

CHEMISTRY THAT MATTERS™



GROWING TO WIN

ANNUAL REPORT 2022



We remain committed to product differentiation and value creation for our customers to help them grow and meet their ever-changing market needs, while ensuring that sustainability remains an integrated strategy for us to conduct responsible business and maintain our growth.



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

COVER: SABIC Jubail Building – a new city landmark – wears a spectacular look on its inaugural day in November 2022. The building, which is LEED Gold certified for its smart solutions, signifies the growth we have achieved and the success we have had over the past 46 years ever since Jubail became the hub of our manufacturing activities. With our headquarters in Riyadh and a presence in around 50 countries, we remain committed to providing sustainable products and services that help people live better and more comfortably, while contributing to the successful achievement of Saudi Vision 2030.

CONTENTS

AT A GLANCE



06

OUR GLOBAL FOOTPRINT	08
LEADERSHIP STATEMENTS	10
OVERVIEW	15
OUR CORE VALUES	16
THE SABIC LEADERSHIP WAY	17

STRATEGIC REPORT



18

OUR STRATEGY	20
BUSINESS ENVIRONMENT IN 2022 AND OUTLOOK FOR 2023	24
RISK ASSESSMENT AND GOVERNANCE	26

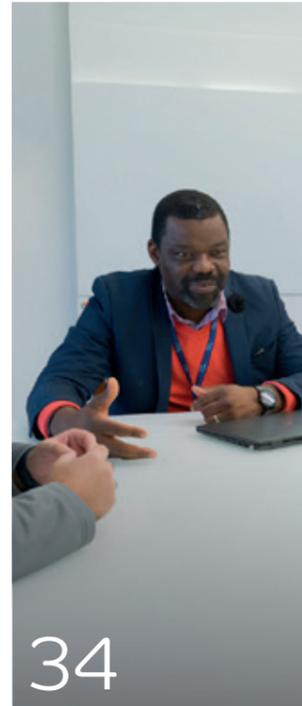
BUSINESS PERFORMANCE



28

SUMMARIZED CONSOLIDATED STATEMENT OF INCOME	30
SUMMARIZED CONSOLIDATED BALANCE SHEET	31
SUMMARIZED CONSOLIDATED CASH FLOWS	33

OUR BUSINESSES



34

PETROCHEMICALS	36
AGRI-NUTRIENTS	40
SPECIALTIES	42
METALS (HADEED)	44

CORPORATE PERFORMANCE



46

ENVIRONMENTAL, SOCIAL AND GOVERNANCE	48
ENVIRONMENTAL CAPITAL	50
INTELLECTUAL CAPITAL	52
HUMAN CAPITAL	54
MANUFACTURING CAPITAL	56
SOCIAL AND RELATIONSHIP CAPITAL	60
SUPPLY CHAIN	66

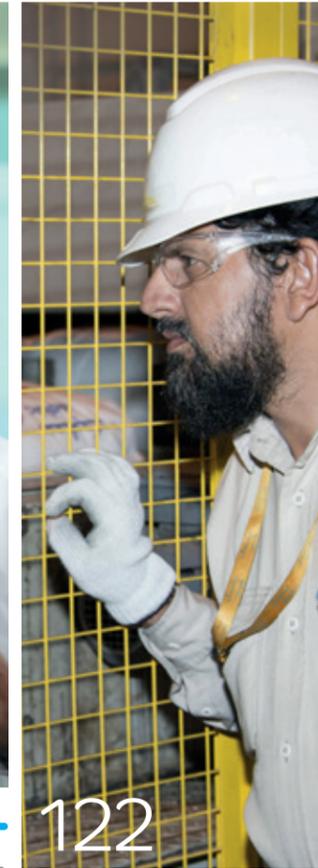
CORPORATE GOVERNANCE



68

GOVERNANCE FRAMEWORK	70
SHAREHOLDERS	71
SABIC BOARD	75
BIOGRAPHIES OF BOARD AND COMMITTEE MEMBERS	80
BOARD MEETINGS	96
BOARD COMMITTEES	100
EXECUTIVE MANAGEMENT	103
BIOGRAPHIES OF MANAGEMENT MEMBERS	104
REMUNERATION	111
INTERNAL AUDIT AND COMPLIANCE	116
RELATED PARTY TRANSACTIONS	120
DECLARATIONS BASED ON CORPORATE GOVERNANCE REGULATIONS	121

APPENDIX



122

RISK FACTORS	124
ESG DISCLOSURES	130
DETAILS OF AFFILIATES, JOINT VENTURES, ASSOCIATED COMPANIES IN THE FINANCIAL STATEMENTS	132

AT A GLANCE

OUR GLOBAL FOOTPRINT	08
LEADERSHIP STATEMENTS	10
OVERVIEW	15
OUR CORE VALUES	16
THE SABIC LEADERSHIP WAY	17



OUR GLOBAL FOOTPRINT

SABIC, headquartered in Riyadh, Saudi Arabia, employs more than 31,000 people in around 50 countries, working together through four businesses – Petrochemicals, Agri-Nutrients, Specialties, and Metals (Hadeed) – with production at 65 manufacturing/compounding sites, and sales across more than 100 countries.



AMERICAS
HEADQUARTERS
Houston, USA



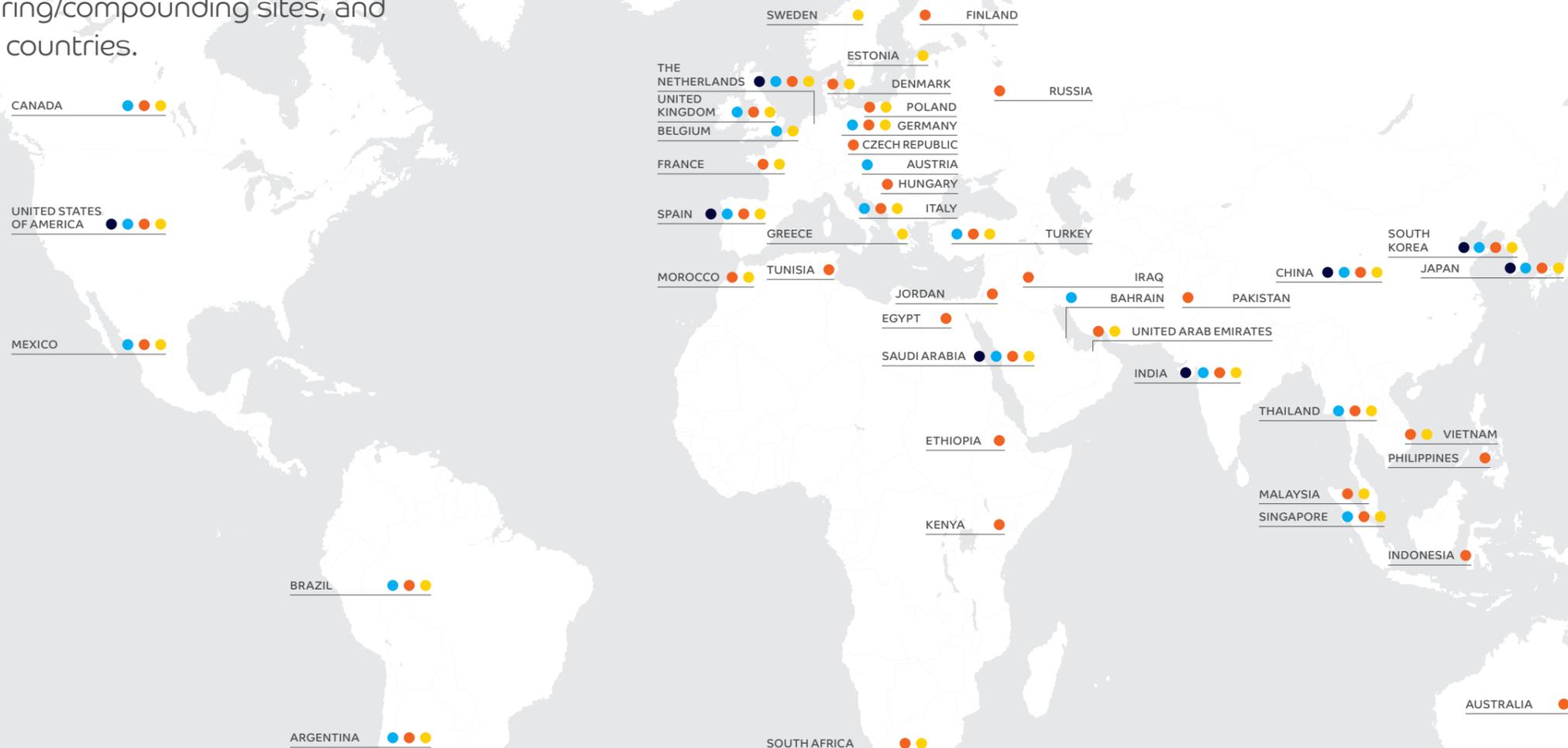
EUROPE
HEADQUARTERS
Sittard, The Netherlands



MIDDLE EAST AND AFRICA
HEADQUARTERS (GLOBAL)
Riyadh, Saudi Arabia



ASIA
GREATER CHINA HEADQUARTERS
Shanghai, China
REST-OF-ASIA HEADQUARTERS
Singapore



- Technology and innovation centers ●
- Manufacturing and compounding plants ●
- International subsidiaries and sales offices ●
- Distribution, storage facilities and logistical hubs ●

16.5 bln NET INCOME (SAR)	313 bln ASSETS (SAR)	198 bln SALES (SAR)	61 mln PRODUCTION (METRIC TONS PER YEAR)
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18 Technology and Innovation Centers	9,948 Patents and pending applications	A+/A1 Among the highest standalone credit ratings within the chemical industry	Top 2 Chemical brand value
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LEADERSHIP STATEMENTS



KHALID HASHIM AL-DABBAGH
Chairman

SABIC had some notable achievements in 2022 under some extraordinary economic and geopolitical circumstances, the fallout of which continues into 2023. To address the continuing short-term challenges, we are refocusing our performance-improvement initiatives. At the same time, we are reinforcing the foundation of SABIC's growth to put ourselves in better position to create shareholder value for the long term.

One of SABIC's chief priorities is securing the long-run investment returns for its shareholders, and we at SABIC brought several key projects to their fruitful realization in 2022 toward this end.

- With our partner ExxonMobil, we successfully started up the Gulf Coast Growth Ventures facility—our first major greenfield petrochemical investment in the Americas.
- At Jubail on the Arabian Gulf, we started commercial operations of our new ethylene glycol plant, enabling us to maintain our world-leading position in the manufacture of this commodity chemical.
- And to underscore how much more sustainable economic growth we expect to spring from that part of the world, we opened our new, energy-efficient, carbon-neutral building in Jubail.

Of course, modern facilities do not guarantee profits. But I have great confidence that SABIC can skillfully manage its assets around the risks that hide in the complex dynamics of global supply and demand.

SHORT-TERM & LONG-TERM OUTLOOK

Indeed, it is well known that our industry's business outlook is inextricably coupled to the ups and downs of the global economy. And in 2023, it is expected that global GDP will decrease by 1.5% and the ethylene operating rate will drop by 2% while inflation, though moderated, remains high. So SABIC cannot become complacent during the good times. For when the tough times arrive, SABIC will have to either bear their impact or sidestep them. And that is the reason why we are reprioritizing a set of initiatives to make the company's performance more resilient and agile. These initiatives address our manufacturing reliability, cash-flow management, and cost rationalization.

There are growth opportunities that transcend business cycles, however. And to seize them SABIC will once again rely on the strength and longevity of its business relationships. Our association with Saudi Aramco in particular readily opens up avenues of cooperation through which deeper and broader synergies can be realized. These synergies lie at the heart of a few bold new projects—in Poland, in Malaysia, and in Saudi Arabia—that were announced in 2022. We can further harness these synergies in accordance with SABIC's business strategy, which seeks to sustainably create value from the development of people, the protection of our planet and the prosperity of national economies.

That said, a key element of our business strategy—particularly in times of rising capital costs—is rigorous discipline in our capital investments. And given the current state of the global economy, we prudently held back a significant percentage of the capital expenditure that we originally had planned for 2022.

But if we intend to run a responsible and profitable business for the long term, then we also must incorporate environment, social and governance (ESG) considerations in all our investment decision-making. So we are strengthening internal processes and systems to assure SABIC's ESG compliance from the Board of Directors down to the factory floor.

NATIONAL CHEMICALS CHAMPION

By assessing not only its ESG but also its economic performance within a comprehensive governance framework, SABIC can continue to rightfully champion the Saudi chemicals industry in the context of Saudi Vision 2030. In so doing, it does not shrink from advocating what it thinks is in the best interest of its stakeholders when it comes to mandatory disclosures, rating agencies, environmental assessments, and carbon accounting.

Greenhouse-gas emissions are a case in point. In 2021, we made a public commitment for all operations under our control—not just Saudi-based ones—to be carbon neutral by 2050, taking into account different national circumstances. And as an early milestone towards this goal, we aim for an interim 2030 target of having 20% fewer emissions (relative to 2018).

In the long run, however, we set our sights on reducing the emissions along the entire value chain of our products — from the feedstock that comes into our manufacturing facilities to method of the products' disposal. This is much more complex, because it involves our suppliers and our customers, and their suppliers and customers. It also entails building a common understanding among policymakers, regulators, and financiers.

It is under this broader carbon-neutrality imperative, for example, that SABIC signed a sponsorship and innovation-partnership deal with Formula E. The deal aligns with our BLUEHERO™ initiative, which seeks to deliver optimal solutions for automotive battery systems. It should also help to uphold the SABIC brand, which is recognized as being the second-most valuable in the global chemical industry.

OUR KEY SUCCESS FACTORS

It cannot be left unstated that our continued success would not be possible without the visionary leadership of Custodian of the Two Holy Mosques King Salman bin Abdulaziz Al-Saud, and His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al-Saud, the Crown Prince and Prime Minister. In addition, we thank HRH Prince Abdulaziz bin Salman bin Abdulaziz Al-Saud, Minister of Energy and his ministry for the ongoing support.

On behalf of the Board of Directors, I also want to take this opportunity to acknowledge the men and women of SABIC for their dedication and commitment as well as SABIC's customers, partners, suppliers and contractors for their constructive support. Because of them, SABIC's shareholders have good reason to be optimistic about the future.

GROWING TO WIN

SABIC is entering a new phase of evolution from which business growth can take off in the long term irrespective of short-term business cycles. We will preserve the strength of our financials as an uncompromising objective, establish tighter collaborations, develop new technologies, and cultivate a new generation of visionary leaders—all imbued with sustainability.

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LEADERSHIP STATEMENTS

CONTINUED



ABDULRAHMAN AL-FAGEEH
Chief Executive Officer

After experiencing some pronounced cyclical effects in 2022, SABIC has reached the threshold of an exciting new phase of growth. Our strategic positioning enables us to better address not only macro-economic volatility but also longer-term structural changes related to carbon neutrality and circular value chains.

Although our safety never wavered in 2022, our financial performance was a bit of a roller-coaster. Midway through the year, both revenue and net income were up on the previous year, by 36% and 15%, respectively. In fact, net income for the second quarter was the highest in more than a decade: SAR 7.93 billion. Average sales prices increased by 26% and sales volumes increased by 10%. But in the third quarter of 2022, the bottom-line results dropped. Relative to the second quarter, revenue decreased 16%, EBITDA decreased by 49%, and net income decreased by 77%.

