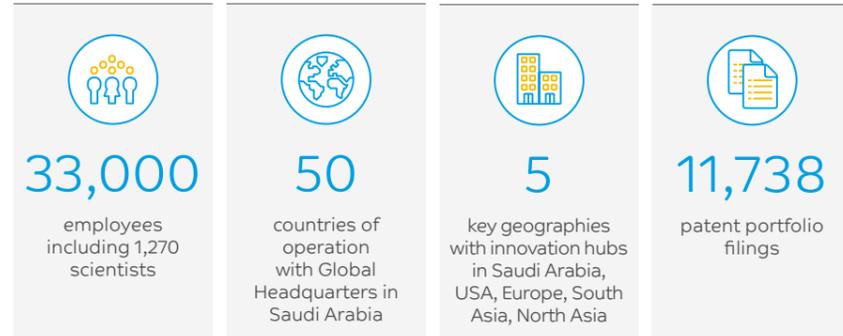


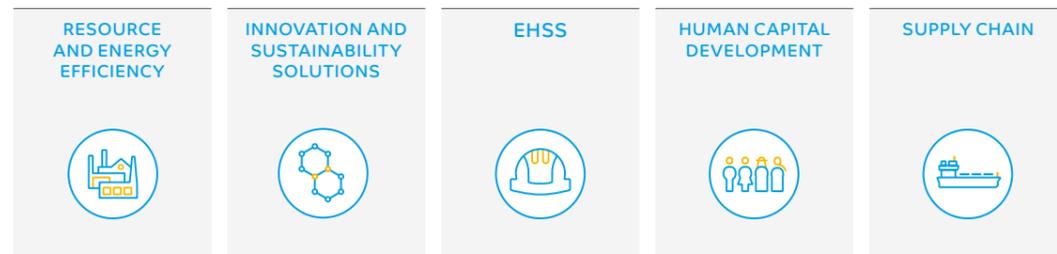
THIS IS SABIC



IMPRESSIVE YEAR-ON-YEAR GROWTH



SABIC'S MOST MATERIAL SUSTAINABILITY ISSUES



OUR LEADERSHIP



DR. ABDULAZIZ SALEH ALJARBOU
Chairman

This year, we announced our intent to build a commercial plant in the Netherlands to refine a valuable feedstock from recycled mixed plastic waste otherwise destined for incineration or landfill. We are the first chemicals company to implement such a project.



YOUSUF ABDULLAH AL-BENYAN
Vice-Chairman and Chief Executive Officer

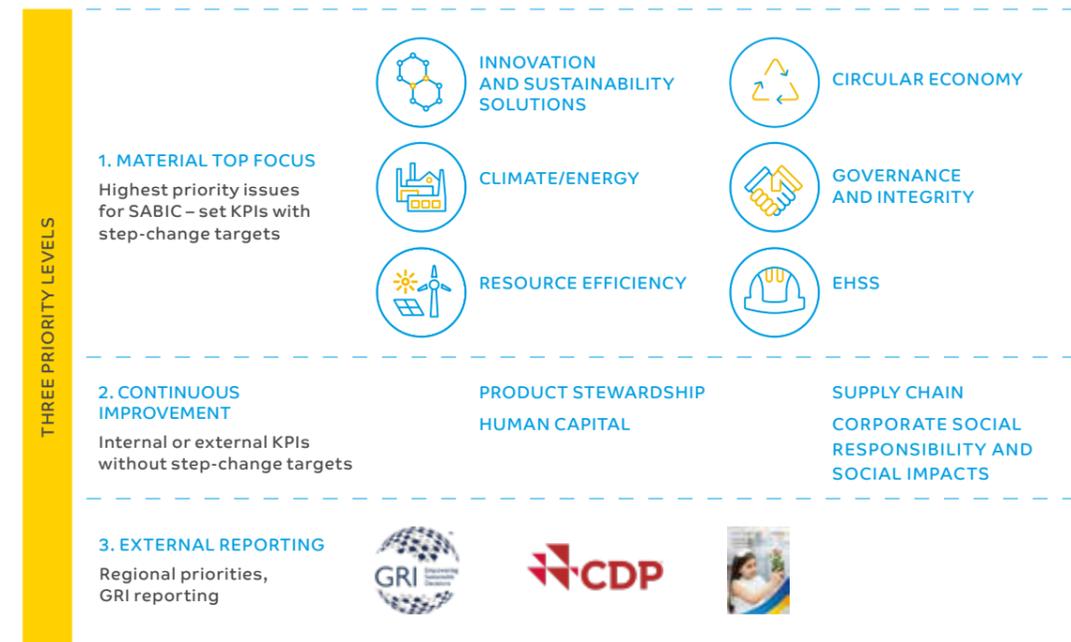
Sustainability guides our allocation of resources to address global trends. Through it, we identify opportunities, reduce risks, inspire change, and improve resilience to a changing business climate.

