141,226	15,597,278
Bonds	11,198,576	–	(3,750,000)	76,793	7,525,369
Saudi Industrial Development Fund	855,856	–	(184,213)	(32,553)	639,090
Related party	–	3,750,000	–	28,091	3,778,091
Others	590,713	3,750,000	(3,936,457)	23,595	427,851
	28,439,248	9,000,000	(9,706,174)	237,872	27,970,946

MURABAHA

Similar to commercial loans, the Group has previously borrowed from various financial institutions in order to mainly finance its growth projects and acquisitions, which are repayable either in bullet or instalments at varying profit rates in conformity with the applicable borrowing agreements.

DEBT REPAYABLE TO SAUDI INDUSTRIAL DEVELOPMENT FUND (SIDF)

The SIDF term loans are generally repayable in semi-annual instalments and finance charges on these loans are at various rates. SIDF is a Saudi Arabian government's financial institution.

In securing the SIDF loans, certain property, plant and equipment has been pledged as mortgaged assets. The carrying values of non-financial assets pledged as security for current and non-current borrowings are disclosed in Note 7. There are certain financial covenants attached to this loan relating to current ratio and total liabilities to tangible net assets of respective subsidiary which are in compliance as at 31 December 2024 (refer Note 38.1).

COMMERCIAL LOANS

The Group has previously borrowed from various financial institutions in order to mainly finance its growth projects and acquisitions, which are repayable either in bullet or instalments at varying interest rates in conformity with the applicable loan agreements.

DEBT MOVEMENTS

During the year ended 31 December 2024, the Group has repaid maturing bank borrowings through the use of related party borrowing and through cash generated from operations.

All amounts in thousands of Saudi Riyals unless otherwise stated.

22. DEBT (CONTINUED)

UNDRAWN BORROWING FACILITIES

As at 31 December 2024, the group has committed credit facilities amounting to ₪ 22,875 million (2023: ₪ 11,625 million) out of which undrawn commitment amounted to ₪ 12,585 million (2023: ₪ 8,261 million).

LEASE LIABILITIES

Lease liabilities can be broken down as follows:

As at 31 December	2024	2023
Non-current		
Lease liabilities	3,983,960	4,622,459
Current		
Lease liabilities	945,105	903,362
	4,929,065	5,525,821

All addition to leases are recognised as right-of-use assets which are disclosed in Note 8.

There are no residual value guarantees and no leases yet commenced, to which SABIC is committed.

The following lease related amounts recognised in consolidated statement of income:

For the years ended 31 December	2024	2023
Depreciation expense of right-of-use assets (refer Note 8)	1,155,390	1,291,866
Interest expense on lease liabilities (refer Note 30)	254,242	256,120
Expense related to short-term leases	7,895	19,205
Expense related to leases of low-value assets	866	11,930
Variable lease payments	1,903	8,589

The Group had total cash outflows for leases of ₪ 1,329 million during the year ended 31 December 2024 (2023: ₪ 1,736 million). The Group also had non-cash additions to right-of-use assets and lease liabilities of ₪ 845 million in 2024 (2023: ₪ 1,125 million). The future cash flows relating to lease receivables are disclosed in Note 39.

The maturity of the lease obligation and debt are further elaborated in liquidity risk (refer Note 37).

23. EMPLOYEE BENEFITS

The provision for employee benefits can be broken down as follows:

As at 31 December	2024	2023
Defined benefit obligations		
End of service benefits	11,027,748	10,613,240
Defined benefits pension schemes	1,249,720	1,287,037
Post-retirement medical benefits	1,122,300	881,699
	13,399,768	12,781,976
Other long-term employee benefits and termination benefits		
Long-term service awards	67,076	63,990
Early retirement plans	40,166	48,426
	107,242	112,416
	13,507,010	12,894,392

Management monitors the risks of all its pension plans and works with local fiduciaries and trustees regarding the governance and risk management of these pension plans, particularly with regard to the funding of the pension plans and the portfolio structure of the existing plan assets. The

obligations and plan assets, used to fund the obligations, are subject to demographic, legal and economic risks. Economic risks are primarily due to unforeseen developments in goods and capital markets. Most plans with defined benefits are closed for future service, limiting the Group's exposure to risk with regard to future benefit levels.

DEFINED BENEFITS OBLIGATION

The Group provides end of service and pension benefits to its employees taking into consideration the local labour laws, employment market and tax laws of the countries where the companies are located. Outside KSA, the Group limits the risks of changing financial market conditions and demographic developments by offering a defined contribution scheme to most employees.

END OF SERVICE BENEFITS

End of service benefits are mandatory for all KSA based employees under the Saudi Labour Law and the Group's employment policies. End of service benefit is based on employees' compensation and accumulated period of service and is payable upon termination, resignation or retirement, the Group provides End of Service benefits in excess of the statutory requirement. The Defined Benefit Obligation ("DBO") in respect of employees' end of service benefits is calculated by estimating the future benefit payment that employees have earned in return for their service. An appropriate discount rate is then applied to determine the present value of the Group's obligation. This is an unfunded plan.

Re-measurements are recognised immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to consolidated statement of income in subsequent periods.

All amounts in thousands of Saudi Riyals unless otherwise stated.

23. EMPLOYEE BENEFITS (CONTINUED)

DEFINED BENEFIT PENSION PLANS

The Group has a number of defined benefit pension plans outside KSA. The most significant plans are located in the United States of America (“USA”) and in the United Kingdom (“UK”). These plans are funded pension plans. Other pension plans include plans in Germany, Austria, Japan, Taiwan and Belgium, most of which are also funded. The benefits provided by these pension plans are based primarily on years of service and employee compensation.

The funding of the plans is consistent with local law and regulations in the countries of establishment. Generally, pension obligations are subject to a government regulation, including minimum funding requirements. Furthermore, the investment of assets is also regulated. This could result in fluctuating employer contributions, additional financing requirements and the assumption of obligations in favour of the pension fund to comply with these regulatory requirements.

Below is a brief description of the Group’s main defined benefit pension plans:

UNITED STATES OF AMERICA

In the USA, the Group has a number of qualified legacy defined benefit pension plans, all of which are closed for all future benefit accrual. These plans are subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). The funding policy for the USA Plans is to make regular contributions each year in such amounts that are necessary to meet or exceed the minimum funding standard as set forth in employee benefit and tax laws in the USA. The Group also has a supplementary non-qualified pension plan, also closed to future benefit accrual.

These defined benefit pension plans are administered by fiduciaries, who represents the interests of the beneficiaries and ensure that the benefits can be paid in the future.

UNITED KINGDOM

In the UK, the Group maintained final salary pension plans that have been closed to further increases in benefits for future years of service. A part of the UK workforce still accrues pension benefits due to salary increases. Since the closure of service accrual, all employees have had the opportunity to participate in a defined contribution plan.

The defined benefit pension plans are administered by trusts, where Boards of Trustees, according to the trustees’ agreement and law, represent the interests of the beneficiaries to ensure that the benefits can be paid in the future. The required funding is determined using technical valuations according to local regulations every three years. Pensions are adjusted each year to compensate for increases in the cost of living.

OTHER LONG-TERM EMPLOYEE BENEFITS LONG-TERM SERVICE AWARDS

The Group offers a long-term service award to its employees depending on years of service, which is measured similarly to a DBO.

EARLY RETIREMENT PLANS

Employee early retirement plan costs are provided for in accordance with the Group’s employee benefit policies. If an instalment-based compensation is agreed on, the obligation is initially discounted to its present value and then unwound through the period of compensation, which can be up to the regular retirement age of the employee.

The following table represents the movement of the defined benefit obligation position:

	2024	2023
As at 31 December	12,781,976	13,860,645
Reclassification net pension assets and asset ceiling	(61,212)	–
As at 1 January	12,720,764	13,860,645
Current service cost	812,699	864,133
Past service cost	(70,936)	–
Finance cost, net	613,415	656,196
Actuarial changes arising due to:		
– financial assumptions	(744,763)	644,307
– demographic changes	(5,506)	(106,008)
– experience adjustments	177,375	334,916
– actual return on plan assets	53,064	(456,250)
	(519,830)	416,965
Effect of onerous liability	128,783	–
Benefits paid during the year	(566,968)	(579,643)
Employer contributions into pension plans	(111,111)	(243,438)
Foreign currency translation adjustment and others	260,997	512,582
Net defined benefit obligation	13,267,813	15,487,440
Reclassified to liabilities associated with assets held for sale	–	(2,766,676)
Reclassification net pension assets and asset ceiling	131,955	61,212
As at 31 December	13,399,768	12,781,976

All amounts in thousands of Saudi Riyals unless otherwise stated.

23. EMPLOYEE BENEFITS (CONTINUED)

NET BENEFIT EXPENSE

For the years ended 31 December	2024	2023
Current service cost	812,699	756,603
Past service cost	(70,936)	–
Reclassified to discontinued operation	–	107,530
Net service and past service cost	741,763	864,133

FINANCE COST ON BENEFIT OBLIGATION

For the years ended 31 December	2024	2023
Net benefit expense	613,415	567,207
Reclassified to discontinued operation	–	88,989
Net benefit expense	613,415	656,196

RE-MEASUREMENT LOSS (GAIN) ON DEFINED BENEFIT PLANS

For the years ended 31 December	2024	2023
Re-measurement (gain) loss on defined benefit plans	(323,152)	555,672
Tax benefit	(36,794)	(5,925)
	(359,946)	549,747
Less: Re-measurement loss on defined benefit plans related to discontinued operation	–	(139,132)
	(359,946)	410,615
Add: Re-measurement loss on defined benefit plans related to discontinued operation till August 2023	–	6,350
Add: Asset ceiling	(31,101)	–
	(391,047)	416,965

Following table represents the components of the employee benefits in the KSA:

	End of service	Post-retirement medical	Total
As at 1 January 2024	10,613,240	881,699	11,494,939
Current service cost	738,929	61,082	800,011
Past service cost	44,968	(116,791)	(71,823)
Finance cost	531,248	41,240	572,488
Actuarial changes arising due to:			
– financial assumptions	(670,352)	255,181	(415,171)
– demographic adjustments	–	314	314
– experience adjustments	177,273	20,659	197,932
	(493,079)	276,154	(216,925)
Benefits paid during the year	(523,600)	(28,627)	(552,227)
Others	116,042	7,543	123,585
As at 31 December 2024	11,027,748	1,122,300	12,150,048

	End of service	Post-retirement medical	Total
As at 1 January 2023	11,570,963	936,044	12,507,007
Current service cost	784,031	67,656	851,687
Finance cost	553,778	44,532	598,310
Actuarial changes arising due to:			
– financial assumptions	223,146	57,178	280,324
– demographic adjustments	–	(30,207)	(30,207)
– experience adjustments	299,480	54,892	354,372
	522,626	81,863	604,489
Benefits paid during the year	(492,383)	(87,061)	(579,444)
Others	229,694	49,873	279,567
Reclassification to discontinued operation	(2,555,469)	(211,208)	(2,766,677)
As at 31 December 2023	10,613,240	881,699	11,494,939

All amounts in thousands of Saudi Riyals unless otherwise stated.

23. EMPLOYEE BENEFITS (CONTINUED)

Following table represents the components of the DBO outside KSA at 31 December 2024:

	USA	UK	Others	Total
As at 1 January 2024	2,173,913	1,794,726	621,847	4,590,486
Current service cost	1,080	–	11,608	12,688
Past service cost	–	732	155	887
Finance cost	103,843	85,678	19,901	209,422
Benefits paid during the year	(152,288)	(73,949)	(25,193)	(251,430)
Actuarial changes arising due to:				
– financial assumptions	(168,712)	(159,219)	(1,661)	(329,592)
– demographic changes	–	(4,210)	(1,610)	(5,820)
– experience adjustments	(24,196)	(6,355)	9,994	(20,557)
	(192,908)	(169,784)	6,723	(355,969)
Effect of onerous liability (ii)	–	128,783	–	128,783
Foreign currency and others	–	178,639	(70,175)	108,464
Defined benefit obligation	1,933,640	1,944,825	564,866	4,443,331
Reclassification to other non-current financial assets (i)	(1,530,386)	–	–	(1,530,386)
Asset ceiling for plan assets (i)	–	(1,624,017)	–	(1,624,017)
As at 31 December 2024	403,254	320,808	564,866	1,288,928

(i) USA funded plans and an UK plan were overfunded at year-end. For the USA plans, the Company is eligible for a refund if the funds would be liquidated. Therefore, the net pension asset is reclassified to other non-current financial assets. For the UK plan, the Company does not have the right for any refund upon any liquidation of the fund.

(ii) The onerous liability recorded during the year represents the statutory funding requirements to eliminate any funding shortfall for the UK plan.

The development of plan assets for these major plans in the different regions can be shown as follows:

	USA	UK	Others	Total
Plan assets as at 1 January 2024	1,736,771	1,597,812	30,077	3,364,660
Interest income	81,011	86,468	1,016	168,495
Employer's contribution	40,032	60,017	11,062	111,111
Return on plan assets (excluding interest income)	(61,200)	7,762	374	(53,064)
Benefits paid during the year	(152,288)	(73,949)	(10,452)	(236,689)
Administrative expenses	(4,232)	–	85	(4,147)
Foreign currency and others	–	(22,992)	(1,808)	(24,800)
	1,640,094	1,655,118	30,354	3,325,566
Reclassification to other non-current financial assets (i)	(1,631,240)	–	–	(1,631,240)
Asset ceiling for plan assets (i)	–	(1,655,118)	–	(1,655,118)
Plan assets as at 31 December 2024	8,854	–	30,354	39,208
Net defined benefit obligation as at 31 December 2024	394,400	320,808	534,512	1,249,720

(i) USA funded plans and an UK plan were overfunded at year-end. For the USA plans, the Company is eligible for a refund if the funds would be liquidated. Therefore, the net pension asset is reclassified to other non-current financial assets. For the UK plan, the Company does not have the right for any refund upon any liquidation of the fund.

All amounts in thousands of Saudi Riyals unless otherwise stated.

23. EMPLOYEE BENEFITS (CONTINUED)

Following table represents the components of the DBO outside the KSA at 31 December 2023:

	USA	UK	Others	Total
As at 1 January 2023	2,154,746	1,795,324	307,840	4,257,910
Current service costs	1,316	–	11,130	12,446
Finance costs	107,326	90,529	20,909	218,764
Benefits paid during the year	(173,558)	(76,121)	(23,837)	(273,516)
Settlements paid	–	–	(200)	(200)
Actuarial changes arising due to:				
– financial assumptions	53,939	23,428	286,616	363,983
– demographic changes	(8,750)	(67,051)	–	(75,801)
– experience adjustments	38,894	(63,784)	5,434	(19,456)
	84,083	(107,407)	292,050	268,726
Foreign currency and others	–	92,401	13,955	106,356
Defined benefit obligation	2,173,913	1,794,726	621,847	4,590,486
Reclassification to other non-current financial assets (i)	(1,570,773)	–	–	(1,570,773)
Asset ceiling for plan assets (i)	–	(32,833)	–	(32,833)
As at 31 December 2023	603,140	1,761,893	621,847	2,986,880

(i) USA funded plans and an UK plan were overfunded at year-end. For the USA plans, the Company is eligible for a refund if the funds would be liquidated. Therefore, the net pension asset is reclassified to other non-current financial assets. For the UK plan, the Company does not have the right for any refund upon any liquidation of the fund.

The development of plan assets for major plans in the different regions can be shown as follows:

	USA	UK	Others	Total
Plan assets as at 1 January 2023	1,597,448	1,601,293	(294,469)	2,904,272
Interest income	78,083	81,781	1,012	160,876
Employer's contribution	117,436	98,530	27,472	243,438
Return on plan assets (excluding interest income)	121,775	14,612	319,863	456,250
Benefits paid during the year	(173,558)	(76,121)	(23,837)	(273,516)
Administrative expenses	(4,413)	–	(880)	(5,293)
Foreign currency and others	–	(122,283)	916	(121,367)
	1,736,771	1,597,812	30,077	3,364,660
Reclassification to other non-current financial assets (i)	(1,620,399)	–	–	(1,620,399)
Asset ceiling for plan assets (i)	–	(44,418)	–	(44,418)
Plan assets as at 31 December 2023	116,372	1,553,394	30,077	1,699,843
Net defined benefit obligation as at 31 December 2023	486,768	208,499	591,770	1,287,037

(i) USA funded plans and an UK plan were overfunded at year-end. For the USA plans, the Company is eligible for a refund if the funds would be liquidated. Therefore, the net pension asset is reclassified to other non-current financial assets. For the UK plan, the Company does not have the right for any refund upon any liquidation of the fund.

All amounts in thousands of Saudi Riyals unless otherwise stated.

23. EMPLOYEE BENEFITS (CONTINUED)

For the years ended 31 December	2024	2023
Net benefit expense		
Current service cost	812,699	864,133
Past service cost	(70,936)	-
Finance cost on benefit obligation	613,415	656,196
Net benefit expense	1,355,178	1,520,329

EMPLOYEE PENSION PLAN ASSETS

The following table represents the categories of plan assets for the major pension plans outside KSA:

For the year ended 31 December 2024	USA	UK	Others
Quoted and unquoted			
Equity	5.90%	18.20%	-
Debt securities	89.47%	8.04%	-
- Government debtors	-	8.04%	-
- Other debtors	89.47%	-	-
Investment funds and insurance companies	-	54.59%	96.65%
Other investments	4.13%	6.88%	3.35%
Cash and cash equivalents	0.50%	12.29%	-
Total	100%	100%	100%

For the year ended 31 December 2023	USA	UK	Others
Quoted and unquoted			
Equity	15.00%	9.17%	-
Debt securities	84.50%	11.38%	-
- Government debtors	-	11.38%	-
- Other debtors	84.50%	-	-
Investment funds and insurance companies	-	40.67%	94.60%
Other investments	-	9.12%	5.40%
Cash and cash equivalents	0.50%	29.66%	-
Total	100.00%	100.00%	100.00%

The major economic and actuarial assumptions used in benefits liabilities computation can be shown as follows:

For the year ended 31 December 2024	KSA	USA	UK
Discount rate	5.60%	5.45%	5.55%
Average salary increase	“Exec: 4.50% Non- Exec:6.00%”	-	3.61%
Pension in payment increase	N/A	N/A	2.95%
Inflation rate (health care cost)	9% in 2025 & 8% thereafter	N/A	N/A
Duration of benefits plan	11 years	11 years	15 years

For the year ended 31 December 2023	KSA	USA	UK
Discount rate	5.00%	4.78%	4.80%
Average salary increase	4.50% – 6.00%	-	3.51%
Pension in payment increase	N/A	N/A	2.90%
Inflation rate (health care cost)	9% in 2023 decreasing to 5% in 2027+	N/A	N/A
Duration of benefits plan	11 years	12 years	14 years

N/A = not applicable

SENSITIVITY ANALYSIS

The table below illustrates the approximate impact on the DBO if the Group were to change one key assumption, while the other actuarial assumptions remain unchanged. The sensitivity analysis is intended to illustrate the inherent uncertainty in the valuation of the DBO under market conditions at the measurement date. These results cannot be extrapolated due to non-linear effects that changes in key actuarial assumptions may have on the total DBO. The sensitivities only apply to the DBO and not to the net amounts recognised in the consolidated statement of financial position. Movements in the fair value of plan assets would, to a certain extent, be expected to offset movements in the DBO resulting from changes in the given assumptions.