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

Our performance according to various environmental, health, safety, and security (EHSS) indicators was likewise encouraging in 2022. We equaled last year's best-ever overall EHSS score, and we remain ahead of the pace needed to reach our 2025 maturity target for our EHSS performance-monitoring system. I know we can count on SABIC's employees to continue following all rules and procedures, in keeping with our verified status as an Ethisphere Compliance Leader.

I am also encouraged by the way we handled our cybersecurity in 2022. SABIC had no major incidents in 2022, even when the cybersecurity threat temporarily reached the Critical level in March. There is another bit of tangential news that deserves special mention: SABIC's cybersecurity team now consists of nearly as many women as men.

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A NEW PHASE OF EVOLUTION

At SABIC, we have a long history of looking ahead with realism and adapting in advance to what the future is likely to bring. And to prepare us for what might transpire between now and 2030, it is crucial for SABIC to enter a new phase of evolution from which the company can grow sales volumes and profit margins in a world where there are zero net carbon emissions and where new chemical products are made either from bio-based feedstock or from chemical products that have reached the end of their useful life. In my opinion, six requirements will have to be fulfilled for us to make this new phase of growth a success.

First, the relationship with our main shareholder, Saudi Aramco, must be further strengthened. That relationship has so many potential synergies on so many levels—far beyond the US\$1.5 to US\$1.8 billion per year we are on track to realize by 2025. Three examples from 2022 already give a sense of what is possible:

- the production of 25,000 tons of “blue” ammonia (i.e., without a net atmospheric release of CO₂) that was successfully shipped to a customer in South Korea for possible combustion in power plants;
- the potential development of a mixed-feed steam cracker and downstream processing units in a Polish refinery;
- the announcement of the construction of a processing complex at Ras Al-Khair to convert 400,000 barrels of crude oil directly into chemical products every day—the first such project in Saudi Arabia.

The second requirement is mostly for our shareholders. They expect a healthy return on their investment over the long term. And we need to make sure that we can deliver that return in a way that no other investment can. To that end, we must take greater advantage of our “competitiveness enablers” related to: feedstock; capital discipline; borrowing cost; and market access.

Third, we need to tighten our embrace of carbon neutrality, circularity and all the other sustainability-related factors that determine our environmental, social and governance (ESG) performance. By being fully conversant in the ESG aspects of our performance, we can create a portfolio of growth options that mix and match different aspects of sustainability.

Our efforts in advancing sustainability through ESG performance have already drawn praise. We recently received, for the second time in a row, the “Best ESG Award” at the Saudi Capital Market Forum. But let me mention a few more examples:

- We began construction, with BASF and Linde, of the world's first large-scale electrically heated steam cracker. If such crackers use renewable electricity, then carbon dioxide emissions from one of the petrochemical industry's most energy-intensive production processes could be reduced by at least 90%.
- We launched a pilot project to investigate the possibilities of blockchain technology in supporting end-to-end tracking of circular feedstock in customer products.
- And we kicked off the year 2023 with a public commitment to process at least one million metric tons of our TRUCIRCLE™ products from bio-based or recycled feedstock annually by 2030.

The fourth requirement for our new phase of growth is collaboration. The virtues of collaboration are rightfully extolled, and our collaborations must now focus more sharply on strategic partnerships that enable us to better manage the risks involved in securing capital, technology, know-how or market access.

The fifth requirement is near and dear to my heart: our employees. The fulfillment of our ambition crucially depends on their acquiring the right capability and capacity. Essentially, our sweeping program of cultural change has to be redoubled so that employees can respond as quickly to today's challenges as they can to tomorrow's. That will require refocusing and re-energizing our current performance-improvement initiatives. At the same time, we aim to establish a workplace culture that rewards good performance, invests in training, and instills strong values around inclusiveness, diversity, and integrity.

We recently received, for the second time in a row, the “Best ESG Award” at the Saudi Capital Market Forum.

LEADERSHIP STATEMENTS

CONTINUED

The sixth and last requirement arises from the enormity of what I am proposing. With so much potential change in assets and infrastructure in so many areas, we have to foster a healthy entrepreneurial ecosystem that facilitates the orchestration of all relevant actors in the energy and chemical industries. In this day and age of rapid technological, geopolitical and societal change, even large established companies like SABIC in large established economies like Saudi Arabia's could use some more of the constructive networking that entrepreneurship stimulates.

ALIGNED WITH THE KINGDOM

Indeed, our leading role in the Saudi Arabian energy/chemicals ecosystem entitles us to champion the basic chemicals industry in the context of Vision 2030. We therefore have been contributing to the Saudi Green Initiative, as was recently made clear on the sidelines of the COP27 climate-change negotiations. With the collaboration of government and industry partners, SABIC's carbon-neutrality roadmap will help to remove, by 2035, the equivalent of more than 17 million tons of CO₂ from annual atmospheric emissions.

SABIC is also taking steps in Saudi Arabia to "circularize" its value chains, making new products either directly from used plastic or from chemically decomposed plastic waste. For example, it is working with partners to make the Middle East's first certifiably circular polymer products from mixed plastic waste.

Promoting sustainable development more broadly within Saudi Arabia, our NUSANED™ program continues to boost economic diversification by localizing the manufacture of goods and creating in-country employment. In 2022, it created more than 7,000 job opportunities and contributed some SAR 3 billion to Saudi Arabia's gross domestic product (GDP). Those figures raise NUSANED™'s cumulative totals since its 2018 inception to 19,416 job opportunities and a GDP contribution of SAR 12 billion.

And through its customer-support program, NUSANED™ has been persuading domestic manufacturers in SABIC's supply chain to produce goods that SABIC is currently sourcing in high volumes from abroad.

SABIC's responsibility to the communities in which it operates goes beyond Saudi Arabia, of course. Our global corporate social responsibility (CSR) program includes charitable donations, sponsorships, partnerships, and volunteer service around the world. These are focused on four priorities:

- water and sustainable agriculture
- environmental protection
- science and technology in education
- health and wellness

All in all, US\$ 28.9 million was invested in 20 countries for SABIC's CSR activities in 2022.

GROWING TO WIN

The more things change around the world, the more important it is for SABIC to have deep and solid foundations set in core values, which inspire, engage, create and ultimately deliver to our customers' satisfaction. This is particularly so if those foundations will be expected to sustain further business growth.

SABIC has been turning challenges into sustainable growth since its establishment in 1976. So we have a lot of successful experience to build on. In fact, we have some notable achievements even in our 46th year of doing business. But looking forward, we must be prepared to cope with the twists and turns of the global economy. And we must reshape our products' value chains into environment-friendly circular loops.

So we are reinforcing the foundation of our business in order to upgrade our products and processes and develop our leaders in expectation of what the future may bring. We will be growing to win. And when we succeed, then there will be no question: SABIC will be the preferred world leader in chemicals.

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OVERVIEW

SABIC is a diversified chemicals company, manufacturing on a global scale in the Americas, Europe, Middle East and Asia Pacific. The company has significant research resources with innovation hubs in five key geographies – USA, Europe, Middle East, South Asia and North Asia.

SABIC makes distinctly different kinds of products through four businesses:

- Petrochemicals – manufacturing, distribution and sale of commodity and performance chemicals and polymers.
- Agri-Nutrients – manufacturing, distribution and sale of fertilizers and specialty agri-nutrients.
- Specialties – manufacturing, distribution and sale of specialty plastics.
- Metals (Hadeed) – manufacturing, distribution and sale of long and flat metal products.

Financial Metrics "SAR Billion"	Petrochemicals and Specialties			Agri-Nutrients			Hadeed			Consolidated		
	2022	2021	% change	2022	2021	% change	2022	2021	% change	2022	2021	% change
Revenue	164.8	149.9	10%	18.2	12.2	50%	15.4	12.8	20%	198.5	174.9	13%
Income from operations	12.8	27.5	-54%	10.5	5.63	86%	0.64	0.48	34%	23.9	33.6	-29%
Assets	271.9	288	-6%	21.5	13.2	63%	19.6	18.2	8%	313.1	319.4	-2%

Non-Financial Metrics "Million MT"	Petrochemicals and Specialties			Agri-Nutrients			Hadeed			Consolidated		
	2022	2021	% Change	2022	2021	% Change	2022	2021	% Change	2022	2021	% Change
Production Volume	47.9	45.9	4%	8.3	7.6	9%	5.2	4.6	12%	61.4	58.2	6%
Sales Volume	40.0	37.2	7%	6.7	6.2	9%	5.2	4.4	19%	51.9	47.8	9%



SABIC has significant research resources across the world.

OUR CORE VALUES

Our values serve as the foundation of our organization and culture. They govern our behavior and drive our commitment to act with the highest ethical standards. We have integrated them into the fabric of our organization as a reference point for our business practice and to ensure successful implementation of our strategy.



INSPIRE

We work together to create an action-oriented environment that develops solutions and results for our customers.



ENGAGE

We respect and value differences in our people and their business approaches, fostering a great working environment. Our unfailing commitment to the communities in which we operate helps us remain a positive influence throughout the company and the world.



CREATE

Our curiosity is never satisfied. We are always challenging conventional thinking and seeking new ways to uncover opportunities in both product and process to find the next innovative solution.



DELIVER

We lead by developing extraordinary breakthroughs for our customers. Our unwavering focus on flawless execution drives our success.

THE SABIC LEADERSHIP WAY

Our leadership framework is the set of guiding principles that describes the unique characteristics for leadership success at SABIC. A leader at SABIC refers to everyone from the manufacturing floor to the CEO. Our leaders are compelled to demonstrate courage and integrity by accepting challenges and voicing concerns in a positive way. They lead by example and hold each other accountable. There are four leadership priorities that, along with our values, inform how we lead and behave every day.



STRATEGIC REPORT

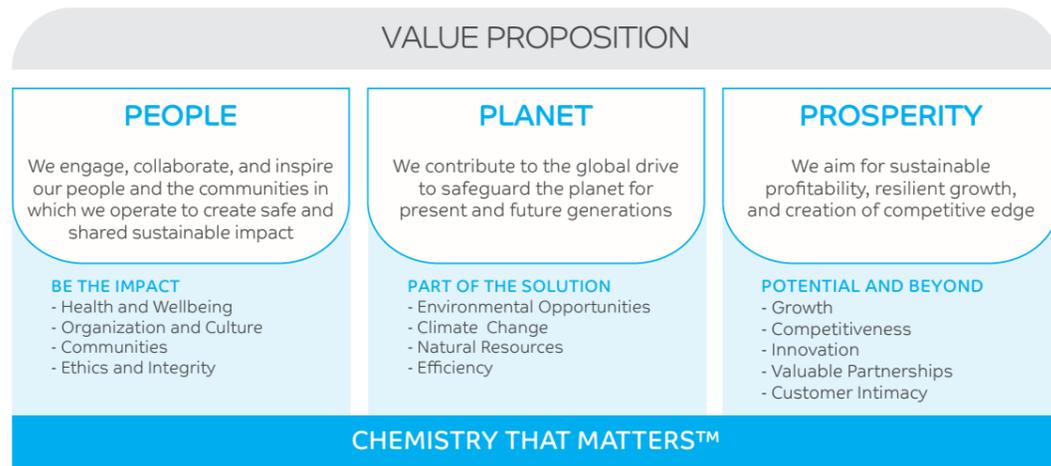
OUR STRATEGY	20
BUSINESS ENVIRONMENT IN 2022 AND OUTLOOK FOR 2023	24
RISK ASSESSMENT AND GOVERNANCE	26



OUR STRATEGY

OUR VISION

TO BE THE PREFERRED WORLD LEADER IN CHEMICALS



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

In our Annual Report 2021, we updated our value proposition map, which had been a staple of our corporate reporting since 2019. The primary elements of our strategy remain the same; however, our new mapping allows us to more accurately represent and report on the broad value proposition that we offer our shareholders and stakeholders, which is the primary aim of this Annual Report.

We have chosen to visualize our strategy around the three fundamental pillars of the Triple Bottom Line (TBL) approach: People, Planet, and Prosperity. Our mapping of these three pillars accords them equal priority within this model. It represents our commitment to thinking about the future of our business together with the future of our society and planet, and to respond with solutions that have the pace and scale to address the challenges of our contemporary world.

At the heart of our enterprise is the pursuit of strong, profitable, and sustainable business growth and value creation for our broad stakeholder base, including shareholders, customers, employees, regulators, suppliers, and local communities. We will continue to target world-class financial performance by: working hard to understand the evolving needs of our customers in terms of service, product differentiation, and solutions; accelerating growth both organically and non-organically by being close to regional markets; striving for a competitive advantage selectively through process, catalyst and application development; and improving efficiencies in our core areas of manufacturing, commercial, supply chain, and cost management.

We will contribute to the global drive to safeguard the planet for present and future generations by responding to the profound effects of climate change along with recognizing the equally profound opportunity for businesses to spearhead change. We remain committed to decarbonizing our operations by 2050 and reducing our absolute greenhouse gas emissions by 30% by 2030 to support our Carbon Neutrality pledge.

We will engage and collaborate with our stakeholders with an understanding that we have a responsibility to the communities in which we operate. We will ensure long-term success via an effective and efficient organization, a robust and consistent performance culture, investments in leadership and training, and a strong set of values around inclusiveness, diversity, and integrity. We will maintain our unshakeable emphasis on process safety and product stewardship.



GROWTH IN CONTEXT

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

But this emphasis on growth must be placed in the context of a rapidly changing operating environment. We recognize that SABIC's ability to create value year after year equally requires a more comprehensive approach in assessing impact and success – one that takes into account the wider societal and environmental megatrends that affect and are affected by our business. We have identified three longer-term megatrends that deserve our attention:

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

Having assessed the seriousness of these implications, we expect and are preparing for seismic shifts in the energy value chain along with new regional positions in economies and markets.

We progress on our strategy through a clear list of yearly priorities and deliverables. This clarity allows us to focus on our long-term vision while contending with current short-term challenges such as: inflation and monetary tightening; slowing economic growth; volatile oil and gas prices; lower demand prices; and decreasing margins. Despite these obstacles, we remain on track as we transition to the next chapter in our evolution, ushering in a new wave of growth that brings us

closer to markets and feedstocks and increasing our flexibility and competitiveness.

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

- **Strategy:** Driving profitable growth while continuing to deliver on synergy benefits with Saudi Aramco.
- **Accelerate Sustainability & Innovation:** Placing increasing importance on Carbon Neutrality, Circular commitments, and ESG reporting.
- **Financial Excellence:** Maintaining stable to growing dividends and a strong standalone credit rating.
- **Operational Resilience:** Advancing competitiveness and strengthening the operating model.
- **Future of Work:** Prioritizing employee well-being and developing a winning & agile culture.

BUSINESS PORTFOLIO

In 2015, we launched a robust transformation program to further streamline our operating model, increase portfolio focus, boost competitiveness, and accelerate long-term growth. At the center of this transformation was moving from six Business Units to the three Strategic Business Units we have today: Petrochemicals, Agri-Nutrients, and Specialties. 2020 and 2021 were key years in this journey marking the realization of our current structure and positioning the three SBUs as autonomous entities with the ability to operate in their markets as global leading companies.

PETROCHEMICALS

SABIC's Petrochemicals SBU strategy aims to enhance our leadership position by expanding our presence in fast-growing and emerging regions. We provide products and solutions with a customer-focused mindset, leveraging technology, innovation, and sustainability to address a range of end-user markets that include automotive, building and construction, healthcare and personal hygiene, packaging, and consumer and household goods.