STRATEGY AND MATERIALITY

SABIC's ambition is to be the preferred world leader in chemicals, and sustainability is a foundational element of the strategy to achieve that goal. Since 2009, our sustainability program has guided us to consistently improve our operational performance, identify challenges that are becoming more transformational, and foster a collaborative approach that is necessary to accelerate positive change.

Our materiality process, which determines strategic priorities, was refreshed in 2018, resulting in six core priorities and nine new areas to drive business progress. Focusing on these areas will help us to drive performance and transform our company to thrive in tomorrow's world.

MATERIALITY FOR SUSTAINABILITY PRIORITIES (2019-2023)



MATERIALITY CHANGES FOR 2019

With materiality limited to the areas of highest importance, supply chain, human capital, and product stewardship shifted to the continuous improvement category, partially as a result of maturing programs that meet business needs. The materiality results reflect increasing pressure and opportunities in regard to climate and circular

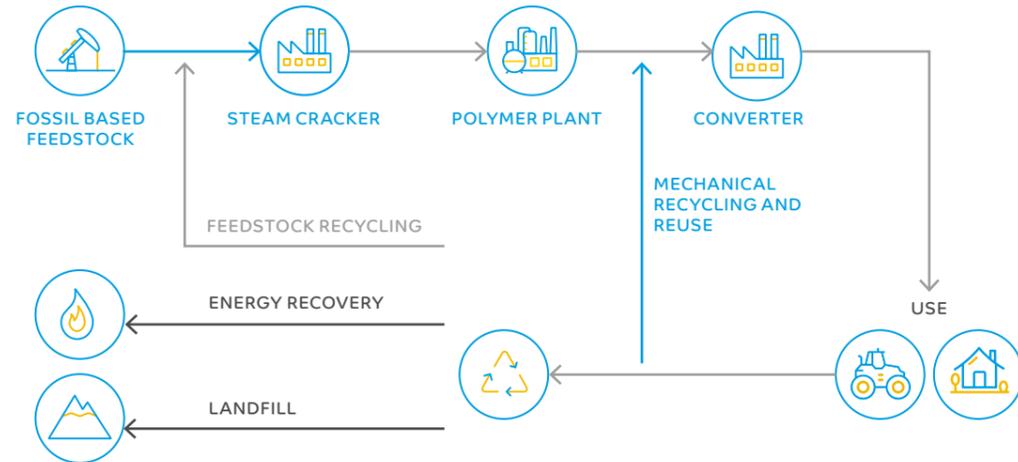
economy, and these areas are expected to drive transformational shifts in the chemical industry. The underlying key performance indicators will target opportunities in areas such as renewable energy and circular plastics while reducing impacts through waste and flaring. The more targeted KPIs resulting from the process will drive our sustainability forward in the coming years.

STRATEGY AND MATERIALITY

continued

PLASTIC WASTE TO FEEDSTOCK FOR CHEMICALS

SABIC is committed to scale up high-quality recycling processes for chemical recycling of mixed plastic waste back to chemicals or plastics



Chemical recycling saves fossil resources, turns waste into a valuable product and is an opportunity to strengthen SABIC's sustainability by establishing a circular economy.