All amounts in thousands of Saudi Riyals unless otherwise stated.

23. EMPLOYEE BENEFITS (CONTINUED)

SENSITIVITY ANALYSIS (CONTINUED)

For the year ended 31 December 2024

	KSA	USA	UK	Others
Increase				
Discount rate (25 bps)	(330,242)	(56,820)	(50,492)	(17,354)
Salary (25 bps)	296,210	-	8,063	5,029
Pension (25 bps)	-	-	52,031	12,528
Health care costs (25 bps)	48,973	-	-	-
Decrease				
Discount rate (25 bps)	345,137	59,581	52,728	18,291
Salary (25 bps)	(285,314)	-	(7,822)	(4,894)
Pension (25 bps)	-	-	(41,091)	(11,949)
Health care costs (25 bps)	(46,525)	-	-	-

For the year ended 31 December 2023

	KSA	USA	UK	Others
Increase				
Discount rate (25 bps)	(310,464)	(69,045)	(60,502)	(20,431)
Salary (25 bps)	285,703	-	9,167	6,052
Pension (25 bps)	-	-	58,902	14,036
Health care costs (25 bps)	36,511	-	-	-
Decrease				
Discount rate (25 bps)	323,478	72,626	63,395	21,623
Salary (25 bps)	(275,888)	-	(8,888)	(5,875)
Pension (25 bps)	-	-	(48,184)	(13,382)
Health care costs (25 bps)	(34,849)	-	-	-

Expected total benefit payments can be broken down as follows:

	31 December 2024	
	KSA	Outside KSA
Within 1 year	703,139	232,951
1 – 2 years	555,189	223,762
2 – 3 years	626,499	222,377
3 – 4 years	743,625	221,564
4 – 5 years	782,053	220,728
Next 5 years	5,526,025	1,075,371
Total	8,936,530	2,196,753

Expected total benefit payments can be broken down as follows:

	31 December 2023	
	KSA	Outside KSA
Within 1 year	588,947	238,991
1 – 2 years	546,412	239,563
2 – 3 years	560,452	230,759
3 – 4 years	619,207	228,921
4 – 5 years	742,859	226,759
Next 5 years	4,856,489	1,102,582
Total	7,914,366	2,267,575

All amounts in thousands of Saudi Riyals unless otherwise stated.

24. PROVISIONS

As at 31 December	2024	2023
Non-current:		
Demolition and site restoration (i)	317,199	529,485
Environmental obligations (ii)	80,422	86,676
Litigation claims (iii)	39,026	166,014
Restructuring (iv)	12,879	172,250
Miscellaneous (v)	421,039	136,064
	870,565	1,090,489
Current: (vi)		
Restructuring (iv)	50,678	184,395
Demolition and site restoration (i)	12,058	39,994
Environmental obligations (ii)	884	3,642
Miscellaneous (v)	73,628	947,931
	137,248	1,175,962
	1,007,813	2,266,451

- (i) Demolition and site restoration provision represents the provision for cost of dismantling and site restoration of certain manufacturing sites of the Group subsidiaries. The Group recognises a provision when an obligation arises as a consequence of a legal or constructive obligation.
- (ii) Environmental obligation represents the expected costs of environmental remediation and rehabilitating contaminated sites across the different manufacturing sites.
- (iii) Provision for litigation obligations represents pending legal claims. Management do not believe that any currently pending or threatened litigation, either individually or in the aggregate, is likely to have a significant adverse effect on its financial position or results of operations. It also includes provisions for damage claims, warranties and similar obligations.
- (iv) Restructuring provisions represent mainly onerous contracts, decommissioning and severance costs relating to specific restructuring projects.
- (v) Miscellaneous provisions relate to various risks and commitments including constructive obligations arising from a construction project mostly provided for in 2023 and settled in 2024.
- (vi) The amount and timing of settlement in respect of these provisions are uncertain and dependent on various factors that are not always within management's control.

The movement in total provisions has been broken down as follows:

	Demolition and site restoration	Restructuring	Litigation claims	Environmental obligations	Miscellaneous	Total
As at 1 January 2023	380,887	158,593	124,413	86,266	193,271	943,430
Additions	217,120	191,700	51,844	10,396	1,092,852	1,563,912
Utilization	(29,950)	(19,417)	–	(8,368)	(113,642)	(171,377)
Reversals	(598)	23,507	(22,771)	(241)	(75,001)	(75,104)
Others	2,020	2,262	12,528	2,265	(13,485)	5,590
As at 31 December 2023	569,479	356,645	166,014	90,318	1,083,995	2,266,451
Additions	23,570	26,819	3,000	261,067	422,070	736,526
Utilization	(122,281)	(312,473)	(100,629)	(10,852)	(881,117)	(1,427,352)
Reversals	(126,327)	–	(27,000)	(255,764)	(86,543)	(495,634)
Others	(15,184)	(7,434)	(2,359)	(3,463)	(43,738)	(72,178)
As at 31 December 2024	329,257	63,557	39,026	81,306	494,667	1,007,813

25. OTHER LIABILITIES

As at 31 December	2024	2023
Non-current:		
Payable to related parties (i)	1,267,029	1,298,543
Contract liability (ii)	139,964	153,609
Miscellaneous	198,256	156,788
	1,605,249	1,608,940
Current:		
Dividends payable (refer Note 18)	7,471,836	7,003,335
Accrued liabilities	5,285,127	6,568,645
Employees related liabilities	2,535,016	1,948,654
Employee saving plan	2,063,250	1,895,808
Sales and other tax payables	1,058,050	402,867
Payable to related parties (i)	912,319	126,587
Trade advances	221,329	97,068
Miscellaneous	149,072	155,385
	19,695,999	18,198,349

- (i) Payable to related parties mainly relate to the operations and production advances, under Joint Ownership and Production Agreement with integral joint ventures. The amortisation of these production advance liability is recorded under 'revenue' amounting to ₪ 180 million (refer Note 14 (iii)).

- (ii) Contract liability represents the payable against the asset received from third party under the tolling agreement.

All amounts in thousands of Saudi Riyals unless otherwise stated.

26. TRADE PAYABLES

Trade payables can be broken down as follows:

As at 31 December	2024	2023
Trade accounts payables	8,872,068	7,805,597
Due to related parties (refer Note 33)	10,921,536	12,281,419
	19,793,604	20,087,016

Trade payables are non-interest bearing and are settled within normal commercial terms.

The Group's exposure to currency and liquidity risk related to accounts payables is disclosed in Note 37.

27. REVENUE

Revenue can be broken down as follows:

For the years ended 31 December	2024	2023
Sales of goods	135,907,132	136,932,514
Logistic services	3,464,618	4,049,776
Rental income	608,750	554,897
	139,980,500	141,537,187

No significant revenue was recognised in 2024 from performance obligations satisfied in previous years. All unfulfilled remaining performance obligations as at 31 December 2024 are expected to be satisfied in the next year and in future years.

Revenue from Logistic services is recognized over-time and revenue from sales of goods is recognised at-a-point in time.

Refer Note 36 for the segment and geographical distribution of revenue.

28. EXPENSES

Based on their nature, cost of sales, general and administrative expenses, research and development expenses and selling and distribution expenses can be broken down as follows:

28.1 COST OF SALES

Cost of sales can be broken down as follows:

For the years ended 31 December	2024	2023
Changes in inventories of finished products, raw materials and consumables used	79,155,806	82,759,188
Depreciation and amortisation ⁽ⁱ⁾	11,341,365	11,597,090
Utilities	8,692,646	8,538,609
Employee related costs	7,426,895	7,029,409
Logistic service-related costs	3,464,618	4,049,776
Repairs and maintenance	4,229,544	4,035,618
Impairments and write-offs of plant and equipment	45,858	1,453,415
	114,356,732	119,463,105

(i) Depreciation and amortisation includes the amortisation charge of certain other assets.

28.2 GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses can be broken down as follows:

For the years ended 31 December	2024	2023
Employee related expenses	5,535,734	5,021,052
Admin and corporate support service	2,494,565	2,234,261
Depreciation and amortisation	1,035,124	1,183,392
Maintenance	564,838	459,399
Miscellaneous	278,885	221,891
	9,909,146	9,119,995

28.3 RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses can be broken down as follows:

For the years ended 31 December	2024	2023
Employee related expenses	1,327,714	1,214,755
Administrative support	280,562	240,937
Depreciation and amortisation	231,797	219,394
Maintenance	180,214	211,976
Miscellaneous	42,881	6,023
	2,063,168	1,893,085

28.4 SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses can be broken down as follows:

For the years ended 31 December	2024	2023
Transportation and shipping	5,681,276	5,063,250
Employee related expenses	1,715,198	1,543,877
Marketing related expenses	619,514	693,919
Depreciation and amortisation	400,819	450,866
	8,416,807	7,751,912

29. OPERATING INCOME AND EXPENSES

Other operating income can be broken down as follows:

For the years ended 31 December	2024	2023
Services rendered to integral JVs	946,577	916,479
Gain on sale of F&S business (refer Note 35.2)	291,359	-
Miscellaneous	122,139	320,824
	1,360,075	1,237,303

All amounts in thousands of Saudi Riyals unless otherwise stated.

29. OPERATING INCOME AND EXPENSES (CONTINUED)

Other operating expenses can be broken down as follows:

For the years ended 31 December	2024	2023
Demolition, restructuring and miscellaneous provisions	320,120	1,147,007
Impairment of non-operating assets	599,419	391,007
Foreign currency exchange expenses	188,740	40,070
Donations	61,353	79,460
Loss from disposal of plant and equipment	38,693	37,363
Miscellaneous	414,176	62,552
	1,622,501	1,757,459

30. FINANCE INCOME AND COST

Finance income and finance cost can be broken down by conventional and non-conventional as follows:

For the years ended 31 December	2024	2023
Finance income		
– Conventional call account	120	6,119
– Conventional fixed term deposits	16,899	42,802
– Interest income from loans and borrowings – related party	37,881	50,668
– Derivative financial instruments	–	1,975,392
– Conventional financial income on receivable from third parties	307,046	150,782
– Others	8,642	9,449
Total conventional finance income	370,588	2,235,212
– Current Murabaha (including fixed term deposits)	1,542,674	1,358,402
– SUKUK	20,335	31,913
– Others	374	801
Total non-conventional finance income	1,563,383	1,391,116
Total finance income	1,933,971	3,626,328

For the years ended 31 December	2024	2023
Finance cost		
– Commercial loans	66,264	88,963
– Bonds/notes	265,313	381,563
– Lease liabilities	254,242	256,120
– Net interest on employee benefits	615,269	567,207
– Derivative financial instruments	40,238	–
– Net foreign exchange differences for borrowings	13,632	68,762
– Interest expense on loans and borrowings – related party	265,707	31,279
– Others	218,056	140,740
Total conventional finance cost	1,738,721	1,534,634
– Murabaha	1,058,731	1,049,481
– SIDF	17,252	24,167
– Others	5,593	6,368
Total non-conventional finance cost	1,081,576	1,080,016
Total finance cost	2,820,297	2,614,650
Conventional financial result	(1,368,133)	700,578
Non-conventional financial result	481,807	311,100
Financial result	(886,326)	1,011,678

All amounts in thousands of Saudi Riyals unless otherwise stated.

31. ZAKAT AND INCOME TAX

The movement in the net zakat and income tax payable can be shown as follows:

	Zakat	Income Tax	Total
As at 1 January 2024	1,414,718	217,346	1,632,064
Provided during the year	213,827	825,383	1,039,210
Paid during the year, net	(1,503,982)	(814,019)	(2,318,001)
Other movements (foreign currency translations and reclassification)	(6,224)	(22,872)	(29,096)
As at 31 December 2024	118,339	205,838	324,177

Presentation in the consolidated statement of financial position can be broken down as follows:

As at 31 December 2024	Zakat	Income Tax	Total
Receivable	–	381,237	381,237
Payable	118,339	587,075	705,414
Net payable	118,339	205,838	324,177

	Zakat	Income Tax	Total
As at 1 January 2023	2,160,763	742,662	2,903,425
Provided during the year	1,355,054	583,933	1,938,987
Paid during the year, net	(1,881,753)	(1,111,554)	(2,993,307)
Other movements (foreign currency translations and reclassification)	(1,515)	2,305	790
Reclassified to liabilities directly associated with assets held for sale	(217,831)	–	(217,831)
As at 31 December 2023	1,414,718	217,346	1,632,064

Presentation in the consolidated statement of financial position can be broken down as follows:

As at 31 December 2023	Zakat	Income Tax	Total
Receivable	–	386,956	386,956
Payable	1,414,718	604,302	2,019,020
Net payable	1,414,718	217,346	1,632,064

31.1 ZAKAT

Zakat returns of SABIC and wholly owned subsidiaries are submitted to the ZATCA based on separate financial statements prepared for zakat purposes only. Other non-wholly owned subsidiaries file their zakat returns separately. SABIC has filed its zakat returns with ZATCA, received the zakat certificates, settled the zakat dues up to the year ended 31 December 2021. SABIC cleared its zakat assessments with ZATCA up to the year ended 31 December 2018, and the years 2019 through 2021 are under review by the ZATCA.

Reconciliation of zakat expense due to reclassification of Hadeed to discontinued operation is as follows:

For the years ended 31 December	2024	2023
Current zakat expense		
Current year	213,827	1,355,054
Reclassified to discontinued operation	–	(85,894)
	213,827	1,269,160

The Group reported net zakat expense of ₪ 214 million for the year ended on 31 December 2024 (31 December 2023: zakat expense of ₪ 1,269 million).

The reduced zakat expense in the current year resulted from a reassessment of the zakat positions in the current and previous years, following the new zakat regulations published during 2024.

The net loss from discontinued operation in the consolidated statement of income includes a zakat expense of ₪ 44,333 (2023: ₪ 115,297).

All amounts in thousands of Saudi Riyals unless otherwise stated.

31. ZAKAT AND INCOME TAX (CONTINUED)

31.2 INCOME TAX

The major components of income tax in the consolidated statement of income can be broken down as follows:

For the years ended 31 December	2024	2023
Current income tax		
Current year	722,475	506,633
Adjustments in respect of current income tax of previous year	102,908	77,300
Deferred income tax		
Origination and reversals of temporary differences	(903,312)	(1,022,141)
Income tax benefit	(77,929)	(438,208)

The following deferred income tax related items charged or credited directly to equity, and reported in the consolidated statement of comprehensive income, can be broken down as follows for the years ended 31 December:

For the years ended 31 December	2024	2023
Tax benefit on re-measurement of defined benefit plans	(36,794)	(5,925)
Deferred income tax benefit recognised in other comprehensive income	(36,794)	(5,925)

The relationship between the domestic (Saudi Arabia) income tax expense and the effective tax expense is as follows for the years ended 31 December:

For the years ended 31 December	2024	2023
Income before zakat and income tax from continuing operations	4,416,419	4,523,614
Exclude: income subject to Zakat	(8,844,097)	(12,814,111)
Income (loss) subject to income tax	(4,427,678)	(8,290,497)
Domestic income tax rate (KSA)	20%	20%
Income tax at domestic tax rate	(885,536)	(1,658,099)
Tax effects of:		
– Current year tax benefits not recognised	1,398,072	1,550,749
– Deviating rates	(401,384)	(444,959)
– Tax rate changes	–	(407)
– Foreign currency results	(379,486)	113,165
– Tax-exempt results on associates and joint ventures	162,838	184,784
– Non-tax deductible expenses	24,138	64,435
– Prior year adjustments and other tax-exempt items	(35,807)	136,725
– Tax charge due to other liabilities	(111,035)	(485,267)
– Deferred income tax on outside basis differences	(21,867)	(35,283)
– State, local and other income taxes	172,138	135,949
Income tax benefit	(77,929)	(438,208)
Zakat expense	213,827	1,269,160
Total income tax and zakat expense from continuing operations	135,898	830,952

Review of the major drivers for the current year effective tax expense and zakat expense:

The effective tax and zakat rate is 3% (2023: 18%).

The effective tax benefit is negatively impacted mainly by current year tax benefits not recognised for losses in Luxembourg and the United States of America. Other negative impacts included, tax exempt results on associates and joint ventures, and local income and withholding taxes.

Favourable impact to the effective tax benefit included deviating local statutory tax rates on current year losses, taxable foreign currency exchange losses in the Netherlands and reserve releases for uncertain tax positions.

Management's re-assessment of uncertain tax and zakat positions resulted from legislation changes, discussions with local tax authorities and other relevant facts and circumstances.

The deferred income tax assets/(liabilities) presented in the consolidated statement of financial position are as follows:

As at 31 December	2024	2023
Deferred income tax assets	2,365,609	1,749,286
Deferred income tax liabilities	(611,582)	(814,942)
	1,754,027	934,344

All amounts in thousands of Saudi Riyals unless otherwise stated.

31. ZAKAT AND INCOME TAX (CONTINUED)

31.2 INCOME TAX (CONTINUED)

Components of deferred income tax are as follows:

	Consolidated statement of financial position		Consolidated statement of income	
	2024	2023	2024	2023
– Property, plant and equipment and intangible assets	(1,877,004)	(1,969,906)	(85,645)	(60,922)
– Right-of-use assets	(647,542)	(754,507)	(83,493)	(71,124)
– Inventories	(3,853)	(4,499)	(646)	1,228
– Outside basis differences	(232,505)	(256,101)	(21,867)	(35,283)
– Others	(3,512)	(55,718)	(52,206)	44,076
Deferred income tax liabilities	(2,764,416)	(3,040,731)		
Set-off with deferred income tax assets	2,152,834	2,225,789		
Net deferred income tax liabilities	(611,582)	(814,942)		
– Tax loss carry forward	15,354,664	12,338,316	(3,109,320)	(2,643,746)
– Property, plant and equipment and intangible assets	268,168	124,924	(143,244)	1,013
– Employee benefits	279,951	262,695	545	14,753
– Lease liabilities	689,465	763,977	48,328	94,465
– Deferred charges	433,804	376,782	(55,733)	(31,098)
– Provisions on receivables and inventories	143,888	131,320	(15,101)	(37,076)
– Interest carry forward	3,545,113	2,138,328	(1,485,949)	(120,932)
– Tax credits carry forward	328,214	330,290	(5,385)	(13,692)
– Others	362,835	519,020	105,144	(177,272)
Deferred income tax assets	21,406,102	16,985,652		
Unrecognised deferred income tax assets	(16,887,659)	(13,010,577)	4,001,260	2,013,469
Set-off with deferred income tax liabilities	(2,152,834)	(2,225,789)		
Net deferred income tax assets	2,365,609	1,749,286		
Deferred income tax benefit			(903,312)	(1,022,141)

The Group has not recognised ₪ 16,888 million (2023: ₪ 13,011 million) of deferred income tax assets, largely related to tax losses carry forward in various jurisdictions, as no sufficient evidence exists to support the Group's ability to realise such assets.