OUR STRATEGY

CONTINUED

With Saudi Aramco's acquisition of a 70% stake in our company in June 2020, SABIC is now positioned as Saudi Aramco's chemicals arm, allowing us to deliver on our agenda as the national chemicals champion and a leader in the global chemical industry. Our joint efforts with Saudi Aramco in petrochemicals have already been strengthened by leveraging our strong customer and market positions and attractive product portfolio to address the growth markets of China, India, South East Asia, and North America. These markets will be served through a range of feedstock asset platforms and associated investment models. These growth platforms will be located mainly in Asia, Saudi Arabia, and North America and will be enabled by a combination of competitive advantages derived from both Saudi Aramco and SABIC, including advantaged and liquid feedstock, refinery petrochemical integration, advanced technology, such as our crude-oil-to-chemicals project, and strong strategic partners where relevant.

There is growing pressure on the industry to take substantial action on plastic waste, to utilize waste as a feedstock, and to take meaningful steps to reduce the greenhouse gases released in manufacturing processes. In the coming years, we anticipate that sustainability will be even more centrally emphasized in our strategic direction, and we will develop our vision of balancing business growth with the move towards carbon neutrality and a circular economy.

AGRI-NUTRIENTS

In 2020, we initiated the integration of our agri-nutrients assets under one umbrella with the intent to consolidate all related equity shares in a new company, the SABIC Agri-Nutrients Company. In 2021, SABIC and SABIC Agri-Nutrients Company worked with the clear vision of establishing the latter as an autonomous entity, bringing the core functions of the agri-nutrients business within its purview. The new company was officially launched on January 1, 2022.

This transformational initiative allows for more focus, resilience, and agility in SABIC's agri-nutrient business. The new company functions with a distinct operating model that prioritizes sustainable growth and more diversified agri-nutrients solutions through an emphasis on research and development programs, sales and supply chains, and talent attraction. SABIC is already a world-class producer and marketer of nitrogen and phosphates; the task now is to develop additional growth opportunities beyond commodity nitrogen fertilizers across the value chain. Our emphasis on research and development capabilities will also enable us to build a diverse portfolio of high-tech enhanced efficiency fertilizers and become a pioneer in the low carbon ammonia market.

SPECIALTIES

The Specialties SBU handles the manufacturing, distribution and sale of specialty plastics, and is a non-cyclical technology business that is not dependent on advantaged feedstock. We address complex and unique customer needs through differentiation, sustainability, and speed to market.

Established as a fully independent and standalone entity in November 2020, the Specialties SBU is able to realize untapped growth potential, add value through increased agility and focus, and meet its specific business model and customer requirements. Positioned for sustainable and profitable growth, the Specialties SBU aims to become one of the top players in the "Multi-Segment Premium" specialty chemicals segment and provide innovative solutions that address the challenges our customers face. Critical to achieving our growth is increased customer intimacy and cross-functional engagement in each region we operate in. We see Specialties as being well-positioned to experience growth via its continued investments into the exabyte, wellbeing, net zero, and circular economy, with market values running into estimations of trillions. Our innovative portfolio of solutions is aligned with transformational trends and, moreover, our global presence and close relationships with Original Equipment Manufacturers (OEMs) mean that we offer a strong geographical competitive advantage over competitors who are generally regionally focused.

HADEED (METALS)

Hadeed is a fully independent entity with a strategic vision to be the preferred local and regional leader in the steel industry. It produces steel for local and regional markets under two main streams of diversified long and flat steel. Hadeed's principal focus is on growing its profitability through controlling costs and boosting reliability. Simultaneously, Hadeed is progressing on its sustainability goals by working to meet Saudi Energy Efficiency Committee (SEEC) targets—having lowered GHG, Energy, Water and Waste intensity by 9%, 4%, 7% and 9%, respectively, compared to last year—and it has developed a roadmap that is aligned with SABIC's 2050 carbon neutrality aspirations. Hadeed also aims to continue supporting Saudi Arabia's Shareek program to drive new investments and strengthen public-private relationships.



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

CREATING SHARED VALUE WITH SAUDI ARAMCO

After Saudi Aramco acquired a 70% majority stake in SABIC in June 2020, both entities have strived to deliver on synergy benefits that generate maximum value. We expect SABIC's share in the value creation and synergy to amount to a recurring annual value of US\$ 1.5 billion to US\$ 1.8 billion, which SABIC expects to achieve by 2025. SABIC is on track to reaching this goal: since 2020, SABIC has achieved a synergy value ~US\$ 1.1 Billion, with a synergy value of US\$ 735 million realized in 2022.

The integration of Aramco and SABIC gathered steam with several key initiatives during the year. SABIC reached a major milestone in taking over the marketing and sales of several Aramco products, Polyolefins, Polyurethanes, Performance Monomers, Ethylene Oxide Derivatives, and Glycols — to better target downstream demand.

SABIC marketed chemicals and polymers from Aramco JVs, supplying our customers in China, South East Asia, Middle East and Europe with an enhanced product offering. It also successfully added new products to its portfolio such as Polyurethanes.

We also made considerable progress on hydrocarbon optimization between refineries and our steam crackers in Saudi Arabia.

GROWTH PROJECTS

The rapidly evolving landscape requires SABIC to extract the maximum value of its experience, networks, and capital to innovate for the future. In this endeavor, SABIC aims to increase its collaborations and partnerships to develop projects and products that enable sustainability, create synergy, and reinforce our brand. Our growth projects aim to position us for growth in sales volumes and profits while allowing us to progress on our carbon neutrality and circular economy goals.

Important first steps were made with two projects in collaboration with Sinopec (China Petroleum & Chemical Corporation). Pre-commissioning

activities commenced at a polycarbonate production complex in China, developed by Sinopec Sabic Tianjin Petrochemical Company (SSTPC), as part of a joint venture between SABIC and Sinopec. The project is expected to produce 260,000 metric tons. Furthermore, SABIC signed an MoU with Aramco and Sinopec to conduct an economic and technical feasibility study on developing an integrated petrochemical complex with existing refineries in Yanbu, Saudi Arabia. SABIC also signed a joint development agreement with Aramco and PKN Orlen to assess the technical and economic feasibility of setting up a petrochemical production project in Poland, expanding our brand in the European market.

During 2022, SABIC signed multiple licensing and engineering agreements to develop process design packages (PDPs) for a world-class mega petrochemical complex in China.

SABIC intends to study the establishment of a complex to convert oil and liquids into petrochemicals in Ras Al-Khair in Saudi Arabia; the complex is expected to convert 400,000 barrels of oil into chemicals daily. The project will contribute to the realization of Saudi Arabia's program to convert oil and liquid hydrocarbons into chemicals that offer cost efficiencies on a large scale and open value creation opportunities for the energy and chemical industry.

We believe that collaborating with partners, both domestic and abroad, is integral to our plans for growth. To this end, SABIC, OQ, and Kuwait Petroleum International (KPI) signed a joint Project Development Agreement to study the establishment of a jointly-owned petrochemical complex situated in the Special Economic Zone at Duqm (SEZAD), the Sultanate of Oman. The complex will consist of a steam cracker, derivative units, and a natural gas liquid (NGL) extraction facility.

BUSINESS ENVIRONMENT IN 2022 AND OUTLOOK FOR 2023

GLOBAL ECONOMY 2022

The global economic activity is facing a sharper than anticipated slowdown, and inflation is at its highest level in many years. This year's growth has been the weakest since 2001, excluding the sharpest phase of COVID-19 pandemic and the global financial crisis in 2007-2009. The Russia-Ukraine conflict, rising costs of living, tightening financial conditions around the world, and the continuing COVID-19 pandemic have all disrupted global markets, triggered global inflation, and contributed to the economic slowdown in 2022. The Russia-Ukraine conflict has also sparked another set of shortages, spiking commodity prices just as the tightening of financial conditions was taking effect. The current global situation can be described as a growth recession in which unemployment rises and real GDP growth falls short of potential growth. However, initial policy responses have helped the world to avoid the worst economic outcome and fueled demand while supply has recovered slowly.

ADVANCED ECONOMIES AND EMERGING MARKETS

The majority of upside inflation surprises have occurred in advanced economies, with greater variability in emerging markets and developing economies. Higher interest rates in advanced economies, along with the termination of most COVID-19 support measures in 2022, are expected to have spillover effects for emerging and developing economies. Inflation in advanced economies has reached its highest rate since 1982. The Russia-Ukraine conflict has disrupted supplies, adding to inflationary pressures. Additionally, tighter labor markets in many advanced economies are driving up wage rates. The sharpest accelerations in energy prices are occurring in Western Europe, where natural gas prices are exceptionally high.

REGIONAL ECONOMIES

Moderate growth expansions in Asia Pacific, the Middle East, and Africa offset weaknesses in America and Europe. In particular, European and North American economies, which both account for half of the global output, experienced growth recessions in the later parts of 2022. High inflation and tightening of monetary policies have undermined consumer spending, homebuilding, and business investment. The energy crisis caused by the Russia-Ukraine war has driven up food and energy prices in Europe, while Asia experienced a more moderate effect on energy and food prices that helped to prevent inflation from rising compared to other regions. However, the Middle East and North Africa (MENA) region benefitted from the increased energy exports.

GLOBAL INDUSTRIAL PRODUCTION

In 2022, weak industrial production, retail sales, service output, and exports marked a shaky economic recovery. In China, industrial output slowed down due to the double impact of unanticipated downturns in exports and disruptions caused by resurgent outbreaks of the Omicron-variant. Meanwhile, industrial production in the United States decreased in late 2022 in response to decreases in manufacturing and mining. While decline in manufacturing was common across all industry groups, motor vehicles and automotive parts recorded the largest loss. With both durable and nondurable manufacturing declining, it is evident that industrial production is on the brink of recession.

FEEDSTOCK MARKETS

Global Naphtha and LPG prices hit historical levels by the end of the first quarter of 2022 as result of higher oil prices and supply concerns on lower volumes from Russia and Europe due to Ukraine crisis. However, prices since then began to ease slowly with lower oil prices and as a result of lower global demand owing to China Covid lockdowns and lower downstream global demand amid squeezed olefin margins in addition to multiple planned/unplanned cracker outages around the world.

Global natural gas prices also hit historical levels by the end of the first quarter 2022 with Ukraine crisis. Prices since then witnessed high volatility as Russia started tightening its supply to Europe. High competition between Europe and Asia for LNG shipments added to the volatility. U.S natural gas and Ethan also increased during the year

supported by weak production growth (due to capital discipline by producers) and bullish local US demand due to US coal plants retirements and Europe demand for US LNG.

GLOBAL ECONOMY OUTLOOK

The global economic outlook mainly depends on the successful determination of monetary and fiscal policies, the growth prospects of mainland China, and the dynamic of the Russia-Ukraine conflict. The economic risks remain unusually remarkable because there exists a possibility that monetary policy might be miscalculated and not take the right approach to combat inflation; different policy approaches in the world's biggest economies could exacerbate the US dollar's appreciation; tightening financial conditions could set off emerging market debt distress; and mainland China's property sector crisis could diminish growth if it gets worse.

We expect major central banks to continue increasing interest rates in 2023 to combat inflation by slowing the growth of aggregate demand. As the world continues transitioning gradually from a COVID-19 pandemic phase to an endemic phase, we believe there will be less frequent COVID-19-related shortages, thus supporting the recovery of prices on the affected goods in the year ahead.

ADVANCED ECONOMIES AND EMERGING MARKETS OUTLOOK

The global economy will expand even more slowly in the coming year. We expect leading growth from the emerging market and developing economies, which is predicted to surpass the growth of advanced economies. Resilience in the emerging markets of Middle East, Asia Pacific, and Africa is expected to keep the global economy moving forward, but at a slow pace. Both the economic slowdown in the Eurozone and the ongoing Russia-Ukraine conflict are expected to affect emerging Europe. New wholesale bank borrowing conditions are also expected to continue deteriorating as policy rates increase even further in advanced economies, at least in early 2023. The degree of persistence of high inflation along with the central bank's effort to squash it will determine the degree of slowdowns in those economies, and will be a source of potential spillovers to emerging and developing economies. Historically, many conclusions have been drawn linking the emerging market banking crisis to the monetary policy tightening in advanced economies, such as the Asian financial crisis during the 1990s.

REGIONAL ECONOMIES OUTLOOK

The Asia-Pacific region is expected to lead global growth in 2023, though recession looms in the European Union and the United States. We anticipate a sharp decline in economic activity in the Middle East and North Africa MENA region following very strong growth in 2022; this will be due to moderating oil prices relative to 2022 peaks, higher interest rates, and fragile global demand. Likewise, the Latin America region will undergo a slower growth as recession risks increase, while the Eurozone's real GDP is set to decline as consumers and businesses will be the most affected by the Russian invasion of Ukraine and the related surge of energy prices. Tightening financial conditions are expected to send the US economy into a recession in early 2023, but Asia Pacific's competitive emerging markets will generate a solid growth by benefiting from regional trade liberalization.

GLOBAL INDUSTRIAL PRODUCTION OUTLOOK

SABIC expects global industrial production growth to experience slowdown in response to stalled economic reforms. Given the significance of exports for many of Asia Pacific's economies, a considerable slowdown in world trade will likely damage the region's industrial production and exports. APAC economies have already been harmed by the volatility in the financial and currency market during 2022, and there is a risk that the degree of damage could extend and intensify in 2023. However, industrial production in China has the potential to grow further in 2023 depending on China's stance on its zero-COVID policy and lockdown strategy.

FEEDSTOCK OUTLOOK

Feedstock prices in 2023 are expected to be higher than Q4 2022 levels but not expected to reach the historic levels of Q1 2022 caused by Ukraine crisis. Prices expected to be supported first by winter demand and the EU oil products sanctions on Russia, then by the re-opening of China economy after long lockdowns to control Covid. New cracking capacity coming online in Asia will also add support to prices. LPG Prices are also expected to be supported by high LNG prices as LPG become cheaper alternative energy source. Weak global economy and supply increases driven by strong refining runs in China, India and the Arabian Gulf is not expected to allow feedstock to reach levels witnessed at the beginning of Ukraine crisis.