TURNING PLASTIC WASTE TO FEEDSTOCK

Supporting the growth and development of a circular economy, one in which products and raw materials are not wasted, but rather used to create new, valuable products, is a key goal of SABIC's sustainability platform. In 2018, we took a significant step forward in our circular economy work by launching a partnership with the UK-based company PLASTIC ENERGY. Together, we will build a plant in the Netherlands to convert low-quality mixed-

plastics waste – which would otherwise be destined for landfill or incineration for energy – into a feedstock for our steam crackers. We expect commercial production to begin in 2021. This marks the first such partnership in the chemical industry, and underscores SABIC's commitment to innovative and sustainable technologies. It is a testament to our commitment to scale up advanced chemical-recycling processes of plastics back to the original polymer and grow the circular economy.



INTRODUCTION TO THE SABIC SDG ROADMAP

SABIC's journey to align with the UN Sustainable Development Goals (SDGs) began in 2016, and we have embraced SDGs as fundamental to our continued success. This has led us to identify the SDGs most relevant to our business, audit our value chains, and conduct benchmarking, monitoring, and reporting. The following 10 SDGs are most connected to our business and represent opportunities for SABIC to make the greatest impact:

MATERIALITY LINKS TO SDGS

RESOURCE EFFICIENCY

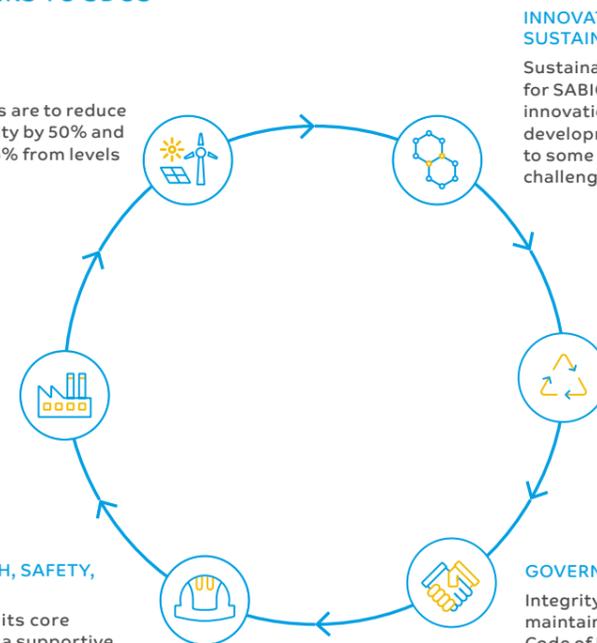
SABIC's ambitious goals are to reduce its material-loss intensity by 50% and its water intensity by 25% from levels in 2010 by 2025.

CLIMATE CHANGE AND ENERGY

SABIC's ambitious goals are to reduce its greenhouse-gas and energy intensities by 25% from levels in 2010 by 2025.

ENVIRONMENT, HEALTH, SAFETY, AND SECURITY

SABIC is committed to its core EHSS values along with a supportive culture and focus on continuous improvement.



INNOVATION AND SUSTAINABILITY SOLUTIONS

Sustainability is the guiding light for SABIC's product and process innovation – to support the development of effective solutions to some of the world's greatest challenges.

CIRCULAR ECONOMY

Circular economy inspires SABIC to adapt its processes to the use of renewable and recycled feedstock, and to create durable, recyclable product design solutions for customers.

GOVERNANCE AND INTEGRITY

Integrity is a core value that helps to maintain stakeholder trust. SABIC's Code of Ethics provides guidance to meet stakeholder expectations

* Baseline is year 2010 / Retain intensity targets 2010-2025 based on external Sales

SDG ROADMAP

- **Zero hunger:** Through leadership in agri-nutrients and food packaging, we are helping to solve the world's food-supply challenges.
- **Clean water and sanitation:** Our solutions in the domestic, infrastructure, and industrial pipe markets help deliver potable water.
- **Affordable and clean energy:** We have committed to significant reductions in our energy intensity and a shift to more renewable energy.
- **Decent work and economic growth:** We add value to the Saudi economy – and beyond – through productivity, employment, and innovative technology.
- **Industry innovation and infrastructure:** We are committed to scientific and technological advancement and the creation of resilient infrastructures.
- **Sustainable cities and communities:** We support sustainable solutions for urban areas, including building insulation, long-lasting and recyclable building materials, and lightweight vehicles.
- **Responsible consumption and production:** By optimizing our natural resources and advancing the circular economy, we spearhead mindful resource use.
- **Climate action:** As one of the world's largest chemical companies, we have a responsibility to address this critical issue.
- **Life below water:** As we take a leadership position in circular economy innovation, we aim to reduce plastic waste in the oceans.
- **Partnerships for the goals:** We have formed collaborations with key global partners to implement our sustainable solutions.