Based on the assessment of profitability forecasts for future years, the Group has recognised deferred income tax assets related to its tax losses carry forward in Saudi Arabia of ₪ 5 million (2023: ₪ 8 million), in the Netherlands of ₪ 1,755 million (2023: ₪ 1,143 million), in the United Kingdom of ₪ 234 million (2023: ₪ 148 million), in Spain of ₪ 45 million (2023: ₪ 139 million) and in the United States of America of ₪ 479 million (2023: ₪ 425 million).

Recoverability of deferred tax assets is contingent on the ability of the Group to adhere to its business plan, which includes key assumptions like average selling prices and volumes. Management believes that a reasonably possible change in its used assumptions would not cause a significant impact, as the Group's major deferred tax assets recognised are in the Netherlands, which has an indefinite carry forward period for tax losses.

An overview of the Group's recognised tax loss carry forward is shown below:

As at 31 December	2024	2023	Expiration ranges
Saudi Arabia	26,331	39,510	Indefinite
Netherlands	6,800,654	4,911,802	Indefinite
United States of America	2,046,086	1,817,320	2027 – Indefinite
United Kingdom	937,700	592,100	Indefinite
Spain	181,880	555,869	Indefinite
Others	494,469	32,792	Various
Total	10,487,120	7,949,393	Indefinite

All amounts in thousands of Saudi Riyals unless otherwise stated.

31. ZAKAT AND INCOME TAX (CONTINUED)

31.2 INCOME TAX (CONTINUED)

In addition, the Group has unrecognised tax losses carry forward available of ₪ 52,475 million (2023: ₪ 42,699 million), mainly in Luxembourg, Netherlands and the United States of America and which can be applied against future taxable income. In certain jurisdictions, these tax losses are pending completion of tax filings and/or acceptance of tax filings by tax authorities.

The Group has recognised a deferred income tax liability of ₪ 233 million (2023: ₪ 256 million) for withholding taxes that would be payable on the distribution of unremitted earnings of its subsidiaries, joint ventures and associates.

GLOBAL MINIMUM TAX

SABIC, being part of the Saudi Aramco Group, is in scope of OECD Pillar Two model rules and has performed an assessment of its exposure to Pillar Two income taxes. An assessment of the potential exposure to Pillar Two income taxes has been made for the jurisdictions where Pillar Two legislation has been enacted or substantively enacted as at the reporting date. The estimation of the Pillar Two income tax exposure is based on historical country-by-country reporting and financial data for the constituent entities.

Based on this assessment, for most of the jurisdictions in which SABIC and the Saudi Aramco Group operate, SABIC and the Saudi Aramco Group are expected to qualify for the transitional CBCR safe harbour relief. However, there are a limited number of jurisdictions where the transitional CBCR safe harbour relief does not apply. SABIC does not expect a material exposure to Pillar Two income taxes in those jurisdictions based on the facts and information available as at the reporting date.

32. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the (Parent) by the weighted average number of ordinary shares during the year.

Diluted earnings per share amounts are calculated by dividing the net profit for the year attributable to ordinary equity holders of the (Parent) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

For the years ended 31 December	2024	2023
Net income (loss) attributable to equity holders of the Parent (₪ '000)	1,538,542	(2,772,282)
Weighted average number of ordinary shares ('000)	3,000,000	3,000,000
Earnings per share from net income (loss) attributable to equity holders of the Parent (₪)	0.51	(0.92)
Net income from continuing operations attributable to equity holders of the Parent (₪ '000)	2,095,928	1,304,657
Weighted average number of ordinary shares ('000)	3,000,000	3,000,000
Earnings per share from net income from continuing operations attributable to equity holders of the Parent (₪)	0.70	0.43

There are no instruments that have diluted the weighted average number of ordinary shares. Interests in subsidiaries are set out in Note 42.

All amounts in thousands of Saudi Riyals unless otherwise stated.

33. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

The following tables show the volume of business with related parties:

	For the year ended 31 December 2024		As at 31 December 2024	
	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Associates	80,170	5,068,133	16,726	480,736
Joint ventures	7,731,316	20,362,330	4,211,562	6,082,154
Saudi Aramco	26,022	21,869,054	26,560	3,890,254
Saudi Aramco's subsidiaries, joint ventures and associates	11,583,463	23,355,266	906,294	2,503,127

	For the year ended 31 December 2023		As at 31 December 2023	
	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Associates	100,123	5,356,852	22,052	525,347
Joint ventures	7,222,654	15,962,367	4,368,145	5,506,494
Saudi Aramco	13,191	19,178,341	4,543	3,856,450
Saudi Aramco's subsidiaries, joint ventures and associates	13,932,075	24,380,410	1,823,502	3,496,446

	As at 31 December 2024		As at 31 December 2023	
	Loans to related parties	Loan from related parties	Loans to related parties	Loan from related parties
Associates	28,256	–	32,739	–
Joint ventures	688,623	–	625,795	–
Entities (FVOCI equity accounted)	57,126	–	48,749	–
Saudi Aramco's subsidiary	–	7,438,960	–	3,778,091

TERMS AND CONDITIONS OF TRANSACTIONS WITH RELATED PARTIES

The sales to and purchases from related parties are made at agreed terms and conditions. Outstanding balances are unsecured, interest free and settled in cash. There have been no guarantees provided or received for any related party receivables or payables. For the years ended 31 December 2024 and 2023, the Group has not recognised any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

GOVERNMENT, SEMI-GOVERNMENT AND OTHER ENTITIES WITH GOVERNMENT OWNERSHIP OR CONTROL

Transactions and balances with entities controlled by the Saudi government can be shown as follows:

For the years ended 31 December	2024	2023
Purchases of goods and services	2,060,740	3,012,601
Sales of goods and services	2,597,105	14,298
As at 31 December	2024	2023
Payables	144,613	321,812
Receivables (i)	5,485,010	6,837
Short-term investments with banks	2,748,900	3,670,500
Cash and cash equivalents held with banks	7,313,817	11,223,067
Borrowings	12,439,622	13,438,156
Lease liabilities	1,448,537	1,467,067

(i) During the year ended 31 December 2024, the group obtained all approvals related to the divestment of Hadeed to PIF (an entity controlled by the Saudi government). The Hadeed business was presented as discontinued operation prior to closing of the transaction in these annual consolidated financial statements (refer Note 34).

Following balances as presented above are related party transactions with Hadeed, an entity controlled by the Saudi government:

- receivable from PIF amounting to # 4,826 million.
- receivable from Hadeed against the services amounting to # 647 million.

All amounts in thousands of Saudi Riyals unless otherwise stated.

33. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

KEY MANAGEMENT PERSONNEL COMPENSATION

In addition to remunerations to key management personnel, the Group also provides non-cash benefits to directors and executive officers, and contributes to a post-employment defined benefit plan on their behalf.

Remuneration of key management can be shown as follows:

For the years ended 31 December	2024	2023
Short-term employee benefits	38,425	44,731
Post-employment benefits	8,182	10,243
Other long-term benefits	30,439	33,603
Total	77,046	88,577

34. DISCONTINUED OPERATION

On 3 September 2023, the Group announced signing an agreement with the 'Public Investment Fund' ("PIF") to acquire all SABIC shares in the 'Saudi Iron and Steel Company' ("Hadeed").

Following the signing of the agreement, Hadeed has been presented as 'discontinued operation' under IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'. The assets and liabilities of the disposal group are therefore classified and presented separately as 'held for sale' in these consolidated financial statements. These are measured at lower of their carrying amount and fair value less costs to sell (based on the agreement) and depreciation is ceased on relevant assets from the date of their classification as 'held for sale'.

As per 31 May 2024, SABIC had obtained all approvals from the relevant authorities and satisfied all conditions related to the transfer of the ownership of Hadeed to PIF.

34.1 FINANCIAL PERFORMANCE AND CASH FLOW INFORMATION

Following table presents the financial performance of discontinued operation for the following periods:

For the years ended 31 December	2024	2023
Revenue	5,214,495	13,053,749
Depreciation and amortisation	–	(763,633)
Cost of sales and other expenses, net	(5,360,409)	(13,167,150)
Finance income and expenses	(63,010)	(153,019)
Results from non-integral joint ventures and associates	–	(547)
Loss before zakat	(208,924)	(1,030,600)
Zakat expense	(44,333)	(115,297)
Loss after zakat	(253,257)	(1,145,897)
Fair value re-measurement on assets held for sale	(304,129)	(2,931,042)
Loss from discontinued operation	(557,386)	(4,076,939)
Items that will not be reclassified to the statement of income	91,086	(140,008)
Reclassification of other comprehensive loss	(2,111)	–
Total comprehensive loss from discontinued operation	(468,411)	(4,216,947)

Following table presents the cash flow information of discontinued operation for the following periods:

For the years ended 31 December	2024	2023
Net cash generated from operating activities	71,792	926,710
Net cash from (used in) investing activities	45,850	(596,704)
Net cash used in financing activities	(136,141)	(289,409)
Net (decrease) increase in cash and cash equivalents	(18,499)	40,597

Loss before zakat and income tax from discontinued operations, as presented in the consolidated statement of cash flows, amounted to ₪ 513,053 million including the fair value re-measurement on assets held for sale.

All amounts in thousands of Saudi Riyals unless otherwise stated.

34. DISCONTINUED OPERATION (CONTINUED)

34.2 ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

The carrying amounts of assets and liabilities of disposal group classified as held for sale were:

	As at 31 December 2023
Assets held for sale	
Property, plant and equipment, right-of-use assets and intangible assets (i)	5,334,816
Inventories	3,904,243
Trade receivables	2,765,103
Other non-current and current assets	2,036,146
Cash and cash equivalents	1,383,646
Total assets	15,423,954
Liabilities directly associated with assets held for sale	
Employee benefits	2,957,098
Other current and non-current liabilities	2,214,757
Trade payables	529,035
Total liabilities	5,700,890
Net assets	9,723,064

- (i) The fair value re-measurement has been entirely allocated to 'Property, plant and equipment, right-of-use assets and intangible assets'.

34.3 LOSS ON SALE OF HADEED

Consideration received or receivable:

Cash	1,163,045
Long-term and current receivables (i)	4,826,091
Total sale consideration	5,989,136
Less: carrying amount of net assets sold	(9,224,307)
Loss on sale of Hadeed (ii)	(3,235,171)

- (i) Receivables from PIF, to be received in next two years, are presented net of discounting impact and recognised as a 'financial asset at amortised cost' in accordance with IFRS 9 'Financial Instruments'.
- (ii) Loss on sale of Hadeed includes fair value re-measurement loss recorded during the year ended 31 December 2024 amounting to ₪ 304 million (2023: ₪ 2,931 million).

The following represents the carrying amounts of assets and liabilities of Hadeed at the date of disposal:

	As at 31 May 2024
Assets held for sale	
Property, plant and equipment, right-of-use assets and intangible assets	8,270,493
Other assets	9,436,438
Cash and cash equivalents	1,365,147
Total assets	19,072,078
Liabilities directly associated with assets held for sale	
Employee benefits	2,900,962
Other liabilities	6,946,809
Total liabilities	9,847,771
Net assets	9,224,307

35. ASSETS HELD FOR SALE

35.1 SALE OF SHARES IN ALUMINIUM BAHRAIN B.S.C. ("ALBA") – CLASSIFIED AS ASSET HELD FOR SALE

On 14 Rabi'ul Awwal 1446 AH (corresponding to 17 September 2024), the group announced the signing by SABIC Industrial Investment Company, a wholly owned subsidiary of SABIC, of an agreement for the sale of its holding of 292,804,000 ordinary shares in Alba (representing 20.62% of its issued share capital) to Saudi Arabian Mining Company ("Ma'aden"). The divestment will enable SABIC to optimise its portfolio, focus on its core business, and further strengthen its growth in the chemicals industry.

The sale proceeds will be BHD 363 million (approximately ₪ 3,624 million). The investment was part of Petrochemicals segment and has been classified as 'assets held for sale' since the sale is highly probable within twelve months.

The investment has been measured at the lower of its carrying amount and its fair value less costs to sell (based on the agreement), resulting in a fair value remeasurement loss amounting to ₪ 201 million which has been recorded under results from associates and non-integral joint ventures in the consolidated statement of income.

As at 31 December 2024, the completion of the transaction is subject to customary approvals from the relevant regulatory authorities and the satisfaction of certain conditions precedent contained in the share sale and purchase agreement.

35.2 SALE OF FILM & SHEET BUSINESS – DISPOSAL GROUP

During the period ended 30 June 2024, the assets and liabilities of F&S business, part of Petrochemicals segment, were reclassified to 'assets held for sale' and 'liabilities directly associated with assets held for sale' in the consolidated statement of financial position, as a result of operational and structural changes.

All amounts in thousands of Saudi Riyals unless otherwise stated.

35. ASSETS HELD FOR SALE (CONTINUED)

35.2 SALE OF FILM & SHEET BUSINESS – DISPOSAL GROUP (CONTINUED)

On 1 September 2024, SABIC has satisfied all customary conditions and has obtained regulatory approvals. First instalment of total sale consideration was received in the third quarter of 2024. In line with the agreement, the final amount of the total sale consideration will be determined once the completion accounts are concluded, which is expected during the first quarter of 2025. The resulting gain on sale of F&S business is recorded under other operating income in the consolidated statement of income.

Consideration received or receivable:

Cash	562,424
Long-term receivables	375,000
Total sale consideration	937,424
Less: carrying amount of net assets sold	(646,065)
Gain on sale of assets held for sale	291,359

The carrying amounts of assets and liabilities of F&S business at the date of disposal were:

As at
1 September 2024

Assets held for sale	
Property, plant and equipment, right-of-use assets and intangible assets	432,937
Inventories	268,940
Trade receivables	199,833
Other assets	34,351
Cash and cash equivalents	142,781
Total assets	1,078,842

As at
1 September 2024

Liabilities directly associated with assets held for sale	
Employee benefits	41,386
Other liabilities	252,363
Trade payables	139,028
Total liabilities	432,777
Net assets	646,065

36. SEGMENT INFORMATION

For management purposes, the Group is organised into two operating segments.

The **Petrochemicals** segment is comprised of two primary product categories: Chemicals and Polymers.

- **Chemicals** products are manufactured from a variety of hydrocarbon feedstock, including Methane, Ethane, Propane, Butane, and light Naphtha. The product range includes Olefins, Methanol, Aromatics, Glycols, Carbon Dioxide, Methyl Tert-Butyl Ether (MTBE).
- **Polymers** products include Polyethylene (PE), Polypropylene (PP), Polycarbonate (PC), and other Polymers:
 - o The PE product range encompasses linear low-density polyethylene (LLDPE), low-density polyethylene (LDPE), and high-density polyethylene (HDPE).
 - o The PP product lines include homo, random, and impact Polypropylene, as well as Polypropylene compounds, homo polymer, random copolymer, impact copolymer, and specialty automotive grades.
 - o The Specialties product range includes NORYL™, ULTEM™, EXTEM™, and SILTEM™ resins, a range of LNPT™ compounds and copolymers, and a variety of thermosets and additives. As of April 19, 2024, the Specialties business was repositioned and integrated into the Polymers business. There is no change to the operating segments and previously reported segment information.

- o Other notable products include Polycarbonate (PC), Polyvinyl Chloride (PVC), Polyethylene Terephthalate (PET), Polystyrene (PS), and Acrylonitrile Butadiene Styrene (ABS).

The **Agri-Nutrients** segment consists of a range of fertiliser products; including Urea, Ammonia, Phosphate, as well as compound fertilisers.

Hadeed, a wholly-owned manufacturing business was concerned with production of steel products; long products and flat products. Hadeed has been reported as 'discontinued operation' in these annual consolidated financial statements (refer Note 34).

The Chief Executive Officer monitors the results of its segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on income statement and is measured consistently with profit or loss in the consolidated financial statements.

The segments' financial details are shown below:

	For the year ended 31 December 2024		
	Petrochemicals	Agri-nutrients	Continuing operations
Revenue	129,497,484	10,483,016	139,980,500
Depreciation and amortisation	(12,115,270)	(893,835)	(13,009,105)
Impairments and write-offs	(720,359)	–	(720,359)
Income from operations	2,712,734	3,024,645	5,737,379
Share of results of associates and non-integral joint ventures	(1,221,755)	787,121	(434,634)
Finance income			1,933,971
Finance cost			(2,820,297)
Income before zakat and income tax			4,416,419

All amounts in thousands of Saudi Riyals unless otherwise stated.

36. SEGMENT INFORMATION (CONTINUED)

	For the year ended 31 December 2023		
	Petrochemicals	Agri-nutrients	Continuing operations
Revenue	131,257,832	10,279,355	141,537,187
Depreciation and amortisation	(12,574,482)	(876,260)	(13,450,742)
Impairments and write-offs	(1,844,422)	–	(1,844,422)
Income from operations	198,078	3,522,315	3,720,393
Share of results of associates and non-integral joint ventures	(819,201)	610,744	(208,457)
Finance income			3,626,328
Finance cost			(2,614,650)
Income before zakat and income tax			4,523,614

	As at 31 December 2024		
	Petrochemicals	Agri-nutrients	Continuing operations
Total assets	250,095,170	24,299,998	274,395,168
Capital expenditure	9,427,133	773,096	10,200,229
Investments in associates and joint ventures	26,901,051	8,534,734	35,435,785
Total liabilities	89,192,915	4,907,719	94,100,634

	As at 31 December 2023		
	Petrochemicals	Agri-nutrients	Continuing operations
Total assets	260,315,379	18,641,118	278,956,497
Capital expenditure	8,967,834	899,570	9,867,404
Investments in associates and joint ventures	33,016,209	8,221,092	41,237,301
Total liabilities	89,772,173	3,624,848	93,397,021

GEOGRAPHICAL DISTRIBUTION OF REVENUE

	For the year ended 31 December 2024		For the year ended 31 December 2023	
		%		%
KSA	18,618,566	13	19,807,715	14
China	25,022,603	18	27,192,924	19
Rest of Asia	31,203,075	22	31,156,327	22
Europe	28,571,179	20	29,532,746	21
Americas	16,291,992	12	14,720,382	10
Africa	9,427,763	7	7,656,434	5
Others	10,845,322	8	11,470,659	9
	139,980,500	100	141,537,187	100

The revenue information above is based on the locations of the customers.

GEOGRAPHICAL DISTRIBUTION FOR NON-CURRENT ASSETS EXCLUDING FINANCIAL ASSETS AND DEFERRED TAX ASSETS

	As at 31 December 2024		As at 31 December 2023	
		%		%
KSA	97,104,675	69	99,600,827	69
Europe	18,162,212	13	18,711,114	13
Americas	22,046,922	16	22,608,242	16
Asia	2,745,573	2	2,902,078	2
Africa	21,992	–	41,121	–
	140,081,374	100	143,863,382	100

All amounts in thousands of Saudi Riyals unless otherwise stated.

