



COMMUNITY ENGAGEMENT

DISCLOSURE

SABIC Corporate Sustainability
April 2024

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1 Introduction

SABIC is one of the largest chemical companies in the world, with operations in over 45 countries, sales in more than 100 countries, and many internal and external stakeholders. In conducting our business, we take our stakeholders into consideration in a manner that connects people and drives sustainable progress in our local communities and around the globe. Our approach to stakeholder engagement and community impact is aligned with the UN Sustainable Development Goals and enables us to meet our strategic objectives while also fostering a more sustainable future for all.

As a longstanding signatory of the United Nations Global Compact, SABIC recognizes our responsibilities to the planet, and to the communities where we live, work and sell our products. We continuously assess our internal and external stakeholders in order to understand their needs and expectations, and to improve our processes. Our goals are to foster two-way engagement, build trust and transparency, and to create solutions that are mutually beneficial. Our processes include multiple engagement programs to ensure that we take the needs and expectations of our communities and society into account. This helps us give back in an appropriate and responsible manner. Throughout this document, we detail the ways in which we give back to our communities and create shared sustainable value for our stakeholders.

2 Our commitments

At a high level, we align our goals with those of the United Nations, the global community of chemical companies which share values and vision for a sustainable future for all, and the Kingdom of Saudi Arabia.

2.1.1 The UN Global Compact

Since 2012, SABIC has been a signatory of the United Nations Global Compact. The Principles of the UN Global Compact guide businesses to do business responsibly and to take strategic actions to advance broader societal goals. The UN Sustainable Development Goals (SDGs) aim to end extreme poverty, fight inequality and injustice, and protect our planet. At SABIC, our journey towards fulfilling our obligations as a UN Global Compact member and a contributor to the UN Sustainable Development Goals is a key part of our community engagement program. Our work on the UN SDGs is described in the following links:

- [SABIC's corporate sustainability website](#)
- [SABIC's UN Sustainable Development Goals Roadmap \(2019\)](#)
- [SABIC and the UN Global Compact](#)
- [SABIC's Communication on Progress \(UN Global Compact\)](#)

2.1.2 Responsible Care®

Responsible Care® is the global chemical industry's voluntary initiative to achieve excellence in environmental, health, safety and security (EHSS) performance, including drive continuous improvement in safe chemicals management and sustainability. As a signatory of Responsible Care since 2012, SABIC upholds a number of CEO-level commitments, including:

- Responsible Care Guiding Principles
- Tracking and transparently reporting company performance on environmental, health, safety and security metrics
- Undergoing third-party audit and certification to Responsible Care Management System (RCMS®) and RC14001®
- Implementing the country-specific Responsible Care codes.

SABIC's EHSS management system is at the core of our Responsible Care commitment. SABIC has a long history of winning awards for its Responsible Care performance.

Learn more about:

[SABIC's commitment to Responsible Care](#)

[SABIC's Responsible Care certifications](#)

2.1.3 Saudi Vision 2030

SABIC fully supports and aligns with the objectives of the Kingdom of Saudi Arabia's Saudi Vision 2030 to reduce import dependency and drive investment and economic diversification within Saudi Arabia through an eco-system. Saudi Vision 2030 is creating an environment in the Kingdom of Saudi Arabia that supports economic growth and job creation for all Saudis. SABIC is contributing in multiple ways, including through the support and development of local industries within the Kingdom.

Learn more about:

[How SABIC is supporting local industries in Saudi Arabia](#)

[Saudi Vision 2030 website](#)

3 Our governance

SABIC's leadership team, guided by the functional and business expertise across our company, is responsible for our overall stakeholder engagement. We identify each stakeholder group's priorities and expectations by periodically soliciting feedback, and balance these occasionally conflicting expectations with SABIC's objective to collaboratively enable sustainable value creation.

Our stakeholder engagement objectives are to understand:

- Our primary stakeholders and to whom we are accountable
- Our effect on stakeholders and their priorities
- How we can collaborate and create value

The company periodically undertakes materiality assessments that involve internal and external stakeholders including internal business units and corporate functions, suppliers, customers, shareholders, government organizations, universities, NGOs, investors – considering the multiple geographies where SABIC operates. These engagements gather critical feedback on SABIC's outward impact on the environment and society, as well as the financial impact of these topics on SABIC in the short, medium and long term.

SABIC reports on its stakeholder engagement activities on a regular basis via its corporate reports.

Learn more about:

[Investor relations and corporate governance](#)

[SABIC's stakeholder engagement in 2023](#)

Our community engagement governance is guided by our strategic assessment tool RAISE. RAISE guides our approach to charitable donations, sponsorships, partnerships, and employee-volunteer programs. We use RAISE – Reputation, Audience, Innovation, Strategy, and Endurance – to select programs that elevate SABIC's brand, address community needs, and promote our values.