INNOVATION AND SUSTAINABILITY SOLUTIONS

2018 HIGHLIGHTS

- Progressed the development of our chemical-recycling pilot plant that converts pyrolysis oil derived from mixed plastic waste into valuable feedstocks.
- Entered into production of bio-MTBE (methyl tert-butyl ether), an advanced bio-fuel for the transportation market.
- Rolled out Portfolio Sustainability Assessment framework.
- Earned the Protect and Sustain Certification from the International Fertilizer Association for SABIC and its manufacturing affiliates SAFCO and Sabtank, signaling our global product stewardship in the fertilizer industry.
- Developed a reactive sorbent to remove hydrogen sulfide from a product stream at our Mt. Vernon, Indiana, and Burkville, Alabama, facilities in the United States, increasing the plants' productivity by up to 40 percent.

- Expanded our next-generation THERMOCOMP™ HMD compounds, a portfolio of high-performance materials.



PERFORMANCE METRICS

TOTAL PATENT PORTFOLIO ¹	TOTAL NEW PATENT FILINGS	TOTAL SUSTAINABILITY SOLUTIONS ²
11,738	389	82

Notes

¹ 2018 active patent portfolio number (11,738) is similar to our prior year portfolio size. In our international filings, we added more than 2,000 patent applications to our active patent portfolio, including 389 new original patent filings in 2018. SABIC continues to take a more critical view of the added value contributions in our review of the estate and new filings. This resulted in a decision to not presently pursue more than 1,500 patents or patent applications. It also saves us approximately US\$5 million in patent maintenance fees and costs. Further, the drop in new patent filing numbers is primarily because of the strategic decision to file patents on projects of higher return value, such as those that are business critical and in advanced stages.

² We identified and nominated six product applications for sustainability solutions qualification process and moved qualification to 2019 due to our priority on portfolio sustainability assessments.

OUR KEY MARKETS



TRANSPORTATION

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

Using PP-UMS HEX17112 resin, and technical support from our scientists, we produced a foamed polypropylene car mat with 10 percent lower density using existing equipment that performed better and allowed use of up to 15 percent reclaimed material.

SABIC also continues to advance multi-material lightweight solutions for the automotive industry. In 2018, an ongoing collaboration with a global automaker and tier-one supplier culminated in the creation of the industry's first plastic-metal hybrid B-pillar.



PACKAGING

Preserving product value while minimizing environmental impacts

Our carton packages for Arla organic milk are created with renewable feedstock from waste streams, which use 80 percent fewer fossil fuels and save 2 tons of CO₂ per ton production¹.

Our mono-material based new agricultural silage film, which protects crops and increases yields, is much easier to recycle than existing multi-material based films.



AGRI-NUTRIENTS

Improving food security

Our three developmental new non-reactive coated fertilizer products reduce runoff from fields and protect water supplies, while offering farmers higher yields with fewer resources.

We are expanding markets for our technical grade urea in fuel, which reduces nitrogen-oxide emissions from vehicles and combustion processes. We also opened a new hub storage facility in Singapore, reducing our shipping lead time by as much as 50 percent to our customers in Asia.



ELECTRICAL AND ELECTRONICS

Enabling slimmer and smarter consumer electronics designs

Our halogen-free flame retardant THERMOCOMP™ HMD compounds allow electronics manufacturers to create thinner devices with stronger ability to withstand drops.



MEDICAL DEVICES

Innovating new materials to enable affordable healthcare

SABIC produces a polyethylene glycol under Good Manufacturing Practice standards, ensuring excellent quality suitable for pharmaceuticals and personal care products.