37. FINANCIAL RISK MANAGEMENT

OVERVIEW

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

RISK MANAGEMENT FRAMEWORK

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

37.1 CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. The maximum exposure to credit risk is the carrying value of these assets.

The Group's policies limit the amount of credit exposure to any individual counterparty based on their credit rating as well as other factors. Moreover, the Group's policies require that cash and cash equivalents and short-term investments be invested with a diversified group of financial institutions, in the majority of cases with investment grade credit ratings. The Group ensures that each counterparty is of an acceptable credit quality by relying on quantitative and qualitative measures compiled from internal and third party rating models.

All amounts in thousands of Saudi Riyals unless otherwise stated.

37. FINANCIAL RISK MANAGEMENT (CONTINUED)

37.1 CREDIT RISK (CONTINUED)

	For the year ended 31 December 2024										Carry value in the statement of financial position
	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	Other	
Bank balances and fixed term deposits	-	8,930	419,076	1,437,608	24,403,846	3,840,774	153	-	4,499	423,913	30,538,799
Investments in equity instruments	-	-	-	-	-	-	-	-	-	253,402	253,402
Investments in debt instruments	-	-	-	187,500	-	-	-	-	-	149,082	336,582
Short-term investments (i)	-	-	259,512	245,735	4,279,377	2,653,413	-	-	-	226,646	7,664,683
Other financial assets	-	-	-	4,826,091	-	-	-	-	-	4,397,242	9,223,333
	-	8,930	678,588	6,696,934	28,683,223	6,494,187	153	-	4,499	5,450,285	48,016,799

	For the year ended 31 December 2023										Carry value in the statement of financial position
	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	Other	
Bank balances and fixed term deposits	-	-	65,780	7,074,108	20,836,251	4,308,173	1,951	-	-	127,456	32,413,719
Investments in equity instruments	-	3,691	-	-	-	-	-	-	-	232,794	236,485
Investments in debt instruments	-	-	-	-	241,961	-	-	-	-	145,030	386,991
Short-term investments (i)	-	-	-	614,906	5,460,670	3,552,282	-	-	-	160,226	9,788,084
	-	3,691	65,780	7,689,014	26,538,882	7,860,455	1,951	-	-	665,506	42,825,279

(i) Excludes investments in debt instruments.

TRADE RECEIVABLES

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the customer demographics, including default risk of the industry and country in which customer operates, as these factors may have an influence on credit risk. Due to the global activities and diversified customer structure of the Group, there is no significant concentration of credit default risk.

The Group takes credit risk on trades with recognised, credit worthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Credit quality of the customer is assessed based on an extensive internal credit rating scorecard by taking into account the payment behaviour, company legal structure, financial and non-financial profile and external data where available. Credit limits are established accordingly and frequently monitored in accordance with the established policy. Payment terms are generally agreed upon individually with customers and, as a rule, are within 30-120

days. The Group considers additional measures to mitigate credit risk when deemed appropriate by means of letter of credits, credit insurance, bank guarantees or parent company guarantees.

The Group applies the simplified approach allowed by IFRS 9 'Financial Instruments' in providing for expected credit losses for trade receivables which uses the lifetime expected credit loss provision for all trade receivables. Such credit losses have historically been nominal and the loss allowance for trade receivables (refer Note 17) is not material.

All amounts in thousands of Saudi Riyals unless otherwise stated.

37. FINANCIAL RISK MANAGEMENT (CONTINUED)

37.2 LIQUIDITY RISK

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities, as they fall due. Liquidity risk mainly relates to trade and other payables, borrowings, leases liabilities, and financial instruments. SABIC's approach to managing liquidity risk is to maintain sufficient cash and cash equivalents and short-term investments, and through ensuring the availability of adequate banking facilities (refer Note 22).

At the group level liquidity risk is managed through, setting an appropriate liquidity framework, monitoring cash flow forecasts to ensure overall liquidity is available, maintaining a sufficient portfolio of assets that can be easily liquidated and through the use of a global cash pooling mechanisms.

The Group invests surplus funds in current accounts, fixed term deposits, money market deposits and marketable securities. The Group prioritizes security and liquidity over yield.

The table below summaries the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	31 December 2024				Total
	Within 1 year	Between 1-2 years	Between 2-5 years	More than 5 years	
Debt (excludes lease liabilities)	1,768,422	3,761,221	14,414,977	8,110,000	28,054,620
Short-term borrowings	2,080,922	-	-	-	2,080,922
Interest on loans and borrowings (i)	1,209,466	892,653	1,803,029	1,949,145	5,854,293
Trade payables	19,793,604	-	-	-	19,793,604
Lease liabilities	1,148,117	795,754	1,536,982	6,791,128	10,271,981
Dividend payable	7,471,836	-	-	-	7,471,836
Other liabilities	2,851	-	-	-	2,851
Obligations to acquire the remaining shares of certain subsidiaries	-	-	-	880,894	880,894
Financial liabilities – derivatives financial instruments	-	-	-	1,095,000	1,095,000
	33,475,218	5,449,628	17,754,988	18,826,167	75,506,001

	31 December 2023				Total
	Within 1 year	Between 1-2 years	Between 2-5 years	More than 5 years	
Debt (excludes lease liabilities)	2,077,080	1,972,559	14,248,707	10,035,898	28,334,244
Short-term borrowings	2,414,233	-	-	-	2,414,233
Interest on loans and borrowings (i)	1,474,001	1,247,628	1,385,860	1,156,602	5,264,091
Trade payables	20,087,016	-	-	-	20,087,016
Lease liabilities	1,083,698	896,887	1,547,773	7,162,544	10,690,902
Dividend payable	7,003,335	-	-	-	7,003,335
Other liabilities	6,907	-	-	-	6,907
Obligations to acquire the remaining shares of certain subsidiaries	-	-	-	572,269	572,269
Financial liabilities – derivatives financial instruments	-	-	-	1,438,875	1,438,875
	34,146,270	4,117,074	17,182,340	20,366,188	75,811,872

(i) Excludes interest on lease.

All amounts in thousands of Saudi Riyals unless otherwise stated.

37. FINANCIAL RISK MANAGEMENT (CONTINUED)

37.3 MARKET RISK

Market risk is the risk that changes in market prices, such as foreign equity prices, exchange rates and interest rates and will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group has derivatives, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by the Risk Management Committee.

EQUITY PRICE RISK

The Group's exposure to equity price risk arises from investments in equity instruments. To manage its price risk arising from these investments, the Group diversifies its investment portfolio. Diversification of the investment portfolio is in accordance with the limits set by the Group.

CURRENCY EXCHANGE RATE RISK

The Group's foreign currency risk management objective is to protect future cash flows in Saudi Riyals and in USD. Cash flow foreign currency risk exposures are considered at the Group level and these primarily consist of currency exchange risks

from account payables and receivables. SABIC management centrally manage currency risk and monitor currency exposures through applying a value-at-risk (VaR) methodology which is based on a Monte Carlo simulation, at a 97.5% confidence level, a 12-month time horizon is considered. If a foreign currency exposure breaches certain thresholds then the Group will apply risk management activities. There is no exposure of Saudi Riyal to USD, as the Saudi Riyal is pegged to the USD.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To lower volatility and increase predictability of interest expenses, the Group may enter into simple financial derivatives such as interest rate swaps. During the years ended 2023 and 2022, the Group had no interest rate swaps outstanding.

Debt interest rate classification between fixed and variable rate borrowings is disclosed under Note 22. The total value of variable rate borrowings were ₪ 22,337 million (2023: ₪ 19,803 million) and the total value of fixed rate borrowings were ₪ 7,928 million (2023: ₪ 8,164 million).

The following table demonstrates the sensitivity of the Group to a reasonably possible change in interest rates, with all other variables held constant, of the Groups profit before tax (through the impact on floating rate borrowings):

	31 December 2024	
	Gains (losses) through income and equity	
	+100 bps	-100 bps
1M SAIBOR	(3,217)	3,217
6M SAIBOR	(2,072)	2,072
6M SOFR	(4,663)	4,663

	31 December 2023	
	Gains (losses) through income and equity	
	+100 bps	-100 bps
1M SAIBOR	(2,222)	2,222
3M SAIBOR	31	(31)
6M SAIBOR	(3,603)	3,603
6M SOFR	(5,142)	5,142

All amounts in thousands of Saudi Riyals unless otherwise stated.

38. CAPITAL MANAGEMENT

The primary objective to the Group's capital management is to support its business and maximise shareholder value.

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group manages its capital structure and makes adjustments to it, in light of change in economic conditions.

The Board of Directors monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, and non-controlling interests.

There were no changes in the Group's approach to capital management during the year. The Board of Directors also monitors the level of dividends to ordinary shareholders and capital management. Neither the Group nor any of its subsidiaries are subject to externally imposed capital requirements.

SABIC defines net debt as total borrowings net of cash and cash equivalents and short-term fixed term deposits.

The Group's net debt to equity ratio at the end of the reporting years is as follows:

As at 31 December	2024	2023
Gross debt	35,198,069	33,496,767
Less: Cash and cash equivalents	(30,539,668)	(32,414,996)
Less: Short-term fixed term deposits	(7,668,807)	(9,842,617)
Net debt	(3,010,406)	(8,760,846)
Total equity	183,918,159	195,282,540
Net debt to equity ratio	(2)%	(4)%

38.1 COMPLIANCE WITH COVENANTS

The Group owes total borrowing, with carrying amount of ₪ 22,732 million as at 31 December 2024 (31 December 2023: ₪ 20,122 million), which is subject to certain covenants.

The Group was in compliance with covenants at 31 December 2024 and 31 December 2023. There are no indications that there would be any difficulties complying with these covenants when they will be next tested at the interim date.

39. COMMITMENTS AND CONTINGENCIES

39.1 COMMITMENTS

At 31 December 2024, the Group had commitments of ₪ 8,715 million (31 December 2023: ₪ 9,238 million) relating to capital expenditures.

SABIC has an equity contribution commitment towards its 15% interest in MWSPC. As at 31 December 2024, the outstanding commitment toward this investment amounts to ₪ 74 million (31 December 2023: ₪ 74 million). Pursuant to the terms of agreements with the other shareholders and external lenders, SABIC has agreed to contribute additional funds to the project, under certain circumstances and to the extent required, in the event of project cost over-runs.

NUSANED has equity contribution commitments towards its 50% interest in NUSANED Fund I and 60% interest in NUSANED Fund II. As of 31 December 2024, the outstanding commitment toward these investments amounts to ₪ 13.6 million and ₪ 431 million respectively (31 December 2023: ₪ 13.6 million and ₪ 446 million respectively).

On 9 Rajab 1445H (corresponding to 21 January 2024), SABIC decided to move forward with the development of a world scale Petrochemical complex located in Fujian (China) in partnership with 'Fujian Fuhua Gulei Petrochemical Co., Ltd.', the joint venture partner. SIIC, a subsidiary of SABIC,

has 51% ownership in the joint venture 'SABIC Fujian Petrochemicals Co., Ltd.' ("FUJIAN"). The estimated cost of the complex is approximately ₪ 24,000 million (equivalent to USD 6,400 million), and the construction of the project, as expected, began during the first half of the year 2024. As of 31 December 2024, the outstanding equity commitments toward FUJIAN's capital is ₪ 2,826 million.

39.2 GUARANTEES

SABIC issues financial guarantee contracts to make specified payments to reimburse holders for losses incurred due to certain associates and joint ventures failing to make payments when due, in accordance with original or modified terms of the debt instrument, such as a loan agreement modified terms of the debt instrument, such as a loan agreement.

There are no outstanding financial guarantees as at 31 December 2024 (31 December 2023: ₪ nil).

39.3 CONTINGENT LIABILITIES

In the ordinary course of business, SABIC has a number of legal claims. After having obtained appropriate legal advice, management is of the opinion that these claims will not have a significant adverse impact on the financial position of SABIC or its future results, other than those that have been accrued for.

The Group's bankers have issued, on its behalf, bank guarantees amounting to ₪ 1,150 million (31 December 2023: ₪ 1,263 million) in the normal course of business, mainly related to its integral joint ventures.

All amounts in thousands of Saudi Riyals unless otherwise stated.

39. COMMITMENTS AND CONTINGENCIES (CONTINUED)

39.4 LEASES

The Group is deemed as a lessor in certain supply contracts where the agreements convey the right to use related equipment, mainly gas pipelines and other related accessories. The duration of the lease agreements are between 15 to 20 years which are a significant majority of the useful lives of the related assets. The lessor is responsible for maintenance and insurance of the assets.

Generally, there are minimum payments due from the lessee regardless of potential termination of the agreements. Renewal of lease agreements are possible but are subject to mutual agreement.

Minimum lease payment receivables on leases are as follows:

	31 December 2024	31 December 2023
Within 1 year	36,276	38,177
1 – 2 years	35,497	36,276
2 – 3 years	32,894	35,497
3 – 4 years	31,907	32,894
4 – 5 years	31,322	31,907
More than 5 years	164,851	196,173
	332,747	370,924

40. APPROPRIATIONS

On 23 Sha'ban 1445H (corresponding to 4 March 2024), SABIC distributed interim cash dividends amounting to ₪ 4,800 million (at ₪ 1.60 per share) for the second half of financial year 2023, resulting in a full year cash dividend distribution of ₪ 10,200 million (at ₪ 3.40 per share).

On 21 Rabi' al-Awwal 1446H (corresponding to 24 September 2024), SABIC distributed interim cash dividends amounting to ₪ 5,100 million (at ₪ 1.70 per share) for the first half of the year 2024.

On 21 Jumada Al-thani 1446H (corresponding to 22 December 2024), SABIC declared interim cash dividends amounting to ₪ 5,100 million (at ₪ 1.70 per share) for the second half of year 2024.

The total interim dividends for the year 2024 are amounting to ₪ 10,200 million (at ₪ 3.40 per share).

Both interim dividends were recorded in these consolidated financial statements. In total, the interim dividends during the year 2024 are translating into a multiple of 4.87 of the net income from continuing operations attributable to equity holders of the Parent.

41. SUBSEQUENT EVENTS

On 20 Sha'ban 1446H (corresponding to 19 February 2025) SABIC has announced the completion of sale of shares in Alba and obtaining sales proceeds of BHD 363 million (equivalent to approximately ₪ 3,612 million).

In the opinion of management, there have been no further significant subsequent events, other than those disclosed in these consolidated financial statements, since the year ended 31 December 2024, which would have a material impact on the financial position of the Group as reflected in these consolidated financial statements.

All amounts in thousands of Saudi Riyals unless otherwise stated.

42. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS

SUBSIDIARIES OF THE GROUP ARE SET OUT BELOW:

	Country of incorporation	Country of operation	Principal business activity (ii)	% Shareholding (direct and indirect) at 31 December 2024	% Shareholding (direct and indirect) at 31 December 2023	Share capital at 31 December 2024	Conventional financial assets at 31 December 2024	Conventional financial liabilities at 31 December 2024	Interest income from conventional financial assets for the year ended 31 December 2024
Subsidiaries									
SABIC International Holdings B.V. and its subsidiaries	Netherlands	Netherlands	Petrochemicals	100.00	100.00	727,907	426,192	31,930,806	7,180
Sabic Investment and Local Content Development Company ("NUSANED") and its subsidiaries	KSA	KSA	Investment	100.00	100.00	336,200	–	–	1,761
SABIC Industrial Investments Company ("SIIC") and its subsidiaries	KSA	KSA	Investments	100.00	100.00	30,000	–	509,028	–
SABIC Capital B.V. and its subsidiaries	Netherlands	Netherlands	Financing	100.00	100.00	87	–	214,712	906
SABIC Agri-Nutrients Company ("SABIC AN") and its subsidiaries (iii)	KSA	KSA	Agri-Nutrients	50.10	50.10	4,760,354	–	86,924	–
Arabian Petrochemical Company ("PETROKEMYA")	KSA	KSA	Petrochemicals	100.00	100.00	1,955,540	–	471,328	–
SABIC Luxembourg S.à r.l.	Luxembourg	Luxembourg	Petrochemicals	100.00	100.00	34,388	58,005	13,050,076	–
National Global Business Services Company	KSA	KSA	Shared Service	100.00	100.00	100	100	–	–
Saudi European Petrochemical Company ("IBN ZAHR")	KSA	KSA	Petrochemicals	80.00	80.00	1,025,666	–	135,739	–
Jubail United Petrochemical Company ("UNITED")	KSA	KSA	Petrochemicals	75.00	75.00	2,495,620	–	81,136	60
Saudi Methanol Company ("AR-RAZI")	KSA	KSA	Petrochemicals	75.00	75.00	259,000	–	270,624	–
National Industrial Gases Company ("GAS")	KSA	KSA	Utilities	74.00	74.00	248,000	–	467,402	13,249
Yanbu National Petrochemical Company ("YANSAB") (iii)	KSA	KSA	Petrochemicals	52.08	52.08	5,625,000	–	105,154	33

All amounts in thousands of Saudi Riyals unless otherwise stated.

42. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

SUBSIDIARIES OF THE GROUP ARE SET OUT BELOW:

	Country of incorporation	Country of operation	Principal business activity	% Shareholding (direct and indirect) at 31 December 2024	% Shareholding (direct and indirect) at 31 December 2023	Share capital at 31 December 2024	Conventional financial assets at 31 December 2024	Conventional financial liabilities at 31 December 2024	Interest income from conventional financial assets for the year ended 31 December 2024
Subsidiaries									
National Methanol Company ("IBN-SINA")	KSA	KSA	Petrochemicals	50.00	50.00	558,000	–	70,412	–
Arabian Industrial Fibers Company ("IBN RUSHD")	KSA	KSA	Petrochemicals	50.49	48.37	2,000,000	–	50,550	–
Saudi Kayan Petrochemical Company ("SAUDI KAYAN") (iii)	KSA	KSA	Petrochemicals	35.00	35.00	15,000,000	–	236,013	120

Notes:

- (i) Determination of the control over entities is based on underlying agreements and constitutive documents.
- (ii) The principal activities of majority of the Group's subsidiaries are manufacturing, marketing and distribution of petrochemicals, specialties and related products except for SABIC AN, AL BAYRONI and IBN AL-BAYTAR that are involved in agri-nutrients business.
- (iii) YANSAB, SABIC AN, and SAUDI KAYAN are publicly traded companies and listed on the Saudi Exchange (Tadawul).

SUBSIDIARIES OF SABIC CAPITAL B.V.

	Country of incorporation	Country of operation	Principal business activity	% Shareholding (direct and indirect) at 31 December 2024	% Shareholding (direct and indirect) at 31 December 2023	Share capital at 31 December 2024	Conventional financial assets at 31 December 2024	Conventional financial liabilities at 31 December 2024	Interest income from conventional financial assets for the year ended 31 December 2024
Subsidiaries									
SABIC Capital I B.V.	Netherlands	Netherlands	Financing	100.00	100.00	87	6,310,334	34,454,820	705,912
SABIC Capital II B.V.	Netherlands	Netherlands	Financing	100.00	100.00	87	1,301,999	8,914,217	9,343

All amounts in thousands of Saudi Riyals unless otherwise stated.

42. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

SUBSIDIARIES OF SABIC INTERNATIONAL HOLDINGS B.V.

	Country of incorporation	Country of operation	Principal business activity	% Shareholding (direct and indirect) at 31 December 2024	% Shareholding (direct and indirect) at 31 December 2023	Share capital at 31 December 2024	Conventional financial assets at 31 December 2024	Conventional financial liabilities at 31 December 2024	Interest income from conventional financial assets for the year ended 31 December 2024
Subsidiaries									
SABIC US Holdings LP	USA	USA	Petrochemicals	100.00	100.00	13,971,335	2,178,773	-	-
SABIC Innovative Plastics US LLC	USA	USA	Petrochemicals	100.00	100.00	9,766,152	2,012	13,379,218	-
SABIC Innovative Plastics Mt. Vernon, LLC	USA	USA	Petrochemicals	100.00	100.00	7,593,775	793,532	2,529	-
SABIC Innovative Plastics Espana ScpA (i)	Spain	Spain	Petrochemicals	100.00	100.00	2,603,643	322,844	1,235,495	28,520
SABIC UK Petrochemicals Ltd.	UK	UK	Petrochemicals	100.00	100.00	2,576,265	-	837,723	21,622
SABIC Innovative Plastics Holding Singapore Pte. Ltd.	Singapore	Singapore	Petrochemicals	100.00	100.00	1,902,551	86,858	-	5,022
SHPP Singapore Pte. Ltd.	Singapore	Singapore	Specialties	100.00	100.00	1,827,525	733,106	22,168	33,728
SABIC Tees Holdings Ltd.	UK	UK	Petrochemicals	100.00	100.00	1,245,003	364	1,428,337	1,194
SABIC Europe B.V.	Netherlands	Netherlands	Petrochemicals	100.00	100.00	747,092	1,941,732	3,154	44,034
SABIC Innovative Plastics B.V.	Netherlands	Netherlands	Petrochemicals	100.00	100.00	648,567	6,270	4,002,388	1,631
SHPP (Shanghai) Co., Ltd.	China	China	Specialties	100.00	100.00	432,713	232,105	6,002	2,315
SABIC Innovative Plastics (China) Co., Ltd.	China	China	Petrochemicals	100.00	100.00	392,226	549,150	9,139	4,423
Exatec, LLC	USA	USA	Petrochemicals	100.00	100.00	380,614	11,548	-	-
SABIC Innovative Plastics South America – Indústria e Comércio de Plásticos Ltda.	Brazil	Brazil	Petrochemicals	100.00	100.00	318,816	43,449	91,059	4,087
SABIC Innovative Plastics Hong Kong Ltd.	Hong Kong	Hong Kong	Petrochemicals	100.00	100.00	279,709	42,379	-	1,946
SHPP Japan LLC	Japan	Japan	Specialties	100.00	100.00	276,755	106,902	1,626	2,412
SABIC Innovative Plastics (SEA) Pte. Ltd.	Singapore	Singapore	Petrochemicals	100.00	100.00	265,596	88,779	7	3,345
SABIC R&T Pvt Ltd.	India	India	Petrochemicals	100.00	100.00	259,653	52,840	350	165
SABIC Ventures US Holdings LLC	USA	USA	Petrochemicals	100.00	100.00	231,046	62,992	-	20,903
SABIC Belgium NV	Belgium	Belgium	Petrochemicals	100.00	100.00	210,064	2,770	37,860	7
SHPP Canada, Inc.	Canada	Canada	Specialties	100.00	100.00	209,100	9,322	63	876
SABIC Petrochemicals B.V.	Netherlands	Netherlands	Petrochemicals	100.00	100.00	192,086	1,050	3,989,694	31,641

All amounts in thousands of Saudi Riyals unless otherwise stated.

42. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

SUBSIDIARIES OF SABIC INTERNATIONAL HOLDINGS B.V. (CONTINUED)

	Country of incorporation	Country of operation	Principal business activity	% Shareholding (direct and indirect) at 31 December 2024	% Shareholding (direct and indirect) at 31 December 2023	Share capital at 31 December 2024	Conventional financial assets at 31 December 2024	Conventional financial liabilities at 31 December 2024	Interest income from conventional financial assets for the year ended 31 December 2024
Subsidiaries									
SABIC (China) Research & Development Co. Ltd.	China	China	Petrochemicals	100.00	100.00	170,589	33,110	57	171
SABIC Global Ltd.	UK	UK	Petrochemicals	100.00	100.00	166,298	220,580	–	10,513
SABIC Innovative Plastics Chongqing Co., Ltd.	China	China	Petrochemicals	100.00	100.00	112,500	11,012	179,384	191
SABIC Australia Pty Ltd.	Australia	Australia	Petrochemicals	100.00	100.00	110,155	24,128	–	1,117
SABIC Taiwan Holding Ltd. (Hong Kong)	Hong Kong	Hong Kong	Petrochemicals	100.00	100.00	92,724	42,303	–	2,206
SABIC Korea Ltd.	Korea	Korea	Petrochemicals	100.00	100.00	86,659	89,389	3,335	501
SHPP Manufacturing UK Ltd	UK	UK	Specialties	100.00	100.00	80,052	22,258	564	1,073
SHPP Thailand Co. Ltd.	Thailand	Thailand	Specialties	100.00	100.00	70,904	44,451	52	5
Scientific Design Co. Inc.	USA	USA	Specialties	100.00	100.00	69,163	29,514	6,935	526
SHPP Korea Ltd.	Korea	Korea	Specialties	100.00	100.00	63,634	29,201	271	296
SABIC US Projects LLC	USA	USA	Petrochemicals	100.00	100.00	56,250	1,061,107	781,418	–
SHPP South America-Comércio de Plásticos Ltda	Brazil	Brazil	Specialties	100.00	100.00	44,317	28,552	410	173
SABIC Innovative Plastics Mexico S de RL de CV	Mexico	Mexico	Petrochemicals	100.00	100.00	36,215	41,713	237,455	2,946
SABIC Innovative Plastics India Private Ltd.	India	India	Petrochemicals	100.00	100.00	34,372	110,568	454	233
SABIC Innovative Plastics Argentina SRL	Argentina	Argentina	Petrochemicals	100.00	100.00	33,460	18,610	–	3,090
SABIC (Thailand) Co. Ltd.	Thailand	Thailand	Petrochemicals	100.00	100.00	28,785	22,126	681	–
SABIC Innovative Plastics SIT Holding Ltd.	Hong Kong	Hong Kong	Petrochemicals	100.00	100.00	27,358	495	–	–
SABIC Innovative Plastics Ltd.	UK	UK	Petrochemicals	100.00	100.00	17,478	31,940	–	1,619
SABIC (Shanghai) Trading Co. Ltd.	China	China	Petrochemicals	100.00	100.00	16,912	295,249	–	1,011

All amounts in thousands of Saudi Riyals unless otherwise stated.

42. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

SUBSIDIARIES OF SABIC INTERNATIONAL HOLDINGS B.V. (CONTINUED)

	Country of incorporation	Country of operation	Principal business activity	% Shareholding (direct and indirect) at 31 December 2024	% Shareholding (direct and indirect) at 31 December 2023	Share capital at 31 December 2024	Conventional financial assets at 31 December 2024	Conventional financial liabilities at 31 December 2024	Interest income from conventional financial assets for the year ended 31 December 2024
Subsidiaries									
High Performance Plastics Manufacturing Mexico S de RL de CV	Mexico	Mexico	Specialties	100.00	100.00	13,839	12,240	227	773
Petrochemical Pipeline Services B.V.	Netherlands	Netherlands	Petrochemicals	100.00	100.00	13,559	19,482	5,871	561
SHPP Hong Kong	Hong Kong	Hong Kong	Specialties	100.00	100.00	12,652	37,607	1	1,635
NV Pijpleiding Antwerpen-Limburg-Luik (PALL)	Belgium	Belgium	Support services	100.00	100.00	12,345	3,743	–	89
SHPP France S.A.S.	France	France	Specialties	100.00	100.00	9,834	7,628	187	369
SABIC Innovative Plastics Malaysia Sdn Bhd	Malaysia	Malaysia	Petrochemicals	100.00	100.00	162,251	12,093	–	470
SABIC Americas LLC	USA	USA	Petrochemicals, Agri-Nutrients	100.00	100.00	7,000	741,479	32,070	–
JVSS Holding Co Inc. (ii)	USA	USA	Specialties	–	100.00	–	–	–	–
SABIC Innovative Plastics France S.A.S.	France	France	Petrochemicals	100.00	100.00	4,527	77,077	831	3,013
SABIC Petrochemicals Japan LLC	Japan	Japan	Petrochemicals	100.00	100.00	3,631	14,017	14,898	4
SABIC India Pvt. Ltd.	India	India	Petrochemicals	100.00	100.00	3,346	18,208	4,313	–
SABIC Innovative Plastics Finland OY	Finland	Finland	Petrochemicals	100.00	100.00	3,024	13,319	51	481
SABIC High Performance Plastic (“SHPP”) Argentina SRL	Argentina	Argentina	Specialties	100.00	100.00	3,006	940	–	–
SABIC Nordic A/S	Denmark	Denmark	Petrochemicals	100.00	100.00	2,004	16,300	134	604
SABIC France S.A.S.	France	France	Petrochemicals	100.00	100.00	1,898	68,657	591	2,406
SABIC Vietnam Company Ltd.	Vietnam	Vietnam	Petrochemicals	100.00	100.00	1,875	3,818	419	–
SABIC Innovative Plastics Poland Sp. Z o.o.	Poland	Poland	Petrochemicals	100.00	100.00	1,817	41,361	374	2,310
Saudi Innovative Plastics Sweden AB	Sweden	Sweden	Petrochemicals	100.00	100.00	1,619	11,026	–	437
SABIC Innovative Plastics International Trading (Shanghai) Ltd.	China	China	Petrochemicals	100.00	100.00	1,162	36,520	–	147

All amounts in thousands of Saudi Riyals unless otherwise stated.

42. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

SUBSIDIARIES OF SABIC INTERNATIONAL HOLDINGS B.V. (CONTINUED)

	Country of incorporation	Country of operation	Principal business activity	% Shareholding (direct and indirect) at 31 December 2024	% Shareholding (direct and indirect) at 31 December 2023	Share capital at 31 December 2024	Conventional financial assets at 31 December 2024	Conventional financial liabilities at 31 December 2024	Interest income from conventional financial assets for the year ended 31 December 2024
Subsidiaries									
SHPP Malaysia Sdn Bhd	Malaysia	Malaysia	Specialties	100.00	100.00	904	2,912	-	-
SABIC (China) Holding Co., Ltd	China	China	Petrochemicals	100.00	100.00	750	1,617,536	353,546	11,332
SABIC Italia Srl	Italy	Italy	Petrochemicals	100.00	100.00	514	82,216	3,759	2,988
SABIC Sales Europe B.V.	Netherlands	Netherlands	Petrochemicals	100.00	100.00	498	4,063	52,593	25,672
SABIC Innovative Plastics GmbH	Germany	Germany	Petrochemicals	100.00	100.00	478	210,205	1,066	8,483
SHPP Vietnam Co Ltd	Vietnam	Vietnam	Specialties	100.00	100.00	375	9,865	125	-
SABIC Marketing Ibérica S.A.	Spain	Spain	Petrochemicals	100.00	100.00	329	38,582	295	2,345
SABIC Innovative Plastics Holding Germany GmbH	Germany	Germany	Petrochemicals	100.00	100.00	254	-	101,881	329
SABIC Asia Pacific Pte Ltd ("SAPPL")	Singapore	Singapore	Petrochemicals, Agri-Nutrients	100.00	100.00	226	1,364,381	1,110,906	38,686
SABIC Polyolefine GmbH	Germany	Germany	Petrochemicals	100.00	100.00	127	265,664	35,664	14,061
SABIC Deutschland GmbH	Germany	Germany	Petrochemicals	100.00	100.00	125	136,082	1,756	12,097
SABIC Holding Deutschland GmbH	Germany	Germany	Petrochemicals	100.00	100.00	125	83,744	643,933	2,938
SHPP Germany GmbH	Germany	Germany	Specialties	100.00	100.00	105	35,333	1,014	1,213
SABIC Licensing B.V.	Netherlands	Netherlands	License Company	100.00	100.00	99	552,964	29,979	17,584
SD Verwaltungs GmbH	Germany	Germany	Administrative Company	100.00	100.00	99	922	-	-
SABIC Ventures B.V.	Netherlands	Netherlands	Petrochemicals	100.00	100.00	98	205,290	-	13,029
SABIC Innovative Plastics Holding B.V.	Netherlands	Netherlands	Petrochemicals	100.00	100.00	92	329,377	-	16,661
SABIC Innovative Plastics GP B.V.	Netherlands	Netherlands	Petrochemicals	100.00	100.00	92	39,616	-	2,058
SABIC Global Technologies B.V.	Netherlands	Netherlands	Petrochemicals	100.00	100.00	92	276,175	621	20,158
SABIC Mining B.V. (iii)	Netherlands	Netherlands	Petrochemicals	100.00	100.00	91	195,921	-	10,162

All amounts in thousands of Saudi Riyals unless otherwise stated.

42. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

SUBSIDIARIES OF SABIC INTERNATIONAL HOLDINGS B.V. (CONTINUED)

Subsidiaries	Country of incorporation	Country of operation	Principal business activity	% Shareholding (direct and indirect) at 31 December 2024	% Shareholding (direct and indirect) at 31 December 2023	Share capital at 31 December 2024	Conventional financial assets at 31 December 2024	Conventional financial liabilities at 31 December 2024	Interest income from conventional financial assets for the year ended 31 December 2024
SABIC Limburg B.V.	Netherlands	Netherlands	Petrochemicals	100.00	100.00	90	21,306	-	49
SABIC Greece M.E.P.E. (ii)	Greece	Greece	Petrochemicals	-	100.00	-	-	-	-
SABIC Innovative Plastics Denmark Aps	Denmark	Denmark	Petrochemicals	100.00	100.00	69	21,335	186	1,318
SABIC Innovative Plastics Kereskedelmi Kft.	Hungary	Hungary	Petrochemicals	100.00	100.00	66	22,449	167	1,872
SABIC Poland Sp. Z o.o.	Poland	Poland	Petrochemicals	100.00	100.00	50	16,552	967	836
SABIC Hungary Kft.	Hungary	Hungary	Petrochemicals	100.00	100.00	40	5,571	51	401
SHPP Italy Srl	Italy	Italy	Specialties	100.00	100.00	44	21,559	129	592
SHPP Sales Italy Srl	Italy	Italy	Specialties	100.00	100.00	44	8,074	451	299
SABIC Sales Italy Srl	Italy	Italy	Petrochemicals	100.00	100.00	41	9,590	654	392
SHPP Hungary Kft.	Hungary	Hungary	Specialties	100.00	100.00	37	1,290	2	115
SABIC Innovative Plastics Czech s.r.o.	Czech Republic	Czech Republic	Petrochemicals	100.00	100.00	37	9,016	326	415
SHPP Petrokimya Ticaret Ltd Sirketi	Turkey	Turkey	Specialties	100.00	100.00	34	1,380	-	-
High Performance Plastics India Pvt Ltd.	India	India	Specialties	100.00	100.00	19	19,586	23,388	1
SHPP Manufacturing Spain SL	Spain	Spain	Specialties	100.00	100.00	13	1,736	135	34
SHPP Marketing Plastics SL	Spain	Spain	Specialties	100.00	100.00	13	3,711	235	231
SABIC Sales Spain SL	Spain	Spain	Petrochemicals	100.00	100.00	12	14,387	154	600
SHPP Finland OY	Finland	Finland	Specialties	100.00	100.00	11	1,015	113	114
SHPP Poland Sp. Z o.o.	Poland	Poland	Specialties	100.00	100.00	5	6,370	179	208
SHPP Holding B.V.	Netherlands	Netherlands	Specialties	100.00	100.00	2	59,035	-	2,252
SHPP Czech s.r.o.	Czech Republic	Czech Republic	Specialties	100.00	100.00	2	3,134	26	109
SABIC Innovative Plastics Rus Z.o.o	Russia	Russia	Petrochemicals	100.00	100.00	1	1,824	791	-
SHPP Capital B.V.	Netherlands	Netherlands	Financing	100.00	100.00	1	1,967	-	700

All amounts in thousands of Saudi Riyals unless otherwise stated.

42. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

SUBSIDIARIES OF SABIC INTERNATIONAL HOLDINGS B.V. (CONTINUED)

	Country of incorporation	Country of operation	Principal business activity	% Shareholding (direct and indirect) at 31 December 2024	% Shareholding (direct and indirect) at 31 December 2023	Share capital at 31 December 2024	Conventional financial assets at 31 December 2024	Conventional financial liabilities at 31 December 2024	Interest income from conventional financial assets for the year ended 31 December 2024
Subsidiaries									
LLC SABIC Eastern Europe	Russia	Russia	Petrochemicals	100.00	100.00	1	7,122	346	–
SHPP Russia OOO	Russia	Russia	Specialties	100.00	100.00	1	11	144	–
SHPP Sales B.V.	Netherlands	Netherlands	Specialties	100.00	100.00	1	6,669	–	1,145
SHPP Sales UK Ltd.	UK	UK	Specialties	100.00	100.00	1	–	117	130
SHPP Ventures B.V.	Netherlands	Netherlands	Specialties	100.00	100.00	1	185	–	270
SHPP B.V.	Netherlands	Netherlands	Specialties	100.00	100.00	1	4	586,166	4,405
SHPP Global Technologies B.V.	Netherlands	Netherlands	Specialties	100.00	100.00	1	3,664	–	770
SHPP Capital I B.V.	Netherlands	Netherlands	Financing	100.00	100.00	1	467,650	476,185	130,615
SHPP Capital II B.V.	Netherlands	Netherlands	Financing	100.00	100.00	1	210,918	216,848	11,792
SHPP US LLC	USA	USA	Specialties	100.00	100.00	1	212,086	426,195	1,764
SABIC Innovative Plastics Utilities B.V.	Netherlands	Netherlands	Petrochemicals	100.00	100.00	1	2,787	–	129
SABIC UK Ltd.	UK	UK	Petrochemicals	100.00	100.00	–	28,375	1,035	4,839
SABIC US Methanol LLC (ii)	USA	USA	Petrochemicals	–	100.00	–	–	–	–
SABIC UK Pension Trustee Ltd.	UK	UK	Petrochemicals	100.00	100.00	1	–	–	–
SABIC Petrochemicals Holding US, LLC	USA	USA	Petrochemicals	100.00	100.00	1	4	337,987	–
SABIC Canada, Inc.	Canada	Canada	Petrochemicals	100.00	100.00	750	35,908	35	808
SABIC Manufacturing Geleen BV (iv)	Netherland	Netherland	Petrochemicals	100.00	–	1	–	–	–

Notes:

- (i) SABIC Innovative Plastics España ScpA changed its name into SABIC Innovative Plastics España SL.
- (ii) JVSS Holding Company, SABIC Greece M.E.P.E. and SABIC US Methanol LLC were liquidated during 2024.
- (iii) SABIC Mining B.V. is under liquidation and it is now referenced as SABIC Mining B.V. i.l.
- (iv) SABIC Manufacturing Geleen BV is newly incorporated during 2024.