Learn more about:

[SABIC and corporate social responsibility](#)

4 SABIC practice

4.1 Site level community engagement

Each of our sixty-four SABIC sites around the world work every day to protect people and the environment and engage with local communities as part of SABIC's longstanding commitment to Responsible Care, the chemical industry's voluntary initiative. Our goal is an ongoing stakeholder dialog, through which the needs and expectations of the stakeholders become clear. SABIC's EHSS (environment, health, safety and security) management system enables a systematic identification of site stakeholders and their concerns. We use the dialog to identify volunteer and financial projects in our communities, as well as. Each SABIC chemical plant is a Responsible Care site and must: review their stakeholder list annually; evaluate the effectiveness of their engagement, and; use the evaluation to make improvements to their stakeholder program.

Learn more about:

[SABIC's commitment to Responsible Care](#)

[SABIC's EHSS management systems](#)

[SABIC's EHSS policy](#)

4.2 Supporting local industries in Saudi Arabia

SABIC's journey of investing in local Saudi Arabian industries, workforce, business infrastructure, and manufacturing is through two initiatives: the NUSANED™ initiative, and the Home of Innovation™ initiative, both of which support Saudi Vision 2030.

SABIC's NUSANED™ initiative nurtures a sustainable entrepreneurial ecosystem for the Kingdom of Saudi Arabia. Since its inception (in 2018), NUSANED™ has developed and graduated hundreds of small and medium enterprises, enabling them to become commercially viable businesses through two units:

- Local Content Business Development Unit (LCBDU) and our established private equity company, and
- The wholly-owned affiliate Nusaned Investment Company.

Together these units drive investment and create local demand through: procurement spend on product conversion to develop downstream industry; help for commercializing opportunities, including providing raw materials, technical support, advice and support on financing; and local workforce development and training support through sponsorship or advice.

LCBDU has been integral to create a platform for our investments, and drive domestic value creation. Through our investments and initiatives in Saudi Arabia, we support fundamental axes of Saudi Vision 2030, including reducing unemployment; increasing export contribution to non-oil GDP; increasing localization in the oil and gas sector; increasing private sector contributions to the GDP; and increasing small and medium sized enterprise (SME) contribution to the GDP.

SABIC established Nusaned Investment Company with an investment strategy that aligns with the Saudi Arabian National Industrial Development and Logistics Program (NIDLP) and strategy which focuses on supporting Saudi Arabia's local industries, for example, energy, mining, logistics and industry sectors through investing in the high growth sectors that are diversifying Saudi Arabia's economy, by creating quality jobs and securing sustainable growth for future generations.

Through our Home of Innovation™ initiative SABIC provides a space to bring together strategic and diverse local and global industry leaders from technology, marketing, and innovation. The goal is to stimulate localization and enable the objectives of Saudi Vision 2030, with a focus on the sectors outlined in the National Industrial Strategy: automotive, aquaculture, civil aviation,

construction materials, desalination, energy/renewable energy, food industries, logistics, machinery and equipment, military industries, mining/minerals, oil and gas, and pharmaceuticals and medical supplies. The program fosters small-to-medium-sized enterprises (SMEs), National Industrial Strategy Sector Original Equipment Manufacturers (OEMs), SABIC SBUs, academic institutions, and the government, all seeking to benefit from the Kingdom's innovative region that spurs rapid development.

Learn more about:

[SABIC and Saudi Vision 2030](#)

[SABIC's NUSANED™ initiative](#)

[Nusaned Investment Company](#)

[SABIC's Home of Innovation](#)

[SABIC's contributions to Saudi Vision 2030](#)

4.3 Cooperation with academia

SABIC contributes to global knowledge and workforce development through academic research collaborations, scholarships, and internal and external training programs. These are described below.

4.3.1 Science, technology and research

We view external research collaborations as essential to accelerating technology delivery and advancing disruptive innovation. Our collaborators include:

- International universities and institutes including Massachusetts Institute of Technology (MIT), Peking University, and the University of Toronto;
- Saudi Arabian universities and institutes including King Saudi University, King Abdulaziz City for Science and Technology (KACST), and Qassim University; and,
- Technology ventures such as Finboot Tech, Pangaea Ventures Limited, and BiOWiSH Technologies.

4.3.2 Talent and development focused collaboration

Leadership development programs have been the cornerstone of SABIC's ongoing success and are important to SABIC's efforts to develop and retain the best talent. SABIC collaborates with a number of leading institutions to deliver custom-designed leadership programs and structured processes and tools for the continuous improvement of employee performance, leadership development and other career solutions. These include the Center for Creative Leadership, Duke Corporate Education, IMD, London School of Economics, Thunderbird School of Global Management.

- The Higher Education Program supports employees to earn masters and PhDs linked to their career development plans and SABIC business demand.

4.3.3 SABIC Scholarship Program

The SABIC Scholarship Program (SSP) supports highly qualified Saudi student undergraduate university education. Through a competitive process, both male and female high school students from across Saudi Arabia may apply for SABIC scholarships to fund their university education both inside and outside of the Kingdom. The program touches high schools all over the country and the outstanding students that the SSP accepts provide the future global leadership of SABIC and contribute towards the company's growth.

The SSP develops and maintains a talent pool to fulfil SABIC's needs through a comprehensive education strategy for undergraduates. Each year SABIC supports hundreds of new students at universities around the globe. By holding students to high standards that reflect SABIC values

and enforcing a strict selection process, the SSP has become one of the top scholarship programs in Saudi Arabia.