Our new ultra-high melt flow resin brings phthalate-free, odor-free technology to breathable non-woven fabrics suitable for use in products such as diapers, medical masks and air-filtration products, providing a safer and healthier market alternative.



CONSTRUCTION

Driving sustainable, cutting-edge building designs

Our SUPEER™ HDPE (high-density polyethylene) P4200RT resin, used for domestic under-floor-heating pipe applications, results in lower cradle-to-grave² greenhouse-gas emissions and primary energy demand.

SABIC's new STADECK™ heavy-duty panel, used in construction and building, are up to 60 percent lighter and potentially recyclable at the end of life.



CLEAN ENERGY

Advancing energy efficiency and renewables

SABIC is working to replace heavy glass top-sheets in conventional photovoltaic (PV) solar panels with lighter LEXAN™ polycarbonate resin, which offers unbreakable impact resistance, UV protection on both sides, easier installation and on-site cutting, as well as lower costs.

Our MOLECULAR REBAR® modified carbon nanotubes, used in energy storage applications, deliver better charge rates, battery cycle-life, and energy density compared to conventional carbon nanotubes. They may also help meet the growing demand for lighter electric-vehicle batteries.

¹ Internal analysis was based on ISO14040 principles, but did not undergo critical peer review.

² Internal analysis was based on ISO14040 principles, Critical peer review is in progress

RESOURCE AND ENERGY EFFICIENCY

KEY METRICS AND TRENDS

Changes in performance compared to 2010 in greenhouse-gas emission, energy use, freshwater use, material loss, flaring reduction. Total CO₂ utilization is the absolute usage in 2018. The intensities are based on units per metric ton of external product sales.

GREENHOUSE-GAS INTENSITY REDUCTION	ENERGY INTENSITY REDUCTION
10.19%	6.16%
WATER INTENSITY REDUCTION	MATERIAL LOSS INTENSITY REDUCTION
11.16%	41.52%
FLARING EMISSIONS REDUCTION	TOTAL CO ₂ UTILIZATION (MILLION METRIC TONS)
43.3%*	4.0*

2018 HIGHLIGHTS

- Stabilized operations at SAFCO in Saudi Arabia, reducing material loss by 336,000 metric tons and improving greenhouse-gas emissions.
- Installed a new furnace and vapor-absorption chiller at Saudi Kayan's plants in Saudi Arabia, reducing bottlenecks, greenhouse-gas emissions, energy and water consumption, and material loss.
- Increased visibility into plant performance with new energy dashboards at SAFCO and Cartagena in Spain.
- Positively impacted material effectiveness due to a 12,000-ton reduction in flaring of hydrogen at the Olefins 6 plant at Teesside in the UK.
- Reduced water usage by recycling with filtration at Gas in Saudi Arabia and Cartagena in Spain.

* Assured by KPMG

LOOKING FORWARD

All of SABIC's Saudi affiliates are continuing to work toward their 2019 Saudi Energy Efficiency Program (SEEP) targets.

We are rolling out new Front Liner training program to engage our global operations and maintenance staff in helping us achieve our sustainability objectives.

We will complete a feasibility study of a 300-megawatt renewable energy project at our Yanbu, KSA site and translate what we learned to develop a long-term renewable energy strategy.

SABIC evaluated the Marginal Abatement Cost of Carbon (MACC) tool to help guide sustainability-and-efficiency project selections. A pilot tool was developed and tested with three industrial processes at our manufacturing affiliates. After digitizing, the tool can be rolled out in the coming years.

EHSS AND PRODUCT SAFETY

2018 HIGHLIGHTS

- Recorded a 14 percent decrease in EHSS Rate year over year, our best annual performance since 2011.
- Launched a new, streamlined Operations Management System that integrates EHSS and manufacturing excellence.
- Increased focus on a strategic set of leading indicators and risk factors in all EHSS disciplines.



KEY METRICS AND ANNUAL TRENDS

EHSS RATE	EHSS RATE	CUSTOMER PRODUCT-SAFETY INQUIRIES
↓ 14% Decrease	0.43*	↑ 10% Increase

* Assured by KPMG



KEY ACTIONS TAKEN TO IMPROVE OUR PRODUCT STEWARDSHIP

We are developing the knowledge and competencies of our team members. Training embeds stewardship into our culture and promotes ownership, with defined roles and responsibilities for employees at each site.