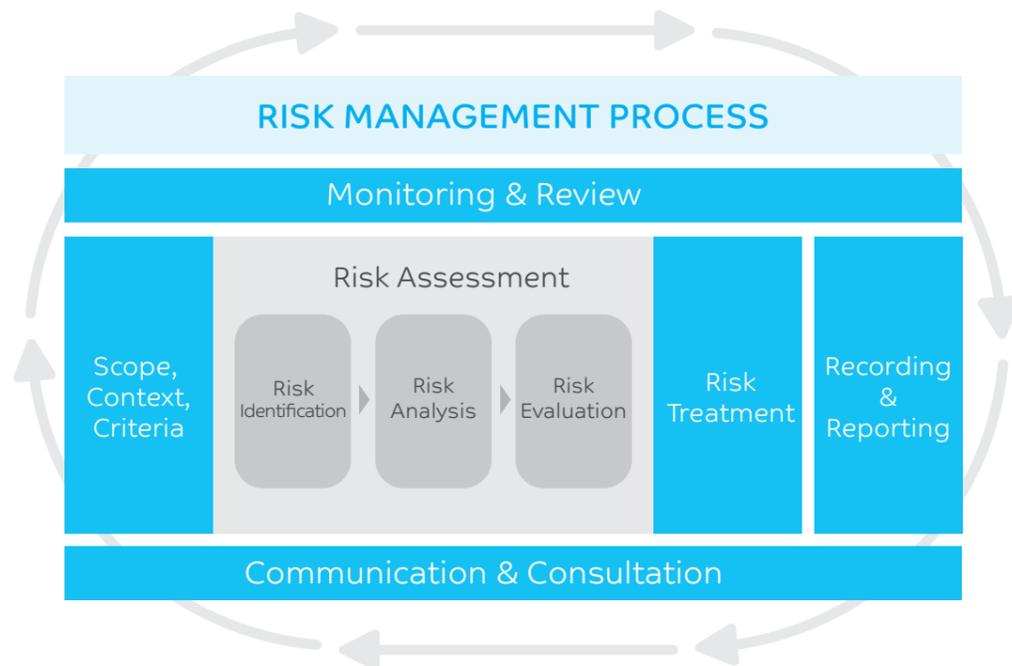
RISK ASSESSMENT AND GOVERNANCE

SABIC continues pursuing its strategic goals to maximize shareholder value through taking calculated risks that are predefined by the organization’s Risk Management Framework. SABIC does not tolerate any scenarios or events leading to safety and security incidents that threaten the well-being of its employees, contractors, the public and/or impact the environment. SABIC does not tolerate any scenarios or events in relation to integrity, ethical/regulatory non-compliance and Intellectual Property breach and/or infringement.

SABIC has established a risk management policy and an Integrated Governance system (as shown in the diagram below) to effectively identify, understand, and manage the risks facing the company and affecting our business performance. We are also leveraging opportunities in pursuing our objectives to meet our strategic goals. All SABIC’s functions regularly provide coordinated reports to the Executive Risk Management Committee.

The SABIC Board of Directors, through the Board Risk and Sustainability Committee, oversee the

activities of the Enterprise Risk Management (ERM) department in assessing key business risks for the company. The SABIC ERM team reports a detailed assessment on the risks facing the company. The Board Risk and Sustainability Committee monitors these reports and gains assurance on the effectiveness of the risk management system on a regular basis and makes appropriate recommendations to the Board of Directors on the efficacy of measures taken to minimize the impact of all risks.



We consider all our employees custodians of our strong risk culture.

EXCELLENCE IN RISK ASSESSMENT

SABIC has a strong risk culture. We consider all our employees custodians of this culture and trust them to adhere to our standards and risk mindfulness in executing SABIC’s strategy. We continuously aim to increase the risk management awareness among all SABIC’s employees that reflects on their understanding, commitment, and empowerment to identify and manage risks.

Recently, SABIC has achieved recognition from a leading certification body confirming that our operated risk management system is aligned with the ISO 31000:2018 – Risk Management Guidelines, which demonstrates assurance to our shareholders, customers and suppliers.

As a result of this and other collective efforts and achievements by SABIC’s ERM team, SABIC has won the prestigious 2022 CIR International Risk Management award, by showcasing our robust risk management framework, resilient ERM practices and the strategic integration of ERM into company-wide decision-making processes. The award is an acknowledgement of the unwavering support and guidance of our Board and Executive members as well as all leaders across SABIC. The award further demonstrates our commitment to scale new heights in the ERM domain while demonstrating assurance to our stakeholders: regulators, shareholders, partners, customers, employees and suppliers. This award confirms SABIC’s place as a global leader in ERM practices.

SABIC is exposed to various risk factors that might limit our ability to achieve our strategic, operational and financial objectives. The impacts of these risks are minimized by considering and implementing various strategies and approaches to manage the risk – that is, the response plan.

RISK FACTORS *



STRATEGIC RISKS

- Highly Competitive Industries
- Cyclical Nature of the Petrochemicals Industry and Market Conditions
- Capitalize on Digital Transformation (opportunity)



OPERATIONAL RISKS

- Talent Management
- Conditions Affecting Transportation of Products
- Geopolitical Instability
- Use of Information Technology
- Inherent Process Safety
- Projects under Development
- Accidents Involving SABIC’s Products



FINANCIAL RISKS

- Customer Credit
- Foreign Exchange
- Insufficient Insurance Policies



COMPLIANCE RISKS

- Sustainability and Climate Change Regulations
- Use of Intellectual Property and Technology Licenses
- Disputes and/or Litigation
- International Trade Controls
- Safer Chemistry Regulations

* Descriptions of the main risk factors related to our business are covered in detail under Risk Factors in Appendix, Page 124

BUSINESS PERFORMANCE



SUMMARIZED CONSOLIDATED STATEMENT OF INCOME	30
SUMMARIZED CONSOLIDATED BALANCE SHEET	31
SUMMARIZED CONSOLIDATED CASH FLOWS	33

BUSINESS PERFORMANCE

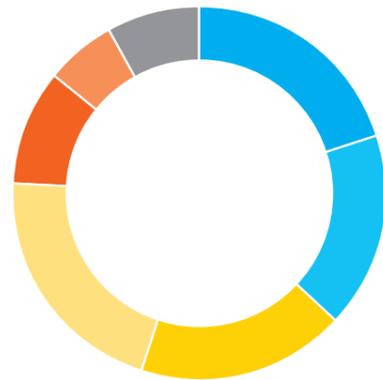
SABIC's strong performance is a reflection of the company's focus on safe and reliable operations as well as financial discipline despite the geopolitical and economic challenges in 2022.

SUMMARIZED CONSOLIDATED STATEMENT OF INCOME

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

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

GEOGRAPHICAL DISTRIBUTION OF REVENUES



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

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

* Others mainly includes sales made by certain subsidiaries to their foreign shareholders and for which detailed geographical breakdown for final end consumer sales is not available with the Group.

Sales of SAR 198.47 billion compared to SAR 174.88 billion, an increase of SAR 23.58 billion or 13%, primarily driven by higher quantities sold noted in all segments by 9% and increase in average selling prices by 4%. Petrochemicals and Specialties sales amounted to SAR 164.85 billion, an increase of SAR 14.97 billion or 10% compared to 2021. It represents 83% of the total group's sales in 2022. Agri-nutrients sales amounted to SAR 18.23 billion an increase of SAR 6.04 billion or 50% and Hadeed sales amounted to SAR 15.39 billion, an increase of SAR 2.58 billion or 20%, compared to 2021.

Income from operations of SAR 23.88 billion compared to SAR 33.60 billion in prior year, a decrease of SAR 9.72 billion or 29% due to lower

profit margins for most of the key products driven mainly by higher feedstock prices in addition to higher selling and distribution expenses driven by the higher logistic costs.

Income tax and Zakat charges was SAR 2.49 billion compared SAR 3.59 billion in 2021, a decrease of SAR 1.09 billion which was mainly driven by the lower taxable income in 2022

Net income of SAR 16.53 billion in 2022 compared to SAR 23.07 billion in 2021, driven primarily by lower profit margins in the Petrochemicals and Specialties operating segments due to lower selling prices for most of the key products coupled with higher feedstock costs and selling and distribution expenses.

SUMMARIZED CONSOLIDATED BALANCE SHEET

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

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

Assets Assets at year-end 2022 totalled to SAR 313.11 billion as per December 31, 2022, a reduction of SAR 6.25 billion or 2% compared to the previous year (SAR 319.36 billion as at December 31, 2021), which is primarily due to a reduction in the carrying amounts of property plant and equipment and trade receivables. The decrease in property plant and equipment was attributable to depreciation exceeding capex and currency effects. The decrease in trade receivables was reflecting the impact from lower selling prices.

Total Liabilities amounted to SAR 95.49 billion compared to SAR 107.52 billion as per December 31, 2021, a decrease of SAR 12.03 billion or 11%. The movement was mainly driven by a reduction of debts and lease liabilities, and employee benefits as well as lower trade payables. The decrease in total debts and lease liabilities was driven by the repayment of certain loan facilities and lease liabilities, while the reduction in employee benefits was mainly driven by actuarial assumption changes. The decrease in trade payables is mainly attributable to lower feedstock prices.

Equity attributable to equity holders of the parent totalled SAR 186.05 billion at year-end 2022 compared to SAR 180.14 billion in 2021, an increase

of SAR 5.91 billion or 3%. The increase is mainly due to the net income generated throughout the year partially offset by declared dividends in the amount of SAR 13.5 billion.

Our Financing Policy aims at ensuring sufficient liquidity levels at all times, while optimizing the returns to our shareholders. We use leverage prudently to fund our global growth ambitions. Our strong credit profile and corporate credit ratings (A+ / stable) on a standalone basis reflects the strength of our financing strategy and its execution. We evaluate the most optimal capital and financing structure to support our strategic plans and growth ambition.

Our primary sources of liquidity are the cash flows generated from our operations and borrowings under committed bank facilities. The primary use of this liquidity is to fund our ongoing operations and our capital expenditure requirements, including investments in joint ventures and other minority owned investee companies as well as dividend distribution to our shareholders.

Below is an overview of the total debt portfolio as of 31 December 2022

SAR in Billions	Original Loan Amount	Opening Balance	Additions During The Year	Repayments During The Year	Non-Cash*	Ending Balance	Period of the loans
Long Term and Financial Lease	49.32	27.36	4.67	-9.56	0.23	22.70	1 - 99 years
Short Term	0.92	0.01	0.90	0.00	0.002	0.92	1 year
Bonds	11.19	11.19	0	0	0.01	11.20	1 - 29 years
Total	61.43	38.56	5.57	-9.56	0.25	34.81	

USD in Billions	Original Loan Amount	Opening Balance	Additions During The Year	Repayments During The Year	Non-Cash*	Ending Balance	Period of the loans
Long Term and Financial Lease	13.15	7.30	1.24	-2.55	0.06	6.05	1 - 99 years
Short Term	0.24	0.00	0.24	0.00	0.001	0.24	1 year
Bonds	2.98	2.98	0	0	0.00	2.99	1 - 29 years
Total	16.38	10.28	1.48	-2.55	0.07	9.28	

* This is mainly due to FX and Amortization effects.

BUSINESS PERFORMANCE

CONTINUED

The total debt portfolio as of 31 December 2022 can be broken down by lending party as follows:

Lending Party	SAR in billions	USD in billions	%
Banks and Export Credit Agencies	16.38	4.37	47%
Bonds	11.20	2.99	32%
Industrial Development Fund	0.86	0.23	2%
Finance Leases	6.37	1.70	18%
Total	34.81	9.28	100%

SABIC's debt to equity ratio at the end of the reporting year was as follows:

In billions	31-Dec-22		31-Dec-21	
	SAR		USD	
Gross Debt	34.81	38.56	9.28	10.28
Less: Cash and cash equivalents	(40.06)	(42.32)	(10.68)	(11.29)
Less: S-T Investments	(8.68)	(5.07)	(2.31)	(1.35)
Net debt (Cash)	(13.92)	(8.83)	(3.71)	(2.35)
Total equity	217.62	211.83	58.03	56.49
Debt to equity ratio as of 31 December	-6%	-4%	-6%	-4%

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

SAR in billions	2022		2021	
	Statutory amounts paid	Statutory amounts payable	Statutory amounts paid	Statutory amounts payable
Zakat	2.25	2.16	1.46	2.45
Income Taxes	1.12	0.74	0.68	1.08
Others	0.61	0.09	0.58	0.08
Total	3.97	2.99	2.71	3.61

USD in billions	2022		2021	
	Statutory amounts paid	Statutory amounts payable	Statutory amounts paid	Statutory amounts payable
Zakat	0.60	0.58	0.39	0.65
Income Taxes	0.30	0.20	0.18	0.29
Others	0.16	0.02	0.15	0.02
Total	1.06	0.80	0.72	0.96

The employees' reserves at the end of the reporting year were as follows.

	SAR in billions		USD in billions		%
	2022	2021	2022	2021	
Non-current:					
End of Service Benefits	11.57	13.79	3.09	3.68	-16%
Defined benefits pension schemes	1.35	2.02	0.36	0.54	-33%
Post-retirement medical benefits	0.94	1.36	0.25	0.36	-31%
Long-term service awards	0.08	0.15	0.02	0.04	-48%
Early Retirement Program	0.07	0.06	0.02	0.02	18%
Other long-term benefits	0.07	0.06	0.02	0.02	9%
Total	14.07	17.44	3.75	4.65	-19%
Current:					
Employees related liabilities	2.54	3.16	0.68	0.84	-20%
Employee saving plan	2.02	1.79	0.54	0.48	13%
Total	4.56	4.95	1.22	1.32	-8%

SUMMARIZED CONSOLIDATED CASH FLOWS

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

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

Net cash generated from operating activities was SAR 35.81 billion compared to SAR 39.49 billion in 2021, a decrease of SAR 3.68 billion or 9% mainly driven by lower earnings.

Net cash used in investing activities was SAR -12.57 billion compared to SAR -8.92 billion in 2021, an increase of SAR 3.65 or 41%, driven primarily by higher cash outflow from short-term investments.

Net cash used in financing activities was SAR -25.42 billion compared to SAR -17.82 billion in 2021, an increase of SAR 7.59 billion or 43% primarily reflecting a higher dividends payments to both SABIC shareholders and non-controlling interests versus prior year.

Free cash flow was SAR 25.59 billion compared to SAR 28.52 billion in 2021, a decrease of SAR 2.94 or 10%.

Cash and cash equivalent at December 31, 2022 was SAR 40.06 billion compared to SAR 42.32 billion in 2021, a decrease SAR 2.26 billion or 5%.

NOTE:

- Details of affiliates, joint ventures and associated companies in the financial statements, where appropriate, are listed in the Appendix.
- Details of stocks and debt instruments issued by each affiliate are listed in the Appendix.
- USD/SAR Rate: 3.75
- Free cash flow: net cash generated from operating activities less capital expenditures.
- Certain prior period figures have been re-classified to confirm with the presentation in the current period. None of the re-classifications impacted Net Profit or Shareholders' Equity. Please refer to Note 38 in the Consolidated Financial Statements for the year 2022 for more details.

OUR BUSINESSES



PETROCHEMICALS	36
AGRI-NUTRIENTS	40
SPECIALTIES	42
METALS (HADEED)	44

PETROCHEMICALS

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

GLOBAL MARKETS

2022 has been one of contrasting two halves. The first half was a period of growth for the petrochemicals industry, while the second half witnessed a slowdown due to decreasing customer confidence due to anticipated economic contractions and external factors beyond our control.

For many petrochemical companies, capacity grew in lockstep with expansion rates seen in previous years. However, this overcapacity also squeezed operating rates and petrochemical margins in the process. In the first half of 2022, ongoing supply-chain disruptions and high container rates caused high price differences between key regions. Although container freight rates reduced in the second half of the year, they still stand higher than pre-pandemic levels. The freight cost for liquid chemical products increased and the industry was forced to curtail production in the second half as demand slowed due to lower GDP growth rates and fears of recession.

Outside of the beginning of the year, COVID-19 had limited impact in major parts of the world, with the sole exception of China. Several lockdowns in Shanghai in early second quarter, coupled with the government's strict zero-COVID policy at that time, had a strong negative impact on Chinese GDP growth rate and petrochemical demand.

The Ukraine conflict has escalated prices of crude oil and natural gas. Spot prices for natural gas were high in both Europe and Asia; European producers, who often rely on spot markets for gas, were particularly affected. The industry saw wide curtailments, especially for gas-intensive processes like methanol and ammonia. Naphtha prices remained relatively low given that fuel demand for gasoline and diesel was much stronger than naphtha demand.