SABIC scholarship recipients are also required to give back to the communities where they are studying by doing volunteer work.

4.3.4 SABIC training programs

Recognizing the importance of nurturing local talent, SABIC focuses on developing the potential of Saudi individuals through various initiatives, which in turn support Saudi Vision 2030. The company provides on-the-job work experiences, offering internships and apprenticeships to early career individuals, enabling them to gain practical knowledge and skills. Additionally, SABIC invests in programs to enhance the capabilities of its employees, fostering a culture of continuous learning and innovation.

- The SABIC Leadership Program, is a program for government officials focused on the skills, knowledge and leadership behaviors that make the leaders more effective in their organization. The program reflects SABIC's commitment to sharing its leadership experiences with government sectors.
- The Operators and Technicians program (TADARRUJ) is a 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.
- The TAMHEER Program is a government-sponsored program that enables Saudi university graduates to gain on the job experience for a 6-month period. TAMHEER candidates work in various SABIC business units and functions and are considered for employment based on business feedback.
- The cooperative education (COOP) Program is a SABIC-sponsored program offering cooperative opportunities to current students and recent graduates at SABIC.
- The SABIC Summer Innovation Program (SIP) is a three-week SABIC-sponsored program to uplift high and middle school students' knowledge and innovation in STEM (science, technology, engineering, math) fields.

4.4 SABIC's Corporate Social Responsibility program

Corporate social responsibility (CSR) is the business practice of joining environmental and social policies with a business' economic goals and operations. At SABIC, we believe in using our CSR funds, ideas, and programming in a strategic and beneficial manner. We use our strategic tool RAISE – Reputation, Audience, Innovation, Strategy, and Endurance – to select activities that elevate SABIC's brand, address community needs, and promote our values. RAISE prioritizes four strategic focus areas:

- Water & Sustainable Agriculture,
- Environmental Protection,
- Science & Technology Education, and
- Health & Wellness

Our investments in future generations through a range of global Corporate Social Responsibility (CSR) initiatives are helping to make life better for millions of people every day and enable SABIC to contribute to Saudi Vision 2030 and the United Nations' Sustainable Development Goals.

Learn more about:

[SABIC's Corporate Social Responsibility program](#)

[SABIC's strategic assessment tool for CSR](#)
[SABIC's CSR policy](#)

4.5 Community support / volunteering

SABIC has a long history and strong culture of giving and volunteerism. This complements our commitment to sustainability. We provide ample opportunities for our employees to volunteer and engage with their communities with efforts concentrated on our CSR program focus areas. We see this as not just an opportunity for employees to give back, but also as a valuable tool for their engagement, productivity and connection to their colleagues and communities.

Wherever we operate, we look to develop mutually beneficial partnerships with our stakeholders, using a sustainable approach that delivers lasting value through innovative programs to meet community needs.

Learn more about:

[SABIC's community impact in 2023](#)

4.6 Employee and family support

4.6.1 Medical benefits

SABIC medical coverage is integral to the employee value proposition, unique in its offering, and vital to our talent retention strategy. It helps attract and retain talented professionals, contributes to employee satisfaction and engagement, provides financial security, promotes wellness and preventive care, and offers a competitive advantage in the job market. The medical coverages offered for employees and retirees, and their relatives (+125,000 members), is distinguished in the market and demonstrates SABIC's commitment to the wellness and wellbeing of its employees through the right healthcare and medical coverage and plan. This includes a set of awareness sessions, medical check-ups, and access to relevant medical providers globally helping to detect potential health issues and leading to better health outcomes and reduced healthcare consequences in the long run.

4.6.2 Wellbeing

SABIC is committed to supporting the well-being journey of its employees and their families by providing tools, resources and programs for every aspect of life. The company provides benefits to support physical, emotional, financial and social well-being.

4.6.3 Housing benefits in Saudi Arabia

SABIC maintains company housing in the cities of Riyadh, Jubail and Yanbu. Through the provision of hundreds of units, the company is benefitting not only its employees, but their families and local communities as well.

5 Grievance mechanisms

To promote an atmosphere where our employees and other stakeholders, including customers, vendors and communities, feel free to raise any compliance concerns without fear of retaliation, we have a variety of ways to report compliance concerns.

Any internal or external stakeholder can report concerns through our compliance program and helpline via email to integrity@sabic.com or by contacting one of our Integrity Ambassadors. Concerns may be reported anonymously, as permitted by law. We have a global organization of Integrity Ambassadors who support SABIC's compliance program and who are responsible for

receiving concerns and ensuring they are investigated and addressed. The number and type of concerns raised, as well as their disposition, are measured, tracked and reported.

Our grievance process also helps fulfil the Responsible Care commitment to evaluate the effectiveness of our programs. It is available on our website, and promoted during our Responsible Care stakeholder engagements.

Contact details for our sites are listed on our website to enable members of the public to contact our sites directly.

Learn more about:

[SABIC's Codes of Ethics / Compliance helpline](#)

[SABIC's compliance program and processes](#)

[SABIC locations and contact information](#)