- We launched our Product Stewardship and Manufacturing Center of Excellence initiative, to identify areas for continuous improvement.
- We began developing a new detailed product safety training curriculum for two levels of expertise suited to a broad group of specific company roles.
- Completed extensive risk characterizations for 35 products since launching this initiative in 2016. Our goal is to complete comprehensive risk characterizations for 50 high-priority products by 2021.

HUMAN CAPITAL DEVELOPMENT



2018 HIGHLIGHTS

- Rolled out the SLW globally and invested in efforts to introduce it to our workforce, delivering immersive, interactive sessions to more than 600 leaders across 50 global sites.
- Began to refresh our Employee Value Proposition (EVP).
- Released the LEAP App to employees to provide robust and continuous reporting to our HR team and enable employees to request feedback from supervisors and colleagues.
- Earned Top Employee Institute certifications in China, India, Japan, Singapore, and South Korea.
- For the third year, hosted the SABIC Leadership Program (SLP) for senior government officials at the SABIC Academy.

PERFORMANCE METRICS

WORKFORCE 64% MEA 16% EUROPE, 8% ASIA, 12% AMERICAS	SABIC SCHOLARSHIP PROGRAM PARTICIPANTS 720+	MORE THAN 340 SABIC EMPLOYEES ASSIGNED GLOBALLY	EMPLOYEES 33,000+
LEADERSHIP TRAINING PARTICIPANTS 1,400+ AND 67 PROGRAMS CONDUCTED	LEARNING-AND-DEVELOPMENT PROGRAMS 3,000+	TRAINING PROGRAM PARTICIPANTS 22,000+	WOMEN IN THE WORKFORCE 7.3%

SABIC LEADERSHIP WAY AMBASSADORS NETWORK GLOBALLY



SUPPLY CHAIN AND PROCUREMENT

2018 HIGHLIGHTS OF SUSTAINABLE SUPPLY CHAIN

- Ranked third for excellence in the chemicals industry in Gartner's top 25 supply chain benchmark.
- Revamped our approach to assessing and selecting logistics service providers to more deeply integrate sustainability with leading industry tools.
- Achieved better-than-expected performance after the first full year operating two next-generation ocean vessels, which reduce fuel consumption by an estimated 30 percent compared to traditional vessels.
- Rolled out Operation Clean Sweep across all of our global facilities, to eliminate the release of plastic pellets, flakes, and powder into the world's streams, waterways, and oceans

2018 HIGHLIGHTS OF PROCUREMENT

- Enhanced the Supplier Due Diligence program through a life-cycle management initiative for better performance.
- To date, 9,274 suppliers have registered through the new process, and 1,483 of those have undergone additional due diligence as a result of the findings during the preliminary supplier-registration process.



SOCIAL IMPACTS AND COMMUNITY RELATIONSHIPS



2018 HIGHLIGHTS

- All CSR initiatives evaluated according to RAISE criteria: Reputation, Audience, Innovation, Strategy, and Endurance.
- Continued to roll out new global volunteering policy to employees globally.
- Developed impactful partnerships with civil society and the public sector, focusing in particular on our Agricultural Awareness Caravan and Environmental Caravan initiatives.

RAISE PRIORITY FOCUS AREAS

SCIENCE AND TECHNOLOGY EDUCATION

As part of our STEM (science, technology, engineering, and mathematics) education advocacy, we expanded our Back to School program in Vietnam in partnership with ChildFund Vietnam in Hanoi and the Saigon Children's Charity. In the United States, using SABIC's contribution for STEM education at the annual Society of Automotive Engineers Foundation gala in Detroit. In Saudi Arabia, we partnered with the Al Eradah Society for Talented People with Disabilities to create new opportunities.

ENVIRONMENTAL PROTECTION

We signed the UK Plastics Pact, a collaborative effort to tackle plastic waste, and we also gave financial support to the Japanese Red Cross Society in response to flooding that affected 30 prefectures. Supporting our efforts to promote a green and waste-free environment, SABIC employees participated in Earth Day and World Clean-Up Day.