2022 also highlighted growing concerns for lower demand in petrochemicals in key regions due to high

inflation in the western part of the world, reducing customer affordability. At the same time, many companies have announced greenhouse-gas-reduction targets that fall in line with governmental targets as sustainability and the challenge of climate change has risen to the top of the industry's agenda.

FINANCIAL HIGHLIGHTS

Petrochemicals and Specialties revenues increased from SAR 149.9 billion in 2021 to SAR 164.8 billion in 2022, an increase of SAR 14.97 billion or 10%, driven by an increase in sales volumes by 7% and increase in average sales prices by 3%.

OPERATING HIGHLIGHTS

EXPANSIONS

- SABIC's joint venture with ExxonMobil, Gulf Coast Growth Ventures, began operations at its world-scale manufacturing facility in San Patricio County, Texas, in January 2022. A proven 100% plant design capacity with all performance tests were completed safely and successfully in the second half of the year.



The Gulf Coast Growth Ventures facility in San Patricio County, Texas.

PETROCHEMICALS

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

- SABIC SK Nexlene Company will expand the capacity of its Ulsan plant in South Korea to use its Nexlene™ technology for the production of advanced material solutions in its joint venture with SK Geo Centric. The plant will support the production of SABIC's broad portfolio of COHERE™ metallocene polyolefin plastomers (POP), SUPEER™ metallocene linear low density polyethylenes (mLLDPE) and FORTIFY™ polyolefin elastomers (POE).
 - In October, SABIC started commercial operations at United's third EG plant, marking a milestone achievement in our EG growth ambitions. The annual production capacity at the plant is 700,000 metric tons of monoethylene glycol (MEG).
 - Another SABIC affiliate, Gas, expanded its industrial gas production capacity by adding a new Air Separation Unit Phase-9 to fulfill current and future demands of N2 and O2 in the Jubail industrial city. This is a strategic growth project as part of the continuation of its journey toward being the most preferred industrial gas supplier.
 - Two MTBE improvement projects have been awarded in Petrokemya North (PK-N) and Ibn Zahr. These improvement projects will increase our production and improve cost and energy intensity by replacing the PK-N isobutane dehydrogenation unit with SABIC's technology and will upgrade Ibn Zahr's low temperature recovery system to maximize propane and butane recovery.
- INNOVATIVE SOLUTIONS**
- SABIC collaborated with Mattel to incorporate certified renewable polymers from SABIC's TRUCIRCLE™ initiative across its product range. Mattel is the first company in the toy industry to work with SABIC to develop high-quality new plastic applications.
 - SABIC COHERE™ POP 8170D was tested on the Riyadh-Dammam road as an asphalt modifier, as per standards set by the Ministry of Transportation. This sustainable solution holds promise as an alternative to conventional materials.
- Collaboration in sustainable food packaging**
- SABIC collaborated with Heinz, Tesco and Berry to close the loop on soft plastic goods packaging using certified circular polypropylene (PP) from SABIC's TRUCIRCLE™ portfolio for microwavable Heinz Beanz Snap Pots. The UK recycling trial project encourages consumers to return their soft plastic packaging to collection points set up at various Tesco stores; SABIC converts this packaging into the recycled TACOIL, and Berry Global, a leading supplier of packaging solutions, then uses it to manufacture the new Beanz Snap Pots for Heinz.
 - In collaboration with Dongfeng Motors, one of the largest Chinese truck manufacturers, SABIC developed a strong lightweight truck-mounted toolbox using a novel plastic-composite hybrid solution. The application is made with a combination of SABIC's STAMAX™ resin, a long glass fiber PP and continuous glass fiber composite laminate inserted via a single overmolding process. The finished part is lighter by up to 30% compared to a similarly designed part in steel.
- New BOPP film for packaging**
- SABIC collaborated with Mars and Landbell Group to close the loop on flexible packaging by developing a biaxially oriented polypropylene (BOPP) film based on SABIC's TRUCIRCLE™ certified circular PP from feedstock recycling of post-consumer used plastics. Mars will introduce the new BOPP film in packing their KIND® primary healthy snack-bar brand.

PETROCHEMICALS

CONTINUED

- SABIC developed specialty films to use in absorbent-hygiene applications, such as sanitary pads, panty liners, towels and diapers in feminine and baby care, in partnership with Plastik Group and Drylock Technologies. The products were made using TRUCIRCLE™ certified circular polymers from SABIC PURECARES™ PP and PE portfolio

Blockchain application in circular feedstock traceability

- In partnership with the technology company, Finboot and the packaging specialist Intraplás, we embarked on a pilot project to research the ways in which blockchain technology can enable end-to-end digital traceability of circular feedstock in customer products. This is the first project of its kind in the industry to trace the product from feedstock production to converter, going further than previous industry applications of blockchain in end-to-end tracing. The platform offers reduced costs, time and improved data integration for all value chain partners.
- This year, SABIC worked with Ella's Kitchen, to develop a baby-food cap made with TRUCIRCLE™-certified circular polymers for over 3.5 million of the company's Organic Strawberries and Apples pouches.
- SABIC pioneered with Polivoug and the Nueva Pescanova Group to produce sustainable seafood packaging made from TRUCIRCLE™-certified circular post-consumer plastic recovered from waterways.
- SABIC introduced a new set of STAMAX™ long-glass fiber PP grades with recycled material under the company's TRUCIRCLE™ portfolio. These are among the first of many mechanically recycled resins from SABIC for potential use to meet the requirements for a range of interior, exterior and structural automotive parts.
- Saudi Arabia's longest and largest diameter steel pipe lining tight-fit liner project was recently executed using SABIC's material. United Special Technical Services (USTS), an engineering contractor, used SABIC's PE100 pipe grade, HDPE P6006AD, in executing the project which was carried out over a distance of 37 kms, 42-inch diameter.



BLUEHERO™ represents SABIC's commitment to invest in delivering solutions that speed up the shift to electric power.

BLUEHERO™ initiative for EVs

- SABIC launched BLUEHERO™, an initiative aimed at accelerating the world's energy transition to electric power with an initial focus on the automotive industry. The expansive ecosystem of BLUEHERO™ represents SABIC's commitment to investing in delivering solutions that speed up the shift to electric power in a bid to move toward a cleaner environment for the benefit of future generations.

Replacement for wood

- SABIC® PP RCP03X was selected for expanded PP (EPP) beads applications to replace the wood at COHG/China Railway High-speed (CRH) pallets and container floors due to its lightweight qualities.

Closed-loop system for packaging

- SABIC signed a strategic Memorandum of Understanding with PEPSICO, the global food and beverages company, to cooperate on establishing a closed-loop system for plastic packaging in Saudi Arabia

First mechanically recycled grade

- We successfully produced our first mechanically recycled grade, HDPE T3K01B, in the MEA region for auto oil bottles, containing 30% post-consumer recycled resin.

Premium concrete hollow blocks

- SABIC introduced new premium concrete hollow blocks that combine concrete mix with SABIC carbon-black grade N330. Produced at our KSA assets, these carbon-black pre-cast blocks are 7% stronger, reduce casting time by more than 40%, and meet SASO-GSO requirements of high

compressive strength.

New product family in ethoxylate portfolio

- We introduced 15 additional grades from natural fatty alcohol ethoxylates, synthetic fatty alcohol ethoxylates, and castor oil ethoxylates, as part of our business strategy. Being the only manufacturer of ethoxylates in Saudi Arabia, we hope to fulfill the growing demand for the product in the local market. Moreover, the first pharmaceutical grade from ethoxylate was launched successfully, placing SABIC in a pioneering position in Saudi Arabia's pharmaceutical industry.

PP solution for World Cup stadium seats

- SABIC's polypropylene impact copolymer, SABIC® PP 49MK45, was selected to manufacture the extremely rugged spectator seats for the Al-Janoub Stadium in Doha, Qatar, which was one of the stadiums where spectators from around the world gathered to watch the World Cup matches.

ISCC Plus certification for Petrokemya

- In pursuit of achieving sustainability targets, SABIC achieved ISCC Plus (International Sustainability & Carbon Certification) certification for its manufacturing plant, Petrokemya, a significant milestone toward creating a circular economy in Saudi Arabia where mixed plastic waste is being utilized to produce circular polymer products. SABIC also holds certified ISCC Plus for its assets for producing circular styrene in USA using circular Benzene. Besides, SABIC launched ISCC Plus-certified PP compounds and STAMAX™ resins based on renewable and recycled feedstock in Europe.

Product development for solar panels

- We successfully developed the photovoltaic (PV) encapsulate film using our Fortify POE. SABIC POE has been successfully developed and approved by PV industry as solution to fulfill PV innovation and development needs.

AWARDS

- SABIC's four innovative solutions were recognized by Ringier Innovation Technology Award in three categories from Plastic Industry and Personal Care to F&B industry. These awards were organized by Ringier Media Group, one of the well-known B2B industry media in China, aimed at recognizing the innovative solutions and products that push the development of the industry.
- SABIC won a Silver Edison Award for our flame retardant SABIC® PP compound used in Honda's CR-V model in China that complies with the



SABIC's material was selected to manufacture the rugged spectator seats for the Al-Janoub Stadium in Doha, Qatar.

country's stringent electric vehicle fire-safety requirements.

OUTLOOK

Looking forward to 2023, uncertainties surrounding crude oil, natural gas, and financial markets make it difficult to predict how the petrochemicals industry will perform. Global container freight rates are expected to reduce, while liquid shipping rates will remain at elevated levels.

We are expecting continued pressure on petrochemical markets with additional capacities that started in 2022. For products such as PE, PP and MEG, demand in 2023 will not increase to such levels that operating rates and margins return to long-term average levels.

SABIC is bracing for the possible impacts of recessions in Europe and the United States that will affect economies and could last at least until Q3 2023. Growth in China is also expected to be impacted due to the upsurge in COVID-related cases in Q1 2023, but the Chinese economy is expected to recover significantly after winter due to the lifting of all COVID-related restrictions. We expect energy and feedstock prices to remain volatile and at relatively high levels due to constraints in supply and upstream underinvestment in recent years.

Global prices for LNG are expected to remain elevated as Europe needs to refill its stocks for winter 2023-24. Besides, additional demand from China is expected due to economic recovery, while LNG terminals are already operating close to maximum rates. These energy-related effects, along with various macro-effects outside the control of the industries are also expected to result in a volatile and ambiguous market through 2023.

Moving forward, sustainability will continue to play an increasingly important role in our industry and our customer base. We expect continued pressure on the industry to act on plastic waste, to utilize waste as a feedstock, and to take meaningful steps to reduce and eliminate the greenhouse gases released in our manufacturing processes. There will also be increased focus to mitigate high energy and feedstock prices as we shift to a circular economy.

AGRI-NUTRIENTS

All SABIC agri-nutrients investments and assets were consolidated into the SABIC Agri-Nutrients Company (SABIC AN) on January 1, 2022, the culmination of a transformation initiative that commenced in 2018. SABIC launched SABIC AN with a vision to be the national champion, a global leader in the Agri-Nutrients industry and to maintain the momentum of support for Saudi Vision 2030. The company adopts a distinct operating model that focuses on a number of pillars to ensure sustainable growth and offer more diversified agri-nutrients solutions.

The focus areas include a more effective Agri-Nutrients business strategy, fully focused research and development programs, sales and supply chain and talent attraction. This transformational initiative allows for more focus, resilience and agility in SABIC's agri-nutrient business and will pave the way for the new company to achieve a leading position in the industry locally and globally.

SABIC AN is a world-class producer and marketer of Nitrogen and Phosphates, which continue to be the core pillars of its strategic focus. SABIC AN's leading cost position and operational excellence has contributed to robust financials, which now enables the company to develop additional growth opportunities beyond commodity nitrogen fertilizers across the value chain. SABIC AN is also committed to becoming a front-runner in low carbon ammonia and differentiated products through its strong research and development capabilities, and will continue to maintain a strong pipeline of innovative products and IPs.

This year, we supplied over 7 million tons globally, processed over 4,500 orders and covered over 150 international routes via our well-coordinated production and supply chain systems. We continuously assess our short and long-term targets through a well-established process of key performance indicators (KPIs) and scorecard monitored and reviewed by the management teams and senior executives that also allows us to closely monitor industry trends for any immediate and long-term impact on our existing strategy.

Future investment is centered on establishing a varied portfolio of high-tech enhanced efficiency fertilizers, expanding the company's global

production footprint while reducing the carbon footprint of existing products, and anticipating end-users' evolving needs.

FINANCIAL HIGHLIGHTS

Agri-nutrients revenues amounted to SAR 18.23 billion, an increase of SAR 6.04 billion or 50% compared to 2021, driven by an increase in sales volumes by 9% and increase in average sales prices by 37%.

NON-FINANCIAL METRICS

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

OPERATING HIGHLIGHTS

In 2022, we inaugurated a new field to test smart agriculture; using sensors in our technology center, we brought the latest technologies in Artificial Intelligence into agriculture. This will proactively predict nutrient requirement, pest control and water management for sustainable agriculture.

Our energy-efficient operating assets have led to initiatives to reduce Scope 1 & 2 emissions from our assets. Meanwhile, R&D is focused on developing sustainable products to reduce the Scope 3 emissions and improve crop yields. Additionally, we are looking into collaborating with various farmers and stakeholders to bring technology to their farming needs.

We secured a new urea-supply agreement of 100 KMT to South Korea and succeeded in expanding the US market by adding the East Coast market to the

existing traditional market of New Orleans and West Coast.

In our phosphates segment, we signed two Memorandums of Understanding (MOUs) with Indian customers, NFL and CFCL; this will ensure growth of historical relations through future supply of phosphate fertilizers. We continued to expand our strong presence in the Americas, building on 2021 achievements and increasing sales by 7% year-over-year (YoY).

DIFFERENTIATED PRODUCTS

We are committed to being a front-runner in low carbon ammonia and differentiated products through our strong research and development capabilities. Recently, we announced innovative products such as BCRU and UCS, with the potential to mitigate some of the sustainability issues around fertilizers use. We also have the distinction of being among the first in the industry to be certified for blue ammonia that is ready for commercial use.

BiOWiSH Technology Joint Development agreement (JDA): SABIC successfully completed a year-long technical evaluation of BiOWiSH® Crop Liquid technology coated on SABIC's urea in nine countries across five continents and nine different crop types. We have constructed a joint development platform that advances further customizations across a range of high-efficiency fertilizers, serving as a foundation for future products and other agronomic innovations.

New Leaf Symbiotics Technology: We signed a joint-development agreement with NewLeaf Symbiotics in March 2022 to supplement SABIC's portfolio. This opens possibilities to move into commercializing broad acre row crops as SABIC believes NewLeaf is positioned to move into this area.

Urea: In an effort to ensure continued food security in Saudi Arabia, we have aligned with the Ministry of Environment, Water and Agriculture to support local market and increase urea allocation to 15% to accommodate demand increases.

Ammonia: The world's first commercial shipment of accredited independently certified blue ammonia was dispatched from Saudi Arabia to South Korea. The shipment, consisting of about 25 KMT of accredited "cradle to gates" blue ammonia, is part of a collaboration between SABIC Agri-Nutrients and Saudi Aramco spanning the entire value chain.