All amounts in thousands of Saudi Riyals unless otherwise stated.

42. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

SUBSIDIARIES OF SIIC

	Country of incorporation	Country of operation	Principal business activity	% Shareholding (direct and indirect) at 31 December 2024	% Shareholding (direct and indirect) at 31 December 2023	Share capital at 31 December 2024	Conventional financial assets at 31 December 2024	Conventional financial liabilities at 31 December 2024	Interest income from conventional financial assets for the year ended 31 December 2024
Subsidiaries									
SABCAP Insurance Limited	Guernsey	Guernsey	Insurance	100.00	100.00	187,500	933,002	–	–
SABIC Petrokemya Ticaret Limited	Turkey	Turkey	Petrochemicals	100.00	100.00	931	65,024	–	5,579
SABIC Pakistan (Pvt.) Ltd.	Pakistan	Pakistan	Petrochemicals	100.00	100.00	907	14,650	76	3,599
SABIC Kenya	Kenya	Kenya	Petrochemicals	100.00	100.00	883	3,111	1,529	29
SABIC Tunisia	Tunisia	Tunisia	Petrochemicals	100.00	100.00	763	3,064	–	52
SABIC Morocco	Morocco	Morocco	Petrochemicals	100.00	100.00	437	23,135	–	–
SABIC Africa for Trade & Marketing (“S.A.E.”) (i)	Egypt	Egypt	Petrochemicals	–	100.00	–	–	–	–
SABIC Middle East Offshore Company (“SABIC MIDDLE EAST”) (ii)	Lebanon	Lebanon	Petrochemicals	100.00	100.00	75	299	–	–
SABIC Middle East Business Management LLC	Jordan	Jordan	Petrochemicals	100.00	100.00	76	11,891	745	–
SABIC Global Mobility (“GMC LLC”) (i)	UAE	UAE	Personnel and other support services	–	100.00	–	–	–	–
SABIC Global Mobility Company FZ LLC (“GMC”)	UAE	UAE	Personnel and other support services	100.00	100.00	1	1	–	–
SABIC South Africa Proprietary Ltd.	South Africa	South Africa	Petrochemicals	100.00	100.00	1	2,252	4,264	66
SABIC East Africa for Trade and Marketing LLC	Egypt	Egypt	Petrochemicals	99.99	99.99	47	8,960	3,061	–
International Shipping and Transportation Co. (“ISTC”)	KSA	KSA	Supply chain	99.00	99.00	40,000	–	430,896	–
SABIC Supply Chain Services Limited Company (“SSCS”)	KSA	KSA	Supply chain	99.00	99.00	500	–	147,559	–
SABIC Terminal Services (“SABTANK”)	KSA	KSA	Supply chain	90.00	90.00	30,000	–	9,517	–
Jubail Chemical Storage and Services Company (“CHEMTANK”)	KSA	KSA	Supply chain	58.00	58.00	466,250	–	57,892	–

Notes:

(i) S.A.E. and GMC LLC were liquidated in 2024.

(ii) SABIC Middle East is under liquidation.

All amounts in thousands of Saudi Riyals unless otherwise stated.

42. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS OF SABIC AN (I)

	Country of incorporation	Country of operation	Principal business activity	% Shareholding (direct and indirect) at 31 December 2024	% Shareholding (direct and indirect) at 31 December 2023	Share capital at 31 December 2024	Conventional financial assets at 31 December 2024	Conventional financial liabilities at 31 December 2024	Interest income from conventional financial assets for the year ended 31 December 2024
Subsidiaries									
Al-Jubail Fertiliser Company ("AL BAYRONI")	KSA	KSA	Agri-Nutrients	50.00	50.00	671,500	–	52,592	–
National Chemical Fertiliser Company ("IBN AL-BAYTAR")	KSA	KSA	Agri-Nutrients	100.00	100.00	494,700	–	53,277	–
SABIC Agri-Nutrients Investment Company ("SANIC")	KSA	KSA	Agri-Nutrients	100.00	100.00	25	–	–	–
Associates									
Gulf Petrochemical Industries Company ("GPIC")	Bahrain	Bahrain	Agri-Nutrients, Petrochemicals	33.33	33.33	600,000	–	–	–
Joint Ventures									
ETG Inputs Holdco Limited ("EIHL") (Refer note 10.2)	UAE	UAE	Agri-Nutrients	49.00	49.00	229	–	–	–

Notes:

(i) SABIC AN owns 100% (direct and indirect) in SANIC and IBN AL-BAYTAR, 50% in AL-BAYRONI, 33.33% in GPIC and 49% in EIHL.

All amounts in thousands of Saudi Riyals unless otherwise stated.

42. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

INVESTMENTS IN ASSOCIATES AND JOINT VENTURES OF NUSANED

	Country of incorporation	Country of operation	Principal business activity	% Shareholding (direct and indirect) at 31 December 2024	% Shareholding (direct and indirect) at 31 December 2023	Share capital at 31 December 2024	Conventional financial assets at 31 December 2024	Conventional financial liabilities at 31 December 2024	Interest income from conventional financial assets for the year ended 31 December 2024
Joint ventures (i)									
Advanced Energy Storage System Investment Company ("AESSIC") (ii)	KSA	KSA	Renewable Energy	100.00	48.72	–	–	–	–
Saudi Pallet Manufacturing Company ("SPMC") (iii)	KSA	KSA	Logistic	38.00	38.00	–	–	–	–
Isotopes Company ("IHC")	KSA	KSA	Machinery Equipment	13.44	13.44	23,354	31	5,452	–
Associates (i)									
Nusaned Fund I	KSA	KSA	Equity Investments	50.00	50.00	71,550	40,000	–	2,936
Nusaned Fund II	KSA	KSA	Equity Investments	60.00	60.00	18,872	15,429	201	–

Notes:

- (i) Determination of the classification of these investments as associates and joint ventures is based on underlying agreements and constitutive documents.
- (ii) AESSIC is a limited liability company and as per share exchange agreement, Nusaned has acquired remaining 51.28% equity stake in in AESSIC during 2024 and it is under liquidation.
- (iii) The investment in SPMC has been written off during 2024.

All amounts in thousands of Saudi Riyals unless otherwise stated.

42. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

GROUP'S INVESTMENTS IN ASSOCIATES:

	Country of incorporation	Country of operation	Principal business activity	% Shareholding (direct and indirect) at 31 December 2024	% Shareholding (direct and indirect) at 31 December 2023	Share capital at 31 December 2024	Conventional financial assets at 31 December 2024	Conventional financial liabilities at 31 December 2024	Interest income from conventional financial assets for the year ended 31 December 2024
Associates (i)									
Clariant AG ("CLARIANT")	Switzerland	Switzerland	Specialty chemical	31.50	31.50	2,422,500	1,531,206	2,879,829	74,693
Ma'aden Phosphate Company ("MPC")	KSA	KSA	Agri-Nutrients	30.00	30.00	6,208,480	–	180,826	–
Aluminium Bahrain B.S.C. ("Alba")	Bahrain	Bahrain	Aluminium	20.62	20.62	1,412,900	–	3,704,237	–
Power and Water Utilities Company for Jubail and Yanbu ("MARAFIQ")	KSA	KSA	Utilities	17.50	17.50	2,500,000	–	2,877,298	–
Ma'aden Wa'ad Al Shamal Phosphate Company ("MWSPC")	KSA	KSA	Agri-Nutrients	15.00	15.00	7,942,502	–	–	–
National Chemical Carrier Company ("NCC")	KSA	KSA	Transportation	20.00	20.00	610,000	–	–	–
Saudi Arabian Industrial Investment Company ("DUSSUR")	KSA	KSA	Investments	25.00	25.00	3,850,000	–	–	–
ARG mbH & Co KG ("ARG") (iii)	Germany	Germany	Transportation	25.00	25.00	6,049	–	–	–
ARG Verwaltungs GmbH (iii)	Germany	Germany	Administrative company	16.67	25.00	–	–	–	–
German Pipeline Development Company GMBH ("GPDC")	Germany	Germany	Transportation	39.00	39.00	33,911	4,026	23,024	–
Mallinda, Inc. ("MALLINDA") (iv)	USA	USA	Ventures	26.20	26.20	–	–	–	–
Gulf Aluminium Rolling Mill Company ("GARMCO") (iv)	Bahrain	Bahrain	Aluminium	14.90	14.90	551,823	–	–	–

Notes:

(i) Determination of the classification of these investments as associates is based on underlying agreements and constitutive documents.

(ii) During the year, the group classified its investment in Alba as 'assets held for sale' (refer Note 35.1).

(iii) ARG includes ARG Verwaltungs GmbH which is administrative and non-operating company based in Germany.

(iv) Investment in Mallinda and GARMCO has been fully written-off during 2024.

All amounts in thousands of Saudi Riyals unless otherwise stated.

42. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

GROUP'S INVESTMENTS IN JOINT ARRANGEMENTS:

	Country of incorporation	Country of operation	Principal business activity	% Shareholding (direct and indirect) at 31 December 2024	% Shareholding (direct and indirect) at 31 December 2023	Share capital at 31 December 2024	Conventional financial assets at 31 December 2024	Conventional financial liabilities at 31 December 2024	Interest income from conventional financial assets for the year ended 31 December 2024
Joint ventures (i)									
Eastern Petrochemical Company ("SHARQ")	KSA	KSA	Petrochemicals	50.00	50.00	1,890,000	–	190,021	5,503
Saudi Yanbu Petrochemical Company ("YANPET")	KSA	KSA	Petrochemicals	50.00	50.00	4,596,000	–	226,034	37,415
Al-Jubail Petrochemical Company ("KEMYA")	KSA	KSA	Petrochemicals	50.00	50.00	2,149,200	–	351,908	8,237
SINOPEC/SABIC Tianjin Petrochemical Company Limited ("SSTPC")	China	China	Petrochemicals	50.00	50.00	5,558,039	276,723	2,089,796	–
SABIC SK Nexlene Company Pte. Ltd. ("SSNC")	Singapore	Singapore	Petrochemicals	50.00	50.00	1,125,038	382,500	183,750	–
Cosmar Company ("COSMAR")	USA	USA	Petrochemicals	50.00	50.00	–	56,629	–	–
Utility Support Group ("USG") B.V. (ii)	Netherlands	Netherlands	Utilities	50.00	50.00	181,472	–	–	–
SABIC Plastic Energy Advanced Recycling BV ("SPEAR") (iii)	Netherlands	Netherlands	Petrochemicals	50.00	50.00	97,566	10,821	328,693	–
SABIC Fujian Petrochemicals Co., Ltd. ("FUJIAN")	China	China	Petrochemicals	51.00	51.00	967,235	460,308	3,461,543	4,011
Joint operations (iv)									
Saudi Methacrylates Company ("SAMAC") (v)	KSA	KSA	Petrochemicals	50.00	50.00	1,350,000	–	607,190	–
Gulf Coast Growth Venture LLC ("GCGV") (vi)	USA	USA	Petrochemicals	50.00	50.00	24,701,497	906,114	–	–
Saudi Acrylic Butanol Company ("SABUCO") (vii)	KSA	KSA	Petrochemicals	11.67	11.67	–	–	–	–
Geismar (viii)	USA	USA	Petrochemicals	11.50	11.50	–	–	–	–

Notes:

- (i) Determination of the classification of these investments as associates is based on underlying agreements and constitutive documents.
- (ii) USG (Geleen, Netherlands), which is operated jointly with other stakeholders to produce utilities for a production site.
- (iii) SPEAR is a joint venture and engaged in plastic recycling, located in Sittard-Geleen, Netherlands.
- (iv) The Group holds a joint control in each of these joint operations with the respective partners. The partners ensure the ongoing financing of the companies, either by the product and utility directly sold to the partners or sharing the costs. Refer Note 6.2 which explains the classification of these investments as joint operations based on underlying agreements and constitutive document.
- (v) SAMAC is a Limited Liability Company, registered in KSA and involved in production and selling of Methyl Methacrylate ("MMA") and Poly Methyl Methacrylate ("PMMA").
- (vi) Gulf Coast Growth Venture LLC ("GCGV") is a joint venture established with Exxon Mobil (a foreign partner) for the production of petrochemicals products.
- (vii) SABUCO, a Saudi based mixed limited liability company, having principal activities comprise of Butanol plant in Jubail for production of N-Butanol and Iso-Butanol. SABUCO is owned 33.33% by SAUDI KAYAN and SABIC share is 11.67%.
- (viii) Geismar, Louisiana, USA, is a cooperation with NOVA Chemicals to produce ethylene. The Group holds 11.5% share in this joint operation and controls it jointly with the partner.

NON-FINANCIAL INFORMATION

SUSTAINABILITY PERFORMANCE SUMMARY (INCLUDING GHG STATEMENT)

Most material key performance indicators	Unit	2024	2023	2022	2021	2020
Resource efficiency						
✓ ○ Energy intensity	GJ/t product sales	16.44	15.9	16.0	16.7	17.1
✓ ○ Water intensity	m ³ /t product sales	2.56	2.4	2.5	2.7	2.7
✓ ○ Material loss intensity	t/t product sales	0.05	0.06	0.06	0.06	0.06
✓ ○ Flaring reduction since 2010	%	49.9	38	57	54	56
✓ CO ₂ utilization	Mn. t	3.95	3.8	3.8	3.6	3.7
Air emissions						
✓ NO _x	t	24,866.79	21,567	23,929		
✓ SO _x	t	2,864.81	2,933	3,071		
Waste management						
✓ Hazardous waste generated	t	428,816	484,585			
Hazardous waste recovery	t	298,764	348,774			
Hazardous waste disposal	t	130,052	135,811			
✓ Non-hazardous waste generated	t	109,643	139,655			
Non-hazardous waste recovery	t	25,122	46,505			
Non-hazardous waste disposal	t	84,521	93,155			

✓ Indicators with this icon were subject to a limited assurance engagement for the year ended December 31, 2024. The report of PricewaterhouseCoopers Public Accountants (PwC) is included in this Integrated Annual Report [here](#).

○ Indicators with this icon have been restated for prior years based on changes in reporting boundaries. Further details are available on our website in the document, [SABIC Reporting Criteria for Non-Financial KPIs 2024](#).

SUSTAINABILITY PERFORMANCE SUMMARY (INCLUDING GHG STATEMENT) (CONTINUED)

Most material key performance indicators	Unit	2024	2023	2022	2021	2020
Climate						
✓ ○ Absolute GHG emissions (total Scopes 1 and 2)	Mn. tCO ₂ e	43.0	42.8	44.4	44.3	48.3
✓ ○ GHG emission intensity	tCO ₂ e/t product sales	1.05	1.02	1.02	1.07	1.13
Innovation and sustainability solutions						
Total SABIC patent portfolio	No.	11,000+	11,070	9,948	10,090	9,946
Governance and integrity						
✓ Compliance concerns raised	No.	208	147	136	99	90
✓ Investigations closed	No.	158	114	113	89	69
✓ Violations found and addressed	No.	77	51	42	41	30
Training completion	%	99	96	99	99	99
Environment, health, safety, and security						
✓ Total Recordable Injury and Illness Rate (TRIR)	(No. of recordable injuries + illnesses) * 200,000 hours worked/Total man-hours worked	0.09	0.10	0.10	0.11	0.10
✓ Fatalities	No.	0	1	0	0	3
✓ Fatalities rate	No. of fatalities * 200,000 hours worked/ Total man-hours worked	0	0.001	0	0	0.003
American Petroleum Institute (API) 754 Tier 1 Process Safety Events	No.	6	11	11	15	10
✓ American Petroleum Institute (API) 754 Tier 1 Process Safety Events Rate	No. of Tier 1 Process Safety Events * 200,000 hours worked/Total man-hours worked	0.008	0.015	0.012	0.016	0.011

✓ Indicators with this icon were subject to a limited assurance engagement for the year ended December 31, 2024. The report of PricewaterhouseCoopers Public Accountants (PwC) is included in this Integrated Annual Report [here](#).

○ Indicators with this icon have been restated for prior years based on changes in reporting boundaries. Further details are available on our website in the document, [SABIC Reporting Criteria for Non-Financial KPIs 2024](#).

SUSTAINABILITY PERFORMANCE SUMMARY (INCLUDING GHG STATEMENT) (CONTINUED)

Most material key performance indicators	Unit	2024	2023	2022	2021	2020
Human capital development						
Women in the workplace	% of workforce	9	8	8	7	7
Social impacts						
○ Community giving	Mn. US\$	4.5	12.8	28.9	33.5	39.6
Supply chain						
Total suppliers through Supplier Life Cycle and Performance Management (SLM) program	No.	27,439	33,591	32,254	30,355	28,563
Suppliers assessed through TfS-EcoVadis	No.	247	167			
Suppliers audited through TÜV	No.	530	165			
Suppliers qualified through TÜV	No.	395	115			

- ✓ Indicators with this icon were subject to a limited assurance engagement for the year ended December 31, 2024. The report of PricewaterhouseCoopers Public Accountants (PwC) is included in this Integrated Annual Report [here](#).
- Indicators with this icon have been restated for prior years based on changes in reporting boundaries. Further details are available on our website in the document, [SABIC Reporting Criteria for Non-Financial KPIs 2024](#).



INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT ON SAUDI BASIC INDUSTRIES CORPORATION'S (SABIC) SUSTAINABILITY INFORMATION

To the Directors of SABIC

The Board of Directors of Saudi Basic Industries Corporation ("SABIC"/the "Group") have engaged us to obtain a limited assurance on the Environment, Social and Governance Information (ESG) of the Group as defined within the Sustainability information and reporting criteria section of this report and marked with the symbol ✓ on pages 261 – 262 in the Sustainability Performance Summary (Including GHG Statement) within the Non-financial information section of the Integrated Annual Report 2024 (the "sustainability information"), for the period from 01 January 2024 to 31 December 2024.

Our assurance conclusion does not extend to information in respect of earlier periods or to any other information included in, or linked from, the Integrated Annual Report 2024 including any images, audio files or videos.

LIMITED ASSURANCE CONCLUSION

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the sustainability information is not prepared, in all material respects, in accordance with the SABIC Reporting Criteria for Non-Financial KPIs 2024 referenced in the *Sustainability information and reporting criteria* section below.

BASIS FOR CONCLUSION

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), "Assurance engagements other than audits or reviews of historical financial information" as endorsed in the Kingdom of Saudi Arabia, and, in respect of the greenhouse gas emissions, International Standard on Assurance Engagements 3410, "Assurance engagements on greenhouse gas statements" as endorsed in the Kingdom of Saudi Arabia.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under these standards are further described in the Practitioner's responsibilities section of our report.

OUR INDEPENDENCE AND QUALITY MANAGEMENT

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies the International Standard on Quality Management (ISQM) 1, as endorsed in the Kingdom of Saudi Arabia, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

PricewaterhouseCoopers Public Accountants (professional limited liability company), CR No. 1010371622, capital of 500,000 SAR, national address: 2239 Al Urubah Rd, Al Olaya District, postal code 12214, secondary number 9597, Riyadh, Kingdom of Saudi Arabia, physical address: Kingdom Tower, floor 24.