HEALTH AND WELLNESS

We provided care and support for underprivileged and visually impaired children in several Indian states, contributed to breast-cancer awareness in Brazil, and promoted healthy living at sporting events in Saudi Arabia and the Netherlands. SABIC received "ambassador" status, the highest available award, at the UK's Better Health at Work annual ceremony.

WATER AND SUSTAINABLE AGRICULTURE

We hosted the Sustainable Agriculture Awareness program in Sudan's River Nile state, and collaborated with the Ministry of Environment, Water, and Agriculture in the continued development of the Estidamah Agriculture Research Center. We also promoted forest conservation in Brazil and participated in initiatives to build resilient and clean natural resources in the UK, South Korea, and Lebanon.

THROUGH RAISE IN 2018

CSR initiatives by spend

COMMUNITY GIVING
IN 2018
(US\$ million)

36.5

TOTAL GIVING OVER
PAST 17 YEARS
(US\$ million)

900+

PERFORMANCE SUMMARY

REPORT SECTION	UNIT	2014	2015	2016	2017	2018
ETHICS + INTEGRITY						
Compliance concerns raised ¹	Number	117	123*	94*	114*	152*
Incidents closed ¹	Number	106	103*	94*	97*	147*
Violations found (addressed) ¹	Number	42	56*	52*	58*	55*
Training completion ¹	Percent	98	98*	99*	99*	99*
INNOVATION AND SUSTAINABILITY SOLUTIONS						
Total patent portfolio	Number	10,640	10,960	12,191	11,534	11,738
Sustainability solutions	Cumulative number	45	68	78	82	82
RESOURCE AND ENERGY EFFICIENCY						
Greenhouse-gas emission intensity	tCO ₂ eq/t product sales	1.28*	1.25*	1.24*	1.23*	1.22*
Energy intensity	GJ/t product sales	17*	17*	17*	17*	17*
Water intensity	m ³ /t product sales	2.7*	2.6*	2.6*	2.7*	2.62*
Material-loss intensity	t/t product sales	0.099*	0.086*	0.072*	0.078*	0.070*
Flaring reduction compared to 2010 ²	Percent	49	40	55*	43*	43*
CO ₂ utilization	Million t	2.7	3.3	3.6*	3.5*	4.0*
HUMAN CAPITAL DEVELOPMENT						
Women in the workplace	Percent of workforce	7.8	7.9	7.7	7.2	7.3
Learning programs	Participants	NA	30,835	31,062	24,944	22,222
SOCIAL IMPACTS AND COMMUNITY RELATIONSHIPS						
Total community giving	Million US\$	32.7	53.9	46.4	57.5	36.7
SUPPLY CHAIN						
Safety and Quality Assessment System – liquids	Percent of suppliers	NA	100	100	100	100
SQAS – solids	Percent of suppliers	NA	39	69	93	91
Suppliers registered through Global Procurement Due Diligence Program	Number				7,000	9,274
Suppliers with additional GPDDP requirements	Number				1,110	1,483
Suppliers audited according to GPDDP	Number				9	19
ENVIRONMENT, HEALTH, SAFETY, AND SECURITY						
EHSS rate ³	Incidents/200,000 hours worked	0.69*	0.48*	0.63*	0.50*	0.43*
Total Recordable Incident Rate	Incidents/200,000 hours worked	0.19*	0.13*	0.14*	0.12*	0.14*
Fatalities	Number	0*	0*	14*	1*	0*
Process Safety Total Incident Rate	Incidents/200,000 hours worked	0.02*	0.01*	0.02*	0.01*	0.011*
Hazardous substances released	Metric tons (t)	2,614*	192*	61*	105*	89*

* Assured by KPMG.

¹ Compliance data are reported for the 23,500 employees of Saudi Basic Industries Corporation and its wholly-owned affiliates, but not for employees of SABIC's non-wholly owned manufacturing joint ventures (or affiliates) in the Kingdom of Saudi Arabia.

² Flaring reduction calculations are based on reduction of greenhouse-gas emissions.

³ This is a severity-weighted rating.