Phosphates: We supported local markets by providing an uninterrupted supply of phosphate fertilizers at stable prices when global phosphate market prices rose. We sold 190 KMT, a 25% increase compared to 2021, and supported food security in key markets through contract renewals. We also managed to introduce light DAP to Pakistan via two cargos totaling 56KT, reestablishing our presence in the country.

NPK: In 2022, we worked on three products. NPK 10-26-26 was used on a wide range of crops. NPK 11-29-19+6S & 13S, mainly used for tuber crops and other fruits that include potatoes, onions, and watermelon, provides a solution for farmers providing balanced primary and secondary nutrients to the plant.

Nutrient Plus: Among our new products, we introduced Zinc-Coated Urea (designed to address the zinc deficiency across all soil types), Humic Acid-Coated Urea (SABIC Granular Urea coated with high performance Humic Acid along with bio-stimulants that enhance the nutrients' effectiveness in soil and improve the health of rhizosphere to support better crop growth and yield), and Stabilized Urea (reduces nitrogen loss through ammonia volatilization, making more nitrogen available for the plants).

OUTLOOK

As the world population hit eight billion in 2022, our position as a dependable producer of agri-nutrients for export to the global market presents opportunities. The market outlook for 2023 remains positive with robust agricultural and energy sector fundamentals supporting end-user fertilizer demand. There is a growing global push to replenish grain stocks, safeguard crop yield against adverse weather, and control escalating food prices. This will require sustained fertilizer applications.

However, affordability is a key focus: global crop prices are leveling out while agri-nutrients values continue to rise. Demand destruction and changes in application rates—particularly for smallholder farmers in developing markets—presents a forward risk.



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

SPECIALTIES

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

Our business value is derived from technology and intellectual property, together with customer relationships. We are a truly global business with strong and intimate relationships with Original Equipment Manufacturers (OEMs). Our advantages ranging from established global R&D footprint and product/application testing to pilot scale capabilities have facilitated multiple innovations leading to a strong intellectual property portfolio.

In 2022, SABIC's Specialties business also supported efforts towards carbon neutrality and the circular economy through leveraging bio-renewable as well as chemical upcycling technologies to deliver high-performance materials with lower carbon footprints; striving to decrease the carbon footprint of our assets by increasing energy/resource efficiency and building meaningful collaborations with partners in relevant value chains.

GLOBAL MARKETS

The external operating environment has experienced significant changes during 2022, which impacted the entirety of the chemical industry. Geopolitical tensions have continued to affect the business environment, while supply chain issues have continued to affect manufacturing. SABIC's Specialties business has navigated these external factors to continue its growth trajectory.

OPERATING HIGHLIGHTS

As Specialties grows, it will strive to continually provide stable value creation with products downstream from oil production to help address Saudi Vision 2030.

Increased customer intimacy and cross-functional engagement in each region are critical to our growth. We strive to focus on customers' needs and local fulfilment with startup of ULTEM™ resin capacity in Singapore and the restart of the NORYL™ resin plant in the Netherlands planned for 2023.

SABIC purchased Clariant's 50% stake in specialties company Scientific Design in 2022. Scientific Design is a recognized leader in catalysis and this acquisition will strengthen our non-cyclical

NON-FINANCIAL METRICS

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

technology-oriented business and move us closer to our long-term goal of becoming a global Specialties leader. These developments are important milestones in SABIC's journey to become the National Champion for Specialties in the KSA and aligns firmly with the National Industrialization Strategy (NIS) and Vision 2030.

INNOVATION BREAKTHROUGHS

Improving EV batteries: To help meet the EV manufacturers' stringent demands of higher-voltage batteries, SABIC introduced NORYL NHP8000VT3 resin. This resin achieves the highest comparative tracking index performance (CTI PLCO) and provides ultra-thin-wall extrusion and thermoforming capability, meeting UL94 V0 standard at 0.25 mm with non-brominated, non-chlorinated flame retardance.

Advancing net-zero carbon goals for consumer electronics (CE) industry: SABIC introduced LNP™ ELCRIN™ EXL7414B copolymer, an ISCC+ certified 50% bio-based content polycarbonate copolymer to help advance CE industry's net-zero carbon emissions goals.

Using ocean-bound PET bottles as a feed stream for upcycling PBT: LNP™ ELCRIN™ WFO061BiQ resin is a novel material that uses ocean-bound polyethylene terephthalate (PET) bottles as a feed stream for chemical upcycling into polybutylene terephthalate (PBT) resin. This grade adds to SABIC's extensive chemically upcycled portfolio, which supports circularity while serving as potential drop-in replacements for virgin PBT resins.

Optimizing performance of optical components: EXTEM™ RH1016UCL resin is a new ultra-high heat near-infrared (IR)-transparent grade. Together with optical design freedom and breakthrough high-



SABIC has introduced LNP™ ELCRIN™ EXL7414B copolymer to help advance the consumer-electronic industry's net-zero carbon emissions goals.

temperature performance, this resin can help customers transition from pluggable optics to co-packaged optics that support increased data speed, scale and energy efficiency.

Other value creation

We established digital channels to increase customer intimacy, such as storefront at Knowde platform; showcase pages on LinkedIn channel; and webinars on leading digital platforms.

AWARD-WORTHY CHEMISTRIES

Renowned international award programs recognized multiple novel products.

2022 Edison Awards

The Specialties business won three awards during the 2022 Edison Awards Cycle for our contributions, such as enabling ADAS designers to improve signal strength at higher frequency (>75GHz) millimeter wave radars (LNP™ THERMOCOMP™ compounds); enhancing FR performance and adding bio content to meet rigorous IEC 62368-1 safety standards for consumer electronics (LNP™ ELCRES™ EXL7414B resin); increasing sustainable content with development of bio-based, carbon fiber-reinforced FR compound in housings for the CE industry (LNP™ THERMOCOMP™ DC0041PE compound).

R&D 100 Awards

R&D World magazine awarded Specialties for its contribution in areas including enabling the world's first Laser Direct Structuring antenna design for 5G infrastructure (LNP™ THERMOCOMP™ OFC08V compound); contributing to net-zero carbon goals through chemical upcycling of PET Bottles (LNP™ ELCRIN™ iQ resins); and helping ADAS designers improve signal transmission accuracy and reliability (LNP™ solutions).

SPOTLIGHT ON SUSTAINABILITY

We emphasize sustainability because we understand the value created for the communities. Thus, we chose the following as our focus areas for 2022.

Net zero strategy: We are committed to being a trusted global partner to jointly tackle net zero

challenges while delivering profitable business growth and supporting customers' decarbonization and circular economy goals. Three distinct pillars related to Carbon Neutral Assets, Value Creation through Circular Products, and Environmentally-Focused Solutions help us to meet our commitment.

The circular economy: SABIC is leveraging bio-renewable and chemical upcycling technologies to deliver high-performance materials with lower carbon footprint, which optimize the use of resources and reduce waste.

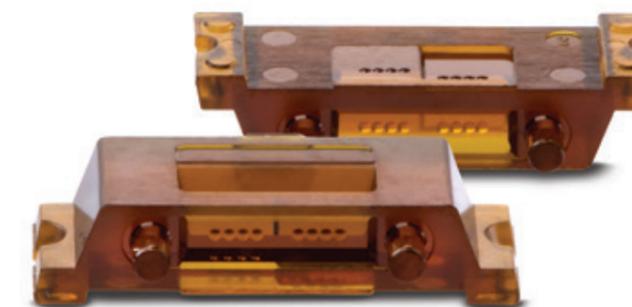
Portfolio sustainability assessment: The portfolio Sustainability Assessment Methodology developed by World Business Council for Sustainable Development (WBCSD) and leading chemical companies including SABIC provides specific guidance for the chemical industry to assess sustainability signals across their entire product portfolio, and then steer their portfolio towards improved sustainability outcomes.

Sustainability-related manufacturing efficiency improvements: Specialties global manufacturing sites continued to invest in efficiency projects that positively impacted electricity usage and water consumption.

Certifications: Selkirk and Cobourg were certified by ISCC+ for production of grades with bio-based content, bringing the total number of certified Specialties sites to seven.

OUTLOOK

We are committed to provide solutions to our customers' challenging problems whenever possible. Our long-term goal is to become a global Specialties leader and the National Champion for Specialties in the KSA supporting the NIS and Vision 2030. Our path toward carbon neutrality by 2050 will heavily emphasize a continuing increase of bio-based and recycled feedstock in our products as well as new chemistries that enable carbon neutral applications. SABIC's Specialties business also aspires to become a top-five leading player in the "Multi-Segment Premium" specialty chemicals segment – a ranking that aligns with SABIC's position in the petrochemicals industry.



EXTEM™ RH1016UCL resin is a new ultra-high heat, near-infrared (IR)-transparent grade.

METALS (HADEED)

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

We achieve this through developing our product portfolio, maintaining best-in-class standards in efficiency, reliability, and EHSS, steadily improving our sustainability agenda towards carbon neutrality and energy efficiency, and building a motivated, talented, and resourceful workforce.

Hadeed's vision is to be the preferred local and regional leader in the steel industry. Saudi Arabia is looking to attract billions of dollars of investment to increase local supplies and reduce imports, and we support the country's focus on differentiated steel investment. We align with domestic steel strategies set by the Ministry of Industry and other governmental agencies and pursue growth opportunities that reinforce these national initiatives in line with Saudi Vision 2030. We sustain a strong business position with investments in iron-ore mining and a focus on exploring parallel iron-ore supply opportunities to ensure a secure feedstock supply and support our growth ambitions and competitiveness.

GLOBAL MARKETS

Global supply and demand trends continued to affect both prices and supplies of most common feedstock. Iron and steel-making at Hadeed have been affected as they are dependent on iron ore as the major feedstock, and price jumps have hindered its financial performance. Nevertheless, our performance was bolstered by the local steel industry protection programs applied by the Saudi government, allowing us to weather a challenging year.

FINANCIAL HIGHLIGHTS

- Revenue increased by 21% compared to last year actual and 12% higher than plan.
- EBITDA 13% higher than last year with continuous improvement during the last two years.
- Net Income increased by 60% compared to last year, maintaining profitability for the last two years from previous six years of losses.

- Fixed Cash Costs increased by 4% compared to last year with focus on Reliability and Safety improvement programs. Fixed costs per ton decreased by 7% compared to last year mainly due to productivity improvement.
- EBITDA and net Income, five-year outlook to sustain profitability.

FINANCIAL HIGHLIGHTS

Metals (Hadeed) revenues amounted to SAR 15.39 billion, an increase of SAR 2.58 billion or 20% compared to 2021, driven by an increase in sales volumes by 19% and increase in average sales prices by 1%.

NON-FINANCIAL METRICS

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

OPERATING HIGHLIGHTS

For long products, we developed and commercialized high-strength rebar Grade 80 with different sizes as per SASO ASTM A615 -2021. This product offers many advantages compared to the conventional grade 60 used in construction in terms of properties and sustainability. Additionally, we are developing rebar size 36mm Gr. B500B as per BS4449 to fulfill the local and international market requirements for weldable deformed rebar.

For flat products, we are commercializing the Hot Rolled Coil Grade 60 in accordance with EN 10025. The newly developed grade will help fulfill customer requirements for high-strength tubes and C-sections used in solar applications.

In the field of cybersecurity, Hadeed achieved Level 3 maturity in the Cyber Security Rate set by SABIC.

LOGISTICS EFFICIENCY

- Build up logistics transportation fleet capability through addressing the challenges and needs via 41 engagement sessions with our transporter companies, efforts translated into new dispatch records: weekly 157.5 KMT, monthly 577 KMT.
- 458 KT overseas shipments via 15 vessels spread to eight different countries globally with 12% increase YoY.

STEEL PLANT LONG PRODUCT - 1

- SPLP1 modified Electric Arc Furnace melting profile parameters and using Tap 9 in operation, which decreased power on time per heat by 1.8 minutes, which increased plant productivity by 5,500 tons/month.
- SPLP1 achieved alloys consumption by 0.2 kg/ton, which resulted in a cost saving of SAR 230,000 per month.

STEEL PLANT LONG PRODUCT - 2

- Electric Arc Furnace operated with low scrap weight, which contributed a saving of SAR 36 million.
- Produced Shroud grades successfully for exports with vanadium alloy addition.
- Implemented the new chemistry for Grade 2300 with minimized quantity of Silicon and manganese alloys, which contributed a saving of SAR 11/T.
- Successfully completed the trial of spent catalyst material as an alternative for flux material by aligning with the SABIC technology team.
- Completed medium carbon grades trial successfully (AISI 1040 and 1045) with nitrogen-shrouding technology.
- Successful completion of a trial for ladle slide gate plate and exchangeable nozzle with 03 life against the base case of 02 heats.
- Ladle Furnace energy consumption achieved below the plan by 2.3 kwh/T, which contributed savings of SAR 0.30 million.

STEEL PLANT FLAT PRODUCTS

- Successfully exported 200,841 tons (8,676 slabs) for five different customers.

With our expertise in the iron and steel-making process, Hadeed supported Saudi Aramco in the development of its plate mill project jointly owned by an international partner.

STEEL PLANT PRODUCTION SUPPORT

- Ferrous metallic recovery started by processing slag within Hadeed.
- Caster scrap billet manual cutting upgraded by introducing automatic billet cutting through a new service contractor, GMMS.
- Scrap Handling Services switched a new service contract at a low price, resulting in a cost saving of SAR 3 million.
- The refractory section upgraded the chiller water plants to enhance refractory monolithic mixing quality.
- Three new basket carriers were deployed for operation.
- Received coke and mixed it with carbon to reduce the impact of consumption resulting in a saving of SAR 800,000.
- Received 177 tons of coke material at site from Petrokemya and United to be recycled and used with anthracite to increase metallization of carbon

- with a cost benefit impact of around SAR 1.2 million.
- Utilized broken electrode as door bay and machined it again as electrode resulting in a saving of SAR 3 million.
- Reduced cost of containers from US\$ 3 million to US\$ 27,000

OUTLOOK

We will sustain our position as a local steel champion and will provide our customers optimum quality, innovative, and diverse steel solutions through our talented employees. At the same time, we will maintain the best-in-class EHSS and Reliability standards to maximize the value for our stakeholders and enable Saudi Vision 2030.

We will also strive to stretch our production capacities targeting 6.12 million tons annually (presently, 5.8 million tons). We will focus on delivering differentiated products to the market to leverage increasing demands of long product's high carbon, Grade 80, and flat product's API (American Petrochemical Institute) sour grade, which is a pipe-manufacturing standard.

Our future growth will depend on maximizing business profitability by sustaining an important position at upstream iron-ore mining investment to secure our feedstock of high-grade Direct Reduction pellets. In addition, we plan to grow by an additional 1.0 million tons by way of new organic investments in thin hot rolled flat steel production, which will also help in fulfilling the objectives of Saudi Vision 2030.

Our priority focus areas will be:

- Transform to improve Business, Operation and People Competency.
- Growth in upstream iron-ore mining.
- Dedicate downstream growth for thin gauges at flat products.
- Sustain 10% EBITDA innovation contribution by offering more differentiated value-added products.
- Remain committed to sustainability to meet carbon-neutrality targets by 2050.



As the local steel champion, we offer innovative and diverse steel solutions.