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SUSTAINABILITY INFORMATION AND REPORTING CRITERIA

The sustainability information needs to be read and understood together with the reporting criteria, which the Group is solely responsible for selecting and applying. The sustainability information and the reporting criteria are as set out in the table below:

Sustainability information	Unit of measurement	Value for the period from 01 January 2024 to 31 December 2024	Materiality reference*	Location of the sustainability information in the Integrated Annual Report 2024	Reporting criteria**
Environment					
Absolute GHG emissions (Total Scopes 1 & 2)	Million tCO ₂ e	43.0	(1)	Page262	
GHG emissions intensity	TCO ₂ e/tonne product sales	1.05	(2)	Page262	
Energy intensity	GJ/tonne product sales	16.44	(2)	Page261	
Water intensity	m ³ /tonne product sales	2.56	(2)	Page261	
Material loss intensity	t/t product sales	0.05	(2)	Page261	
Flaring reduction since 2010	%	49.9	(3)	Page261	
CO ₂ utilisation	Mn. t	3.95	(1)	Page261	
Ethics and integrity					
Compliance concerns raised	No.	208	(1)	Page 262	
Incidents closed	No.	158	(1)	Page 262	
Violations found and addressed	No.	77	(1)	Page 262	

[SABIC Reporting Criteria For Non-Financial KPIs 2024](#)



Sustainability information	Unit of measurement	Value for the period from 01 January 2024 to 31 December 2024	Materiality reference*	Location of the sustainability information in the Integrated Annual Report 2024	Reporting criteria**
Environment, Health, Safety and Security (EHSS)					
Total recordable injury and illness rate (TRIIR)	(No. of recordable injuries + illnesses)* 200,000 hours worked/Total man-hours worked	0.09	(5)	Page 262	
Fatalities	No.	0	(4)	Page 262	
Fatalities rate	No. of fatalities * 200,000 hours worked/ Total man-hours worked	0	(5)	Page 185	
American Petroleum Institute (API) 754 Tier 1	No. of Tier 1 Process Safety Events * 200,000 hours worked/Total man-hours worked	0.008	(5)	Page 262	
SOx	Tonne (t)	2,864.81	(1)	Page 261	
NOx	Tonne (t)	24,866.79	(1)	Page 261	
Non-hazardous waste	Tonne (t)	109,643	(1)	Page 261	
Hazardous waste	Tonne (t)	428,816	(1)	Page 261	

*Refer to our assessment of materiality discussed in the 'Materiality' section of this report.

**The maintenance and integrity of SABIC's website is the responsibility of the Directors; the work carried out by us as practitioners does not involve consideration of these matters and, accordingly, we accept no responsibility of any changes that may have occurred to the reported sustainability information or the reporting criteria when presented on SABIC's website.

RESPONSIBILITIES FOR THE SUSTAINABILITY INFORMATION

Management of the Group is responsible for:

- Determining appropriate reporting topics and selecting or establishing suitable criteria for measuring or evaluating the underlying sustainability matter;
- Ensuring that those criteria are relevant and appropriate to the Group and the intended users of the Integrated Annual Report 2024;

- The preparation of the sustainability information in accordance with the reporting criteria applied as explained and referenced in the Sustainability information and reporting criteria section above;
- Designing, implementing and maintaining systems, processes and such internal control as management determines is necessary to enable the preparation of the sustainability information, including over the evaluation or

measurement, in accordance with the reporting criteria, that is free from material misstatement, whether due to fraud or error; and

- The selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

The Directors are responsible for overseeing the Group's sustainability reporting process.



INHERENT LIMITATIONS IN PREPARING THE SUSTAINABILITY INFORMATION

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time.

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the underlying sustainability matter and the methods used for determining such information. The precision of different measurement techniques may also vary.

As discussed in the reporting criteria, greenhouse gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

PRACTITIONER'S RESPONSIBILITIES

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the sustainability information is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the sustainability information.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) and ISAE 3410, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Determine the suitability in the circumstances of the Group's use of the reporting criteria as the basis for the preparation of the sustainability information.
- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control.

- Design and perform procedures responsive to where material misstatements are likely to arise in the sustainability information. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

MATERIALITY

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the sustainability information is likely to arise.

Based on our professional judgement, we determined materiality for the sustainability information as follows:

Overall materiality

The benchmark approach for each aspect of the sustainability information is indicated in the table above by one of the following numbers:

- (1) This metric is an absolute number. A benchmark of 5% has been applied.
- (2) This metric is calculated as a ratio between two different numbers. A benchmark of 5% has been applied to both the numerator and denominator used in the calculation.
- (3) This metric is a percentage. A benchmark of 5% has been applied to both the numerator and denominator used in the percentage calculation.
- (4) This metric is an absolute number. Each individual unit of measure (i.e. a fatality or incident) is considered material.
- (5) This metric is calculated as a ratio between two different numbers. A benchmark to each individual unit of measure has been applied to the numerator (i.e. a fatality or incident is considered material) and a benchmark of 5% has been applied to the denominator. Furthermore, a benchmark of 5% has been applied to the reported figure.

For each metric, the materiality threshold means that a misstatement of that amount or higher, either as an individual misstatement, or as an aggregate of smaller misstatements, would lead us to conclude that the sustainability information had not been prepared in all material respects in accordance with the reporting criteria. For qualitative information, materiality considerations consider qualitative matters, including balance, understandability, and lack of bias.

SUMMARY OF THE WORK PERFORMED

A limited assurance engagement involves performing procedures to obtain evidence about the sustainability information. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of where material misstatements are likely to arise in the sustainability information, whether due to fraud or error.

In conducting our limited assurance engagement, we:

- obtained an understanding of the Group's control environment, reporting processes and systems relevant to the preparation of the sustainability information;

- evaluated whether all information identified by the process to identify the information reported in the sustainability information is included in the sustainability information;
- considered the suitability in the circumstances of the Group's use of the Reporting Criteria, as the basis for preparing the sustainability information;
- evaluated the appropriateness of measurement and evaluation methods, reporting policies used and estimates made by the Group noting that our procedures did not involve testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the Group's estimates;
- performed limited substantive testing on a selective basis of the sustainability information, which is aggregated from information submitted by the Group's operational sites within their organisational boundary. Testing involved: comparing year on year movements and obtaining explanations from management for significant differences we identified, agreeing arithmetical accuracy and agreeing data points to or from source information to check that the underlying sustainability information had been appropriately evaluated or measured, recorded, collated and reported;
- undertook four physical site visits and four virtual site visits of the Group's sites to perform detailed testing procedures over site level sustainability information; we selected these sites based on their inherent risk and materiality to the Group; and
- considered the disclosure and presentation of the sustainability information.

OTHER MATTERS IN RELATION TO THE SUSTAINABILITY INFORMATION

The comparatives relating to the sustainability information of the Group subject to limited assurance marked with the symbol ✓, were assured by another practitioner whose assurance report, dated 28 March 2024, expressed an unmodified conclusion.

The comparatives of the sustainability information marked with the symbol O have been restated during the current year following a change in reporting boundaries as further explained in the Group's reporting criteria referenced in the Sustainability information and reporting criteria section of our report.

USE OF OUR REPORT

Our report, including our conclusion, has been prepared solely for the Board of Directors of the Group in accordance with the agreement between us dated 19 December 2024 and the variation letter dated 27 February 2025. To the fullest extent permitted by law, we do not accept or assume responsibility or liability to anyone other than the Board of Directors of SABIC for our work or this report except where terms are expressly agreed between us in writing.

PricewaterhouseCoopers

Bader I. Benmohareb
Licence No. 471
13 March 2025

GRI CONTENT INDEX

SABIC has reported the information cited in this GRI content index for the period January 1, 2024, to December 31, 2024, with reference to the GRI Standards. The GRI 1 used is GRI 1: Foundation 2021.

GRI Standard/Disclosure	Report reference	Website reference	UN SDGs
GRI 2: General disclosures 2021			
2-1	Organizational details	Our global footprint About this report	About SABIC
2-2	Entities included in the organization's sustainability reporting	About this report List of legal entities	SABIC global entities
2-3	Reporting period, frequency and contact point	About this report	Contact us info@SABIC.com
2-4	Restatements of information	Sustainability performance summary (including GHG statement)	
2-5	External assurance	Audited financial statements – Independent auditor's report Non-financial statements – Independent limited assurance report	
2-6	Activities, value chain and other business relationships	Strategy	
2-7	Employees	Our people	
2-8	Workers who are not employees	Approximately 2,500 people, corresponding to around 8% of the total workforce, also work for SABIC. In addition, a number of people work for SABIC indirectly through service agreements. It is not possible to determine the precise number since each agreement is not defined by the number of people but by the provision of adequate resourcing to complete the work.	Temporary worker code of conduct
2-9	Governance structure and composition	Board structure and composition	Corporate governance Board charter Board membership policy

GRI Standard/Disclosure		Report reference	Website reference	UN SDGs
2-10	Nomination and selection of the highest governance body	 Nomination and selection	Corporate governance Board charter Board membership policy Remuneration and nomination committee charter	
2-11	Chair of the highest governance body	 Board structure and composition	Board charter Board membership policy	
2-12	Role of the highest governance body in overseeing the management of impacts	 Governance framework	Board charter Board membership policy	
2-13	Delegation of responsibility for managing impacts	 Governance framework	Board charter Board membership policy	
2-14	Role of the highest governance body in sustainability reporting	 Sustainability governance	Our integrity culture	
2-15	Conflicts of interest	 Board independence	SABIC's conflict of interest policy	
2-16	Communication of critical concerns	 Ethics and compliance	SABIC's code of ethics Supplier code of conduct	
2-17	Collective knowledge of the highest governance body	 Biographies of Board and committee members	Corporate governance	
2-18	Evaluation of the performance of the highest governance body	 Board performance assessment	Board charter	
2-19	Remuneration policies	 Board remuneration and nomination committee	Remuneration and nomination committee charter Board charter Board membership policy	
2-20	Process to determine remuneration	 Board remuneration and nomination committee		
2-22	Statement on sustainable development strategy	 Strategy		
2-23	Policy commitments	SABIC policies are approved by the Board.	Corporate governance SABIC's code of ethics Board membership policy Our human rights program	

GRI Standard/Disclosure		Report reference	Website reference	UN SDGs
2-24	Embedding policy commitments	 Ethics and compliance	SABIC's code of ethics UNGC Principles Our human rights program	
2-25	Processes to remediate negative impacts	 Risks and opportunities  Ethics and compliance	Our human rights program SABIC's code of ethics	
2-26	Mechanisms for seeking advice and raising concerns	 Ethics and compliance	SABIC's code of ethics Our compliance culture	
2-27	Compliance with laws and regulations	 Ethics and compliance	SABIC's code of ethics Our compliance culture	
2-28	Membership associations	 Stakeholder engagement	Government engagement	
2-29	Approach to stakeholder engagement	 Stakeholder engagement	People and collaboration Responsible Care® Global customer information letter Supplier portal	
2-30	Collective bargaining agreements		Our human rights program UNGC Principles	
GRI 3: Material topics 2021				
3-1	Process to determine material topics	 Materiality		
3-2	List of material topics	 Materiality		
3-3	Management of material topics	 Materiality		
GRI 201: Economic performance 2016				
3-3	Management of material topics	 Strategy		
201-1	Direct economic value generated and distributed	 Financial review  Audited financial statements	Quarterly financial statements	

GRI Standard/Disclosure	Report reference	Website reference	UN SDGs
201-2 Financial implications and other risks and opportunities due to climate change	 Risks and opportunities – Environmental challenges		
201-3 Defined benefit plan obligations and other retirement plans	 Additional financial information  Total rewards	 Compensation matters	
GRI 202: Market presence 2016			
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	 Our people		
202-2 Proportion of senior management hired from the local community	 Executive management		
GRI 203: Indirect economic impacts 2016			
203-1 Infrastructure investments and services supported	 Chairman's letter  Strategy – Projects  Local content	 SABIC's NUSANED™ initiative	 
203-2 Significant indirect economic impacts	 Stakeholder engagement  Local content	 Community engagement	
GRI 204: Procurement practices 2016			
204-1 Proportion of spending on local suppliers	 Local content		

GRI Standard/Disclosure		Report reference	Website reference	UN SDGs
GRI 205: Anti-corruption 2016				
205-1	Operations assessed for risks related to corruption	<ul style="list-style-type: none">  Risk and opportunities – Compliance risks  Procurement  Ethics and compliance 	 Our compliance culture	
205-2	Communication and training about anti-corruption policies and procedures	<ul style="list-style-type: none">  Risk and opportunities – Compliance risks  Procurement  Ethics and compliance 	<ul style="list-style-type: none">  Our compliance culture  SABIC and Ethisphere  SABIC and the Pearl Initiative 	
205-3	Confirmed incidents of corruption and actions taken	<ul style="list-style-type: none">  Ethics and compliance 	 UNGC Principles	
GRI 206: Anti-competitive Behavior 2016				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	<ul style="list-style-type: none">  Risks and opportunities – Compliance risks  Procurement  Ethics and compliance 	 Our compliance culture	
GRI 207: Tax 2019				
207-1	Approach to tax	<ul style="list-style-type: none">  Financial review – Tax 	<ul style="list-style-type: none">  Global tax strategy  UK tax strategy 	
207-2	Tax governance, control, and risk management	<ul style="list-style-type: none">  Financial review – Tax 	<ul style="list-style-type: none">  Global tax strategy  Risk management policy 	
207-3	Stakeholder engagement and management of concerns related to tax	<ul style="list-style-type: none">  Tax – Engaging with key stakeholders 	 Global tax strategy	
GRI 301: Materials 2016				
3-3	Management of material topics	<ul style="list-style-type: none">  Sustainability and resource efficiency 	 Sustainable solutions	
301-1	Materials used by weight or volume	<ul style="list-style-type: none">  Product sustainability performance  EHSS – Waste  Sustainability and resource efficiency 		 

GRI Standard/Disclosure		Report reference	Website reference	UN SDGs
301-2	Recycled input materials used	<ul style="list-style-type: none">  TRUCIRCLE™ Initiatives  Product sustainability performance  EHSS – Waste  Sustainability and resource efficiency  Raw materials 	 Sustainable solutions	 
301-3	Reclaimed products and their packaging materials	<ul style="list-style-type: none">  TRUCIRCLE™ Initiatives  Product sustainability performance  EHSS – Waste  Sustainability and resource efficiency  Raw materials 	 Sustainable solutions	 
GRI 302: Energy 2016				
3-3	Management of material topics	 Sustainability and resource efficiency	 Climate, energy and resource efficiency	
302-1	Energy consumption within the organization	 Energy intensity		   
302-3	Energy intensity	 Energy intensity	 Climate, energy and resource efficiency	   
302-4	Reduction of energy consumption	 Sustainability and resource efficiency	 Climate, energy and resource efficiency	   
GRI 303: Water and Effluents 2018				
3-3	Management of material topics	 EHSS – Water		
303-1	Interactions with water as a shared resource	 EHSS – Water		 
303-2	Management of water discharge-related impacts	 EHSS – Water		

GRI Standard/Disclosure		Report reference	Website reference	UN SDGs
303-3	Water withdrawal	 Water intensity		
303-5	Water consumption	 Water intensity		
GRI 304: Biodiversity 2016				
3-3	Management of material topics	 Biodiversity		
GRI 305: Emissions 2016				
3-3	Management of material topics	 Sustainability and resource efficiency	 Climate, energy and resource efficiency	
305-1	Direct (Scope 1) GHG emissions	 Sustainability and resource efficiency	 UNGC Principles	  
305-2	Energy indirect (Scope 2) GHG emissions	 Sustainability and resource efficiency	 UNGC Principles	  
305-3	Other indirect (Scope 3) GHG emissions	 Sustainability and resource efficiency	 UNGC Principles	  
305-4	GHG emissions intensity	 Sustainability and resource efficiency	 Climate, energy and resource efficiency	  
305-5	Reduction of GHG emissions	 Sustainability and resource efficiency	 Climate, energy and resource efficiency	  
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	 Environment, health, safety, and security (EHSS)		  

GRI Standard/Disclosure	Report reference	Website reference	UN SDGs
GRI 306: Waste 2020			
3-3	Management of material topics	 EHSS	Environmental compliance
306-1	Waste generation and significant waste-related impacts	 EHSS  EHSS – Waste  Operation Clean Sweep (OCS)	  
306-2	Management of significant waste-related impacts	 EHSS – Waste	 
306-3	Waste generated	 EHSS	 
306-4	Waste diverted from disposal	 EHSS	 
306-5	Waste directed to disposal	 EHSS	 
GRI 308: Supplier environmental assessment 2016			
3-3	Management of material topics	 Procurement  Ethics and compliance	Supplier code of conduct Our human rights program Supplier portal
308-1	New suppliers that were screened using environmental criteria	 Procurement	Supplier portal
308-2	Negative environmental impacts in the supply chain and actions taken	 Stakeholder engagement – Suppliers and alliance partners  Procurement  Raw materials  Ethics and compliance	

GRI Standard/Disclosure	Report reference	Website reference	UN SDGs
GRI 401: Employment 2016			
3-3	Management of material topics	Stakeholder engagement – Employees and their families Our people	
401-1	New employee hires and employee turnover	Our people	Benefits that matter 
GRI 402: Labor/Management relations 2016			
3-3	Management of material topics	Stakeholder engagement – Employees and their families Our people	Benefits that matter Community engagement UNGC Principles
GRI 403: Occupational health and safety 2018			
3-3	Management of material topics	EHSS	EHSS EHSS policy Creating a culture of safety
403-1	Occupational health and safety management system	EHSS	EHSS management systems
403-2	Hazard identification, risk assessment, and incident investigation	Product stewardship EHSS	EHSS process risk management SABIC's Safer Chemistry initiative 
403-3	Occupational health services	EHSS	
403-4	Worker participation, consultation, and communication on occupational health and safety	EHSS	UNGC Principles 
403-5	Worker training on occupational health and safety	EHSS – EHSS competency development	

GRI Standard/Disclosure	Report reference	Website reference	UN SDGs
403-6 Promotion of worker health	 Our people – Employee wellbeing	 Health and wellbeing-related benefits	
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	 EHSS		
403-8 Workers covered by an occupational health and safety management system	 EHSS	 Occupational health and safety management systems (Responsible Care®)	
403-9 Work-related injuries	 EHSS		
GRI 404: Training and education 2016			
3-3 Management of material topics	 Our people – Our approach		
404-1 Average hours of training per year per employee	 Our people	 Learning and career development	
404-2 Programs for upgrading employee skills and transition assistance programs	 Our people – People development	 Community engagement	
404-3 Percentage of employees receiving regular performance and career development reviews	 Our people – Performance review		