CORPORATE PERFORMANCE



ENVIRONMENTAL, SOCIAL AND GOVERNANCE	48
ENVIRONMENTAL CAPITAL	50
INTELLECTUAL CAPITAL	52
HUMAN CAPITAL	54
MANUFACTURING CAPITAL	56
SOCIAL AND RELATIONSHIP CAPITAL	60
SUPPLY CHAIN	66



ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

The elements of a substantial ESG approach have been part of SABIC from the outset: diligent and farsighted corporate governance; a sense of responsibility and care toward our wider stakeholders and society; and a commitment to environmental stewardship. Set alongside an ambitious agenda for business growth towards becoming the preferred world leader in chemicals, these elements collectively represent the complex vision of sustainability that drives our Company.

SUSTAINABILITY STRATEGY DRIVEN BY TRANSPARENCY

Several motivating factors propel our desire to integrate ESG into our long-term strategies and business practices, including addressing the needs of our diverse stakeholders, keeping pace with changing regulations, building our sustainable portfolio, and enabling responsible long-term growth for SABIC. We took initial steps toward telling our early ESG story in a systematic way with the publication of our first Sustainability Report in 2011. Since then, we have continued our ESG reporting journey through refining our stakeholder engagements, materiality analyses, and risk and opportunity assessments; setting targets and tracking KPIs that reflect evolving global standards; and increasing the transparency of our corporate reporting.

Following a major sustainability materiality assessment in 2018, we identified six sustainability materiality areas, and aligned them with 10 of the 17 UN Sustainable Development Goals (SDGs), addressing issues such as poverty, climate change, environmental degradation, and prosperity. In 2021, we further aligned our strategy and operations with universal principles on human rights, the environment, labor, and anticorruption.

We act on and operationalize our six sustainability materiality areas – resource efficiency; climate change and energy; innovation and sustainability solutions; circular economy; governance and ethics; and EHSS – through four domains: climate change, circular economy, safer chemistry, and ESG disclosures. This year, we initiated a refresh of our materiality analysis, which will help provide clarity and alignment for SABIC as we progress on our sustainability goals.

In particular, the domain of ESG disclosures is aimed at ensuring increased transparency in the other three domains. At the heart of our disclosure journey is an understanding that financial data only tell part of SABIC's story. ESG factors are often

referred to as 'non-financial'; yet how we manage them undoubtedly has tangible and measurable financial consequences—and, beyond that, consequences for the resilience of our business model and our ability to create value over the short, medium, and long term.

SABIC has shown considerable improvements in its ESG disclosure scores in recent years, with social and governance scores mostly contributing to these improvements; thus, we recognize a need to focus more on our environmental disclosure scores. The full narrative on our material sustainability areas, along with detailed disclosures, is presented in our Sustainability Report 2022. A concise perspective on this story—examined through the multi-capital lens of integrated reporting—is provided in the chapters on Corporate Performance that follow.

EVOLVING REPORTING LANDSCAPE

ESG disclosures, by their very essence, are about presenting information that is consistent, comparable, and meaningful to a diverse audience. Collaborating with a variety of organizations involved with disclosure guidance and standards, therefore, is imperative. We are working with the World Economic Forum (WEF) framework on Stakeholder Capitalism to orient SABIC's purpose toward creating long-term value not only for shareholders but also our broader stakeholders. We are active members of the WEF ESG practitioners' group and we consider WEF metrics good guidance for enhancing the standardization and value orientation of the ESG disclosures. This year, we were featured in the 2022 WEF "Stakeholder Capitalism Metrics Initiative: Partner Case Studies" white paper as one of the 150 companies globally to have adopted ESG metrics that drive internal corporate transformation for sustainable reporting.

We are also actively engaged with CDP (formerly Carbon Disclosure Project) and earned a C rating from CDP water for 2022; the World Business Council for Sustainable Development, where we joined the CFO network this year; EcoVadis; Ethisphere Institute;

and the Global Reporting Initiative—all of which provide us valuable guidance on our ESG disclosure journey. In recognition of our commitment to adopting the highest ESG standards, we garnered the "Best ESG" award at the Saudi Capital Market Awards 2022 in March of this year.

We applaud the International Financial Reporting Standards (IFRS) Foundation for its move to create the International Sustainability Standards Board (ISSB) and taking the lead in setting up rigorous processes for robust comparable standards for global companies. We continued contributing to the open consultations on ISSB, providing both support for its formation and in calling for fair representation of developing countries. We look forward to the possible publication of these standards in 2023, which will be transformative in terms of building cohesion and alignment in the corporate reporting landscape.

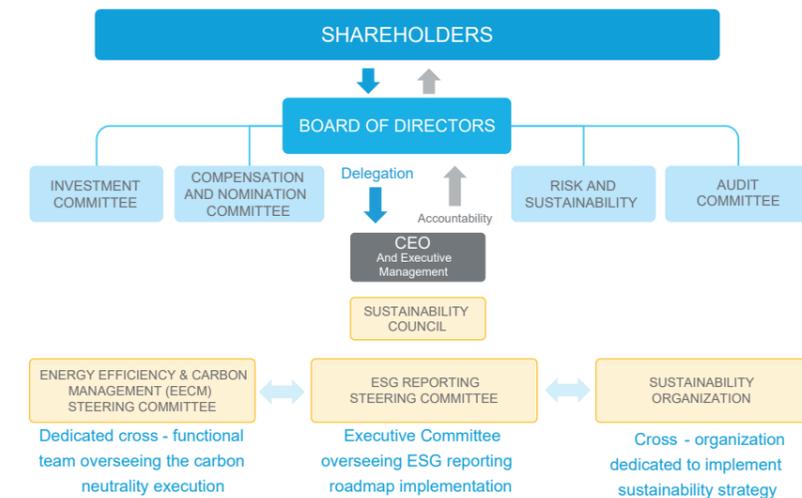
We also welcome the release of the GRI Universal Standards 2021, effective for reports published after January 1, 2023. The new standards provide greater clarity on concepts, materiality, and reporting

principles, helping the organization navigate disclosure requirements in response to recent developments. Again, the trend is clear and important: a move towards greater simplicity, usability, data quality and consistency of application in disclosures, which in turn will promote corporate reporting that is more relevant, meaningful, and comparable across businesses, sectors, and regions.

CRUCIAL ROLE FOR CORPORATE GOVERNANCE

We are constantly looking to deepen the integration of ESG factors into our core business strategy and weave enhanced disclosures into the very fabric of our processes, tools, and priorities, whether regulation demands it or not. By doing so, we embed ESG into decision-making at every level and in every area of the organization and create a culture where everyone at SABIC shares a common understanding of the megatrends that will affect our company and society over the decades ahead. In this regard, direction and involvement from governance is crucial.

SUSTAINABILITY GOVERNANCE STRUCTURE



To this end, SABIC has established the ESG Reporting Steering Committee. The Committee's primary task is to formulate and drive SABIC's ESG reporting strategy and roadmap and promote the integration of ESG factors into core business processes and decisions. Headed by both our CFO and CTO/CSO, the ESG Reporting Steering Committee is responsible for:

- Understanding ESG performance and identifying the most relevant ESG disclosures for the company.
- Identifying and proposing general ESG reporting frameworks, and prioritizing current and emerging ESG issues that may affect operations.
- Establishing a clear and well-defined ESG reporting charter for the organization, along with a roadmap for its fulfillment, by capturing the ESG reporting priorities from the businesses and functions.
- Serving as a strong platform to engage and enhance SABIC's understanding of ESG matters.
- Supporting the evaluation of ESG risks and opportunities and seeking ways to monetize them.

As ESG reporting and focus on the company gains external attention, we recognized that the existing setup of the ESG Reporting Steering Committee required restructuring. In 2022, accordingly, we expanded membership to add members from businesses and functions to the Steering Committee.

We also created a dedicated Project Management Office (PMO) to develop ESG processes that address critical areas and build capabilities. As complement to this internal focus, we expanded the ESG Reporting Practitioners Group to strengthen our communications across functions and regions as well as with our stakeholders.

Our ultimate goal is to bring non-financial disclosures to the same standard as financial disclosures in terms of accuracy, transparency, consistency, and comparability as we transition to an Integrated Report within the next two years.

ENVIRONMENTAL CAPITAL

SABIC's environmental capital comprises all the renewable and non-renewable environmental resources that are essential for sustaining and growing our business activities – that is, our core goods and services – over the short, medium, and long term. When set within the context of the global challenges of climate change and biodiversity collapse, our approach to environmental capital is the most complex factor that we confront.

Environmental capital fundamentally crosscuts the six material topics and four priority areas that constitute our current sustainability approach. While we plan on refreshing our materiality analysis in 2023, the three fundamental components of our environmental capital will remain the same: our journey toward carbon neutrality; a growth strategy that is increasingly driven by an emphasis on innovation, sustainability and circularity in products and processes; and Safer Chemistry, a voluntary initiative by SABIC to reduce the impact of hazardous chemicals by investigating safer alternatives for 'chemicals of concern' in the product portfolio, along with sound, responsible management in terms of our manufacturing protocols and product stewardship (covered under Manufacturing Capital). Taken together, these three components help us build climate resilience and develop capacities to mitigate climate risk at every level of our organization.

CARBON NEUTRALITY BY MID-CENTURY

Our public commitment in 2021 to become carbon neutral by 2050 in the fight against climate change was the culmination of a journey that began in 2011, when we set our first sustainability targets. In our initially articulated climate ambitions, we set out intensity-based targets and mandated reductions in our greenhouse gas emission intensity, energy intensity, water intensity, and material loss intensity by 2025 from a 2010 baseline. However, evolving understandings and expectations of climate change action prompted us to reevaluate and reshape the targets. Our roadmap goal now targets a 20% reduction in absolute emissions (Scope 1 & 2) by 2030 to support SABIC's Carbon Neutrality commitment. While we will continue to report our progress on both intensity-based and absolute reduction targets, our primary focus after 2025 shall be on these new absolute reduction targets.

SABIC has been reporting its direct emissions (Scope 1) and indirect emissions associated with outsourced energy supply (Scope 2) since 2011. Our previous efforts in energy efficiency and asset improvements have reduced greenhouse gas

(GHG) emissions at an average of 3% YoY since the baseline year of 2018, and we are well-placed to meet our near-term target of a reduction in GHG emissions (Scope 1 & 2).

As we progress, we will continue to increase the breadth and depth of our disclosures. Last year, SABIC received limited assurance on Scope 3 emissions for the calendar year 2020, becoming one of the first companies in the industry to assure overall Scope 3 emissions. Our disclosure improvements extend to our wider environmental KPIs, too: we have increased the granularity of our environmental footprint reporting with the addition of water withdrawal, water discharge, and water consumption accounting across our manufacturing sites. Our full disclosures for GHG emissions, along with our other environmental KPIs, are presented in the SABIC Sustainability Report 2022.

PATHWAYS TO DECARBONIZATION

Our Carbon Neutrality Roadmap is operationalized along five pathways to decarbonization—Reliability, Energy Efficiency and Improvements; Renewable Energy; Electrification; Carbon Capture; and Green/Blue Hydrogen—coupled with our ongoing focus on circular and renewable feedstock.

Improving the energy efficiency of our operations is a vital tool that we use in driving progress toward our climate goals. This year, we gave greater clarity to our efforts by developing site-specific carbon neutrality roadmaps aimed at our 2030 targets. Efficiency optimizations planned in these roadmaps, along with commencing decommissioning energy intensive sites in 2025, will lead to an expected reduction of about 7.2 million MTCO₂e by 2030. Furthermore, we have continued to advance in the SEEC 2nd cycle journey with a commitment to bring the efficiency of operations and energy usage on par with global trends. To achieve this ambitious target, we have made an investment of US\$ 1.38 billion toward 80 affiliate projects, including eight mega-projects. Important progress was made on several projects this year, including commissioning the Yanpet EG-II Energy Efficiency Project, which will reduce plant



A section of SABIC's mega carbon capture and utilization plant at United in Jubail.

energy intensity by 30%, as part of our ongoing efforts to make our EG plants more sustainable.

In 2022, we began constructing the world's first demonstration plant for an electrically-heated steam cracker furnace in partnership with chemical and industrial gas giants BASF and Linde. The plant, located at BASF's Verbund site in Ludwigshafen, Germany, will test both direct and indirect heating concepts, and be operational in 2023. This new technology has the potential to reduce ethylene CO₂ emissions by approximately 90% by using electricity from renewable resources instead of burning fossil fuel. We are also expanding our use of renewables in line with the Kingdom's vision for the country to be 50% powered by renewable energy by 2030 and making meaningful strides across our global network as well; we aim to have in place 4GW installed capacity of renewable energy by 2025 and 12GW by 2030.

Our mega carbon capture and utilization (CCU) plant at United, Jubail, Saudi Arabia, which opened in 2015, is one of the largest facilities of its kind in the world, capable of capturing and purifying up to 500,000 metric tons of CO₂ from the production of EG every year. This year, we also initiated a CCU program to capture CO₂ from seven different affiliates, targeting 2 million MT of CO₂ capture by 2026 and another 2 million metric tons by 2030. Expanding on these capacities, we aim to be in a position to supply CO₂ to the proposed Saudi Arabia CCU hub in 2027.

Similarly, we continue to make strides as a pioneering participant in the low-carbon ammonia (blue and green ammonia) market. Our first major milestone in this project was in late 2020, when Aramco and SABIC collaborated to send the world's first blue ammonia shipment to Japan for zero-carbon power generation. We aim to grow our presence in this market through a steady pipeline of projects under evaluation, spanning ammonia production to final marketing efforts across various end uses.

CLOSING THE LOOP THROUGH CIRCULARITY

Shifting to a circular economy involves adapting our processes to use renewable and recycled feedstock to create durable, recyclable product design solutions for customers. Doing so creates opportunities across value chains, enabling the creation of new sustainable products for our industry and customers, while reducing our carbon

footprint. These bio-renewable and recyclable technologies enable delivering lightweight, durable, and cost-effective sustainable products and applications.

SABIC TRUCIRCLE™ was launched in 2019 with the objective of developing practical and innovative solutions that addressed plastic waste under three categories: Mechanically Recycled Products, Certified Circular Products, and Certified Renewable Products. In 2022, our efforts under TRUCIRCLE™ yielded promising results. A range of PCR compounds were developed under the Mechanically Recycled Products for use in various industries, such as on-shelf collation shrink film and household industry & chemical packaging. Our Circular Products efforts yielded 2.6 KT of pyoil processed in SABIC crackers with an additional 10 KT of renewable feedstock processed towards green polymer production. Meanwhile, our Certified Renewable Products led to partnering with various collaborators to incorporate certified renewable polymers from SABIC's TRUCIRCLE™ portfolio to produce certified renewable products across diverse industries, ranging from the toy industry to the packaging industry.

This year, TRUCIRCLE™ also embarked on a blockchain pilot project that allows digital traceability and additional transparency along the supply chain. This was conducted in collaboration with technology partner Finboot and Plastic Energy and packaging specialist Intraplás, and should help to lower costs, save time, and improve data integration for all value chain partners.

Another crucial development in 2022 was the launch of the BLUEHERO™ initiative, an ecosystem of materials, solutions, expertise and programs designed to help the world transition to electric power in a bid to meet global goals on climate change. As a starting point, BLUEHERO™ directed its focus on supporting the automotive industry to create better, safer and more efficient electric vehicles (EVs). This included optimizing structural battery components with unique flame-retardant materials and solution development expertise.