GRI Standard/Disclosure	Report reference	Website reference	UN SDGs
GRI 405: Diversity and equal opportunity 2016			
3-3 Management of material topics	Our people Board diversity	SABIC's sense of belonging statement	
405-1 Diversity of governance bodies and employees	Our people Board diversity	Board of directors and executive management	
GRI 406: Non-discrimination 2016			
3-3 Management of material topics	Ethics and compliance	SABIC code of ethics	
406-1 Incidents of discrimination and corrective actions taken	Ethics and compliance	SABIC code of ethics	
GRI 407: Freedom of association and collective bargaining 2016			
3-3 Management of material topics	Ethics and compliance	Our human rights program	
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Ethics and compliance	Our human rights program	
GRI 408: Child labor 2016			
408-1 Operations and suppliers at significant risk for incidents of child labor	Ethics and compliance	Supplier code of conduct Our human rights program Supplier portal	
GRI 409: Forced or compulsory labor 2016			
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Procurement Ethics and compliance	Supplier code of conduct Our human rights program Supplier portal	
GRI 410: Security practices 2016			
3-3 Management of material topics	EHSS	Security and crisis management	

GRI Standard/Disclosure	Report reference	Website reference	UN SDGs
GRI 413: Local communities 2016			
3-3	Management of material topics	<ul style="list-style-type: none"> Stakeholder engagement – Community and society EHSS – Engaging with stakeholders Local content Communities 	<ul style="list-style-type: none"> SABIC corporate social responsibility Community engagement SABIC's NUSANED™ initiative
413-1	Operations with local community engagement, impact assessments, and development programs	<ul style="list-style-type: none"> Stakeholder engagement – Community and society EHSS – Engaging with stakeholders Local content Communities 	<ul style="list-style-type: none"> SABIC's NUSANED™ initiative SABIC's corporate social responsibility strategy SABIC EHSS management systems
GRI 414: Supplier social assessment 2016			
3-3	Management of material topics	<ul style="list-style-type: none"> Procurement 	
414-1	New suppliers that were screened using social criteria	<ul style="list-style-type: none"> Stakeholder engagement – Suppliers and alliance partners Procurement Ethics and compliance 	<ul style="list-style-type: none"> SABIC and Together for Sustainability
414-2	Negative social impacts in the supply chain and actions taken	<ul style="list-style-type: none"> Stakeholder engagement – Suppliers and alliance partners Supply chain EHSS Procurement 	<ul style="list-style-type: none"> Supplier portal
GRI 415: Public policy 2016			
3-3	Management of material topics	<ul style="list-style-type: none"> Stakeholder engagement – Governments and regulatory bodies Ethics and compliance 	<ul style="list-style-type: none"> Government engagement
415-1	Political contributions	<ul style="list-style-type: none"> Ethics and compliance 	<ul style="list-style-type: none"> Government engagement

GRI Standard/Disclosure		Report reference	Website reference	UN SDGs
GRI 416: Customer health and safety 2016				
3-3	Management of material topics	 Product stewardship	 Product stewardship	
416-1	Assessment of the health and safety impacts of product and service categories	 Product stewardship		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	 Product stewardship	 Product stewardship	
GRI 417: Marketing and labeling 2016				
417-1	Requirements for product and service information and labeling	 Product stewardship	 Product stewardship	
417-2	Incidents of non-compliance concerning product and service information and labeling	 Product stewardship	 Product stewardship	
GRI 418: Customer privacy 2016				
3-3	Management of material topics	 Ethics and compliance	 Data protection and privacy notice	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	 Customer centricity		

SUPPLEMENTARY INFORMATION



GLOSSARY

A

Advanced recycling, also known as chemical recycling or feedstock recycling, breaks down plastics at the molecular level, converting them into their original monomers or other useful chemicals, such as naphtha.

Affiliate, in SABIC's definition, is any entity that controls, is controlled by, or is under common control with another entity. "Control" refers to directly or indirectly owning a majority equity interest or having the power to direct business affairs.

B

Bio-renewable feedstock is raw material derived from renewable biological sources, such as plants, animals, microorganisms, or other renewable organic matter, used as the primary input for producing chemicals, materials, and fuels.

BLUEHERO™ is a SABIC initiative launched in 2022 to support electrification, starting with the automotive industry. It delivers thermoplastic materials, design expertise, and engineering solutions to enable safer, more efficient, and high-performing electric vehicles (EVs). A key focus is optimizing structural battery components using flame-retardant materials and lightweight, cost-effective solutions that meet stringent safety, performance, and environmental standards.

C

Carbon capture is the process of capturing carbon dioxide (CO₂) from industrial emissions or the atmosphere to prevent it from entering the environment. Captured CO₂ can be stored underground (carbon capture and storage, CCS) or repurposed as a feedstock for industrial applications (carbon capture and utilization, CCU).

Carbon dioxide (CO₂) is a greenhouse gas that traps heat in the Earth's atmosphere, contributing to global warming. It is produced naturally and through human activities, including industrial processes, fossil fuel combustion, and chemical reactions. Managing CO₂ emissions is a key focus of climate and sustainability efforts.

Carbon dioxide equivalent (CO₂e) is a standard unit for measuring and comparing greenhouse gases based on their global warming potential (GWP), expressed in terms of the equivalent amount of carbon dioxide.

Closing the loop (or **closed-loop models**) refers to reducing the use of virgin raw materials and minimizing waste by utilizing recycled materials in the manufacturing of new products. This approach supports circular economy principles by keeping materials in use for as long as possible.

Collective bargaining refers to the negotiation of employment terms – such as wages, benefits, and working conditions – between an employer and a group of workers, typically represented by a union or labor organization.

Commodity chemicals, also known as bulk chemicals, are produced in large quantities with uniform quality and specifications to meet global demand and are used in a wide range of industrial applications. SABIC's commodity chemicals include polymers, petrochemicals, basic inorganic chemicals, and fertilizers.

Cracking is a key refining and petrochemical process in which complex organic molecules, such as long-chain hydrocarbons, are broken down into simpler molecules. Common types of cracking used in the petrochemical industry include: thermal cracking, conducted at high temperatures; steam cracking, which uses steam to generate high temperatures; and catalytic cracking, which uses a catalyst to accelerate the reaction.

D

Diversity refers to the presence of differences within a workforce, including but not limited to national origin, ethnicity, gender, age, abilities, and experiences. A diverse workplace values these differences and fosters an environment where individuals can contribute and thrive.

Downstream refers to later stages of the value chain, where intermediate or finished products are processed, refined, and sold to customers.

E

Earnings before interest, taxes, depreciation, and amortization (EBITDA) refers to income from operations excluding depreciation, amortization, and asset impairments.

Employee engagement refers to the level of commitment, involvement, and motivation employees have toward their organization and its goals.

F

Free cash flow (FCF) is the net cash generated from operating activities minus capital expenditures.

G

The **gearing ratio** measures the extent to which SABIC's operations are funded by lenders versus shareholders. It is calculated as net debt ÷ (net debt + total equity), where net debt is defined as debt + lease liabilities – cash and cash equivalents – short-term investments.

The **Globally Harmonized System (GHS) of Classification and Labelling of Chemicals** is an international standard for classifying chemical hazards and communicating safety information through consistent labels and safety data sheets.

Greenhouse gases (GHG) are gases that trap heat in the Earth's atmosphere by absorbing infrared radiation. Significant greenhouse gases include carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O).

The **Greenhouse Gas (GHG) Protocol** is the most widely used global framework for measuring and managing greenhouse gas emissions in the public and private sectors.

H

Human capital refers to the knowledge, skills, experience, and other intangible qualities that contribute to an individual's or workforce's productivity and economic potential.

Hydrocarbons are organic compounds made of hydrogen and carbon, primarily found in petroleum and natural gas. They serve as fuels and as key raw materials for producing plastics, synthetic fibers, industrial chemicals, and lubricants.

I

Income (loss) attributable to SABIC shareholders includes results from both continuing and discontinued operations, including losses from the fair value remeasurement of the Hadeed business.

Income from operations (EBIT) represents earnings before finance income and cost, zakat and tax, and results from non-integral joint ventures and associates.

Industry 4.0 refers to the fourth industrial revolution, characterized by the integration of digital technologies, automation, and data-driven decision-making in manufacturing. It includes advancements such as artificial intelligence (AI), the Internet of Things (IoT), robotics, and smart systems to enhance efficiency, productivity, and innovation across industrial operations.

Intellectual capital refers to the knowledge-based assets that create value for a company, including intellectual property, patents, trademarks, copyrights, trade secrets, proprietary technologies, and research and development (R&D) capabilities. In distinction to human capital, which resides with individuals, intellectual capital is embedded within the organization itself.

International Sustainability and Carbon Certification (ISCC) PLUS is a voluntary, globally recognized certification system for bio-based, circular (recycled), and renewable raw materials across multiple sectors. It ensures sustainability and traceability throughout the supply chain, promoting environmentally, socially, and economically sustainable production practices.

J

Joint venture (JV), in SABIC's definition, is a firm or partnership established and operated by two or more companies that share ownership and control and have rights to its net assets.

K

KAFAA is a SABIC manufacturing program that enhances operational performance by improving maintenance efficiency, optimizing resource utilization, and developing workforce capabilities.

Kafalah is a Saudi government program established to support small and medium-sized enterprises (SMEs) that are economically viable but lack the necessary guarantees to secure financing. By providing financial guarantees, Kafalah encourages financial institutions to extend credit to SMEs, fostering their growth and contributing to national economic development. In 2024, SABIC established a partnership with Kafalah.

L

Life cycle assessment (LCA) is a method for evaluating potential environmental impacts throughout a product's life cycle, from natural resource acquisition to production, use, and end-of-life. SABIC utilizes LCAs in its product sustainability qualification process.

Living wage refers to a level of remuneration that allows workers and their families to meet their basic needs, including food, housing, healthcare, and other essential expenses.

Local content (LC) refers to the total economic value generated within Saudi Arabia through local workforce employment, procurement of goods and services, technology transfer, and domestic investment. It is a key component of Saudi Vision 2030, aimed at enhancing economic diversification, industrial self-sufficiency, and reducing reliance on imports. The Local Content and Government Procurement Authority (LCGPA) defines and regulates local content policies to maximize domestic value creation across various sectors.

Low-carbon products are products or services designed to have lower greenhouse gas emissions across their entire life cycle, from material acquisition to end-of-life.

M

The **mass balance approach** is a recognized accounting method used to track the proportion of sustainable materials in complex production systems. It allows manufacturers to mix sustainable and conventional raw materials within the same production infrastructure while allocating a corresponding share of the final product to sustainable sources based on input volumes. This enables more efficient use of existing facilities, supports circular economies, and promotes transparent reporting of recycled or renewable content.

Mechanical recycling, also called traditional or physical recycling, processes plastic waste into new products through collection, sorting, cleaning, and reprocessing, without altering its chemical structure.

N

Naphtha is a flammable hydrocarbon mixture used as a feedstock for gasoline production and petrochemicals. A lightweight fraction of crude oil, it serves as a key raw material for producing ethylene, propylene, and other chemical intermediates.

Net debt/net cash is a company's total debt and lease liabilities minus short-term investments and cash and cash equivalents.

NUSANED™ is SABIC's initiative designed to support Saudi Arabia's Vision 2030 by empowering small and medium-sized enterprises (SMEs), entrepreneurs, and local companies. It offers assistance in local workforce development, training, and access to financing, aiming to boost local businesses and contribute to the national economy. Participants who successfully complete the program are recognized as **NUSANED™ graduates**.

O

The **Occupational Safety and Health Administration (OSHA)** is a regulatory agency under the U.S. Department of Labor responsible for establishing and enforcing workplace safety standards to promote safe work environments and reduce occupational hazards.

Ocean-bound plastic (OBP) refers to plastic used in a product that has been sourced from areas within 50 kilometers (30 miles) of coastlines, rivers, or waterways where plastics are at high risk of entering the ocean. The use of OBP in manufacturing helps reduce plastic pollution and prevent marine debris.

Olefins are hydrocarbon compounds primarily produced in petrochemical plants through processes like steam cracking and catalytic cracking. They serve as key building blocks for plastics, synthetic fibers, and chemicals. While small amounts can be found in crude oil and natural gas, they are predominantly manufactured rather than naturally occurring.

Original Equipment Manufacturers (OEMs) are companies that produce components or products that are later marketed and sold under another company's brand. In industries such as automotive, electronics, and industrial manufacturing, OEMs supply critical parts and systems that are integrated into final products.

P

PFAS (per- and polyfluoroalkyl substances), also known as PFCs, are a group of synthetic chemicals used in many consumer products. These substances persist in the environment and can bioconcentrate in animals and humans for many years.

Portfolio Sustainability Assessment (PSA) is a process that evaluates the sustainability performance of a product throughout its life cycle using indicators such as those developed by the World Business Council for Sustainable Development (WBCSD).

Process safety incidents refer to incidents that could result in the release of hazardous materials or energy at a site, potentially causing toxic exposure, fire, explosion, serious injuries, property damage, production losses, or environmental harm.

Product carbon footprint refers to the total greenhouse gas (GHG) emissions generated throughout a product's life cycle, including raw material extraction, production, transportation, use, and end-of-life disposal. It is typically measured in carbon dioxide equivalents (CO₂e) to account for all relevant greenhouse gases.

Q

Quality assurance (QA) is a systematic process for ensuring that quality standards are met throughout a project or product life cycle. It involves creating and implementing quality management systems (QMS) that define responsibilities, procedures, and standards, while incorporating audits, reviews, and assessments to verify compliance.

S

SABIC Leadership Way (SLW) is SABIC's leadership framework that defines the values and daily behaviors expected of employees at all levels.

Safer Chemistry is SABIC's internal program focused on improving the environmental profile of products and reducing the hazard footprint of materials and processes. Concepts used by external stakeholders that are similar include "safe chemistry," "sustainable chemistry," and "green chemistry."

Safety Data Sheet (SDS) is a hazard communication document that provides detailed information on a product, including its composition, physical and chemical properties, potential health and environmental hazards, safe handling, storage, disposal, and emergency response measures. SDSs help stakeholders take appropriate protective measures for occupational and environmental safety.

The **Saudi Riyal symbol (ﷵ)**, introduced on February 20, 2025, is inspired by Arabic calligraphy and represents the Saudi Riyal (SAR/SR) in financial and commercial transactions. It is intended to be used in banking, financial reports, invoices, and digital transactions both domestically and internationally. The Saudi Riyal is pegged to the U.S. dollar at a fixed rate of ﷵ 3.75 per US\$ 1.

Shareek, also known as the Private Sector Partnership Reinforcement Program, is a Saudi Arabian initiative to strengthen collaboration between the public and private sectors. The program supports large Saudi companies, both listed and unlisted, by accelerating investment projects and identifying new opportunities. Shareek aims to drive private sector investment in line with the goals of Saudi Vision 2030.

SHE is the name of SABIC's women's network, with a vision to make SABIC the preferred brand for women in the chemicals industry. SHE fosters career growth through mentoring, training, and industry engagement, strengthening the pipeline of women in science, technology, engineering, and mathematics (STEM) and leadership positions.

A **subsidiary**, specifically a wholly owned subsidiary, in SABIC's definition, is a company that is owned and controlled by a single entity. SABIC's immediate shareholder is Aramco Chemicals Company, which is a wholly owned subsidiary of Saudi Arabian Oil Company (Saudi Aramco), the ultimate parent entity of the Aramco Group.

T

Talent Review Process (TRP) is SABIC's global annual performance evaluation process, incorporating discussions on goal setting, achievements, the SABIC Leadership Way, and development planning.

TALK5 is a SABIC employee engagement initiative that fosters continuous dialogue between employees and leaders. Held five times a year across five conversation categories, TALK5 explores topics that matter to both individuals and the organization, supporting performance and growth.

Thermoplastics are a class of polymers that soften when heated and can be reshaped using processes such as extrusion, injection molding, blow molding, and thermoforming. They are easily recyclable, as they can be reheated and cooled multiple times without altering their chemical properties.

Total Recordable Injury and Illness Rate (TRIIR) is a key occupational health and safety metric that measures the frequency of work-related injuries and illnesses per 200,000 hours worked. It includes all recordable incidents, such as fatalities, lost-time injuries, restricted work cases, and medical treatment cases beyond first aid. TRIIR is a critical indicator of workplace safety performance and is commonly used for benchmarking across industries.

TRUCIRCLE™ is SABIC's portfolio of solutions designed to drive circularity in the plastics industry. It includes mechanically recycled products, certified circular polymers from advanced recycling, certified renewable polymers from bio-renewable feedstocks, design for recyclability initiatives, and closed-loop collaborations. TRUCIRCLE™ helps reduce plastic waste, lower CO₂ emissions, and support customers in creating more sustainable products of their own.

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The **United Nations Global Compact (UNGC)** is a voluntary initiative to encourage businesses to adopt sustainable and socially responsible policies. It outlines Ten Principles in human rights, labor, environment, and anti-corruption, providing a framework for responsible business practices.

The **United Nations Sustainable Development Goals (SDGs)** are a set of 17 global objectives adopted by the United Nations to address poverty, protect the planet, and promote peace and prosperity by 2030. As a signatory of the UN Global Compact, SABIC supports these goals through responsible business practices and sustainability initiatives.

Upstream refers to earlier stages of the value chain, including the sourcing of raw materials, feedstocks, and initial production processes that serve as inputs for manufacturing and downstream operations.

COMMONLY USED CHEMICAL ABBREVIATIONS

- **ABS:** Acrylonitrile butadiene styrene
- **EG:** Ethylene glycol
- **ETP:** Engineering thermoplastics
- **MTBE:** Methyl tert-butyl ether
- **PC:** Polycarbonate
- **PE:** Polyethylene
- **PEI:** Polyetherimide
- **PET:** Polyethylene terephthalate
- **PMMA:** Polymethyl methacrylate
- **PP:** Polypropylene
- **PPE:** Polyphenylene ether
- **PS:** Polystyrene
- **PU:** Polyurethane
- **PVC:** Polyvinyl chloride

SITE MAP

At a glance

Snapshot
Our global footprint
Our history
Segments we serve
2024 highlights
About this report

To our shareholders and stakeholders

Chairman's letter
CEO's message
SABIC on the capital markets

2024 Stories of pride

Shaping a thriving workplace
Solutions for solar panels
Chemists of the future

Strategic approach

Strategy
Materiality
Stakeholder engagement
Risks and opportunities

Financial and business performance

Business environment
Financial review
Business segment review
Awards and recognitions

Value chain impact

Portfolio

- Customer centricity
- Innovation
- Product stewardship

Production

- Our manufacturing assets
- Digital transformation
- Cybersecurity
- Environment, health, safety, and security
- Sustainability and resource efficiency

Sourcing and value chains

- Supply chain
- Procurement
- Raw materials

People and societal impact

- Our people
- Local content
- Communities
- Ethics and compliance

Corporate governance

Governance framework
Board of directors
Board committees
Executive management
Remuneration
Related-party transactions
Internal audit
Declarations

Consolidated statements

Consolidated financial statements

Non-financial information

- Sustainability performance summary (including GHG statement)
- Independent limited assurance report
- GRI content index

Supplementary information

[Glossary](#)
[Site map](#)

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