The promise of circularity rests in part on its emphasis on ecosystems thinking and a collaborative approach, i.e. thinking through relationships of processes to products and impact throughout the value chain. SABIC is committed to working alongside its partners across the value chain, developing circular solutions that bring us closer to fulfilling our ambition for a new plastic ecosystem and a cleaner, greener world.

INTELLECTUAL CAPITAL

Intellectual Capital represents SABIC's intellectual property, our capacity for innovation, research and development, and our institutional – tacit and transferred – knowledge. As a resource, it is driven by SABIC Corporate Technology and Innovation (T&I), but it cuts across SABIC, and is generated and utilized throughout the organization.

Intellectual capital is treated implicitly across the Corporate Performance section in this report, but in this chapter, we focus on how SABIC strives to deliver differentiated and sustainable product and application solutions to meet the needs of our customers and the value chain over the near, mid, and long-term horizons. We engage with emerging megatrends, such as the exabyte, wellbeing, net zero, bio-growth, and circular economies, to unlock growth potential and position SABIC as an innovation leader within the industry.

Total active patent portfolio (patents and pending applications)	9,948
New priority patent applications in 2022	233
Sustainability-driven solutions:	>50%
Improvement in % of innovation EBITDA/ Business EBITDA (2019-2022):	15+%
Active technology and innovation projects:	450+
T&I centers worldwide:	18
T&I employees:	2,000+

PRODUCT INNOVATION AUTOMOTIVE SEGMENT

Electrification, sustainability, and vehicle automation, three sector-specific trends in transportation, determined the overall direction of our T&I efforts. The largest trend is the emphasis on electrification worldwide with countries banning or limiting the use of internal combustion engines by 2035. This trend accelerated due to the increase in the price of oil in 2022. Furthermore, the higher level of automation in vehicles has resulted in improved sensing technology for both RADAR and LIDAR mapping systems requiring increased transparency and reduced lot-to-lot variability of exterior trim.

SABIC develops new solutions and products for electrification (presented under the trademark BLUEHERO™) and new sustainable products (presented under the trademark TRUCIRCLE™) to address these efforts.

SABIC's TRUCIRCLE™ portfolio and services contain our circular innovations made with recycled and repurposed material or produced in a manner to help

protect natural resources to give manufacturers access to more sustainable materials.

Our new BLUEHERO™ initiative seeks to expand the ecosystem of materials, solutions, expertise and programs to accelerate the world's energy transition to electric power and support meeting global goals on climate change. In its first year, BLUEHERO™ focused on supporting the automotive industry's mission to create better, safer and more efficient EVs emphasizing the optimization of structural battery components with unique flame-retardant materials and solution development expertise.

Two cross-functional dedicated teams in T&I closely cooperated with marketing, commercial and communication teams to deliver and commercialize unique new products and innovations supported by promotional efforts like technical presentations that allow us to establish a strong presence and brand recognition in the marketplace. A highlight of the year was a dedicated exhibition of our solutions for electrification at the K-show in Dusseldorf, Germany.

In 2022, we released five new products to complement our material portfolio of flame-retardant plastics with very high fire performance (capable of withstanding flame exposure to 1,000°C for 15 minutes or more). In addition, we submitted 8 new patents on new solutions for the electrification sector, bringing the total number of patents and applications in this sector to 20. Extensive research is being carried out on new products that use variable contents of post-consumer mechanical recycle and on the viability of using renewable feedstocks. Additionally, five new products were released to complement the TRUCIRCLE™ portfolio. Our global SABIC Technology Centers also established new laboratory capabilities for testing flame performance in 2022.

The Automotive team initiated multiple technical partnerships with customers, value chain partners and academia from around the world. In 2022, our groundbreaking work was honored with two Silver Edison Awards including one for the use of our unique fire protection technology in a battery pack cover.

From an automotive electrification perspective, our extensive efforts on building the right competencies and market developments have helped us gain

significant momentum with our customers on solution development, using thermoplastic materials and validation of the same for various internal components and large battery part enclosures parts. We also filed several new patent disclosures, a result of our high level of research in automotive electrification areas and new collaborations with automotive OEMs.

PIPE SEGMENT

As a result of green electrification, thousands of kilometers of new high-voltage power lines are to be installed over the coming years, many of them underground. High stringent and specific cable ducts made of high-density polyethylene (HDPE) protect the power lines and facilitate cost-efficient installation. To meet this new trajectory, SABIC's Pipe Segment recently launched a first-of-a-kind 4-in-1 grade solution: PE100 + RC + LS + RT. It offers superior thermal stability that allows replacing the power cable by a new cable at the end of its lifetime, leaving the duct in the ground and fit for state-of-the-art trenchless and sandless installation.

SABIC Pipe & Utilities and Technology & Innovation segments have been actively collaborating with RTP value chain players to develop and qualify material solutions for the energy sector including the H2 pipeline. As a result, our pipe grades HDPE P6006NA, P6006N, and P6006AD have gone through extensive testing based on industry standards (API 15S). This achievement will support the energy sector's efforts to cut operating costs, reduce greenhouse gas emissions, and develop sustainable pipelines, which are in line with SABIC's goals.

FLEXIBLE SEGMENT

In our flexible segment, three product innovations during 2022 are worth highlighting. First, our stand-up pouches for dishwasher tabs are a mono-PE solution designed for recyclability, supporting circular economy goals. Our second product is a wet tissue flow wrap packaging that is easy to recycle, with a duplex BOPE laminate at the core with all layers created from PE polymer grades. This enables flexible packaging solutions to be recycled in a single stream, without having to separate the individual layers. Both these products are available as certified circular and renewable. Our third product is the result of a collaboration between Covestro and SABIC: a new heat-resistant coating resin technology for BOPE films, engineered specifically for recyclable, mono-material stand-up pouches. It is a viable solution to replace PET or PA laminates in stand-up pouches.

PRODUCTION AND PROCESS INNOVATION

Our intellectual capital also extends to delivering cost-advantaged process and production innovation, allowing us to employ our assets, feedstocks, and natural resources more efficiently. Several groundbreaking initiatives in areas like cracker electrification, carbon capture and utilization, and blue and green hydrogen are covered under environment capital as part of our progress towards carbon neutrality by 2050. But our production and process innovation also cover initiatives that can be considered quick wins and production optimizations, i.e., efficiency

improvements that are continuously being developed and implemented across our sites as part of our culture of building organizational tacit knowledge and continuous improvement. Important examples of these kinds of initiatives in 2022 included:

- Multiple process optimization initiatives at ethylene-based PK Butene-1 plants, which reduced steam consumption by 0.15 MMBtu per ton, equivalent to lowering the energy intensity by 3.5% compared to plant design.
- Optimization initiatives at the United LAO plant, which improved the overall plant performance in terms of production capacity and raw materials consumption, resulting in reducing solvent and additive consumption by 50% and 75%, respectively.
- Optimization initiatives utilizing SABIC ethoxylate reaction, production and development know-how in addition to advanced process control strategies, process modeling and simulation at the Ethoxylate plant in Saudi Kayan. The result was an enhanced plant production capability with 50% increment in the batch size for all PEG grades and a tangible reduction in overall plant sustainability indices compared to last year including energy intensity (19% lower than 2021) and GHG emission (17% lower than 2021).

PARTNERSHIPS FOR PROGRESS

We are constantly looking to create synergies and partnerships that matter to drive our efforts in circularity and sustainability. This year, we initiated several vital collaborations: signed a strategic MoU with PepsiCo with a focus on circularity and developing an ecosystem of sustainability in Saudi Arabia; formed the "Film Fabrication Association" jointly with Jinming and Bolsas de los Altos to further our footprint in the Americas region around polyolefins developments; conducted a carbon neutrality workshop at our SABIC Technology Center in Shanghai with Bosch, Volvo and other value chain partners; and collaborated with process and catalyst technology licensors to further improve techno-economics of Styrene and BTX production.

TECHNOLOGY LICENSING

SABIC acquires licenses of technologies it does not own from third-parties, selecting the vendors' technologies only after a rigorous assessment. We also actively deploy our own proprietary technologies by selling licenses to our affiliates and growth projects as well as licensing to third-parties. All licenses include the ability to apply the latest technologies to meet sustainability targets; in this aspect, SABIC aims to include its proprietary CO₂ technologies where possible. The Licensing Organization within T&I checks that all license agreements include use rights and that the associated process design packages contain the latest capabilities related to sustainability with stipulations to include future improvements where sustainability is concerned. They also work with Ventures to enable the access of sustainability-related technologies from target venture companies by creating an agreeable licensing structure that allows access expediting of the related knowledge.

HUMAN CAPITAL

Our success as a company starts with our employees; they drive our performance and set us on the path to sustainable growth. To build the workforce we need to support our growth ambitions, we recognize that we must offer a consistent employee value proposition and maintain our standing as an employer of choice.

BUILDING A LEADERSHIP PIPELINE

Economic challenges, geopolitical tensions, climate change and resource scarcity, new disruptive technologies, demographics and social change, and increasing urbanization: these are just some of the trends (and “megatrends”) that are transforming both internal industry conditions and our external operating environment. To thrive, we aim to remain agile, proactive, and visionary – and this, in turn, requires a leadership ethos that is embedded in our values throughout our organization. In 2022, our leaders at all levels stepped up their strategic engagement, focusing on transparent communication, authenticity, and our employees’ wellbeing.

To allow leaders at all levels, individually and collectively, to reach their peak collective potential, we emphasize culture transformation through our overarching leadership framework, the SABIC Leadership Way (SLW). To support SLW, we refreshed our in-person core leadership offerings in 2022. The new curricula were delivered for the first time in a hybrid format to 140+ future leaders in partnership with world-class business schools. Alternatives to formal classroom training have also accelerated development including self-assessments, 360s, detailed talent review processes, and strengthening talent pipeline through cross-functional talent communities.

We place a strong emphasis on growing internal talent through the continuation of our mentoring program and the development of in-house coaching capability. The Global Mentoring program grew in 2022 with over 650 formal relations being tracked while an additional 14 professional in-house coaches were accredited by the International Coaching Federation.

2022 also saw our dedicated Asia Leadership Acceleration Program (ALAP), a two-year program in the Rest of Asia that has become SABIC’s flagship leadership development program. This year, the second cohort of enrollees graduated from the program.

A CULTURE OF ENGAGEMENT AND EMPOWERMENT

The COVID-19 pandemic and the emerging “post-pandemic” context have pressed home the importance of the intangible elements of a working

life. We have been transforming the way we work to prepare ourselves for a more global and collaborative future. In 2022, for example, we embedded flexible working benefits and a global work-from-home option into our global policies.

We also instituted several initiatives that promote employee wellbeing on an individual level. One of the most important is our Benefits Tour 2022 in the US, where we work to create a culture of care and elevate the mental/emotional, physical, and financial wellbeing of our employees. With that in mind, SABIC launched an internal campaign in China in April to help ease anxiety and lift morale of our employees during the prolonged lockdown in Shanghai. We created a website for our global employees that provides access to all information on available benefits in health, wealth, wellness and work/life balance. Also, emphasizing our belief in mental wellbeing, we partnered with the Tabuk Mental Health Conference 2022 to help promote mental health in the region.

We also continuously engaged with our employees through a variety of methods such as the Global Employee Town Hall, held in Riyadh and virtually in January 2022 for employees from all regions.

U MATTER 22 – SPOTLIGHT ON EMPLOYEE WELLBEING

U Matter 22, a global roadshow, conveyed a simple, underlying message to our employees – that we are constantly striving to make SABIC a friendly and rewarding place to work.

The roadshow traveled to SABIC’s global locations to inspire employees with a deep sense of connection and belonging and encourage engagement with all event initiatives designed to enable them to thrive. It reminded employees that SABIC is committed to developing the talents of its people to enable them to make valuable contributions to the SABIC growth story.

EMPLOYEE SURVEY

We also carried out the 2022 SABIC Employee Survey, which was open to all SABIC employees across 12 Survey Dimensions including teamwork and collaboration, career development, team leadership and a learner mindset.

Three employee engagement initiatives – Empowerment Program Portal, SABIC & YOU Empowerment Campaign and Collaboration Roadshow – were launched with the aim of enhancing empowerment perception and joint efforts with all employees in creating a more empowered organization with agility. We worked to empower our employees by launching an internal campaign titled “Empower Yourself, Empower Others!” and also empowered more than 4,700 non-technical professionals at our Career Choices program, Tamkeen, to apply for positions as high as managers and senior managers.

REWARD & RECOGNITION

SABIC’s Reward & Recognition program is another important strategic talent initiative that builds a culture celebrating performance and role model behavior. In 2022, 45% (14,096) of our employees across all functions and regions were recognized, resulting in 27,825 awards in total.

PIONEERS PROGRAM

Our unique SABIC Pioneers program builds ongoing communication links with our retired employees, enhancing a sense of belonging for the nearly 2,500 retirees while calling on their expertise and knowledge. In this way, we aim to build continuity and retain tacit knowledge within the company, and create support networks for those who have served SABIC over the decades.

TOP EMPLOYER

We were again named “Top Employer Asia Pacific” for the ninth consecutive year, our Mexico sites were awarded “Best Places to Work”, and we received the 2022 STEP Ahead award because of our progressive work in global employee engagement.

DRIVING DIVERSITY IN THE INDUSTRY

SABIC is focused on increasing female participation rates in the global petrochemicals industry. At the heart of our efforts is the SHE Network, which plays a key role in SABIC’s recruitment, retention and promotion of women. Four employees from the Americas region were honored with the “Women Breaking the Mold” annual award for their inspirational work.

On International Women’s Day 2022, we celebrated with our global female employees and recommitted to empowering women and ensuring that all employees, irrespective of gender, have equal opportunities to advance and engage in a challenging career.

Our fourth batch of female employees attended the ExSABIC program, which is a NUSANED™ initiative pillar. The aim is to enable Saudi Vision 2030 to increase women participation in the labor market, develop local workforce and enhance the quality of national cadres. The six-month on-the-job training by SABIC experts from various fields will cover several sectors within SABIC.

SABIC Mt. Vernon (Indiana, USA) received the Mayor’s Celebration of Diversity Leadership Award, in recognition of our efforts in diversity.



Diversity in our workplace is reflected in this U Matter 22 collage

HOUSING PROJECTS

SABIC is building high quality, sustainable housing facilities for its employees in Saudi Arabia. On the lines of our successful housing experience in Riyadh, Jubail and Yanbu, two housing projects been completed and handed over to employees during 2022. Al-Matrafiya Housing Project in Jubail Industrial City comprises 2,701 villas, with advanced structural specifications and features. The second housing scheme, Al-Jaar Housing Project includes 500 villas, is in the Yanbu Industrial City, offering a range of contemporary facilities.

BUILDING CAPABILITY

The capabilities of our people are a textbook example of mutual interest: for SABIC, it determines the level of innovation and creativity within our organization; for our employees, it creates pathways for professional development and career advancement. And our approach to capability and capacity building goes beyond our employees to reach stakeholders in the communities in which we work.

Since our inception in 1976, we have always invested heavily in human capital and the future: Our work has had such wide-reaching impact that our “SABIC Leadership Way” inspired two customized leadership programs titled “The Impactful Leader” for Yanbu governorate’s top leaders. The four-day program was aimed at providing SABIC’s practical experience in improving leaders and enhancing the level of human competencies.

Our activities over the year include training SABIC scholarship students (future potential employees) on safety, honoring the Saudi team that won at the International Science and Engineering Fair 2022, and signing a Memorandum of Cooperation with the Regional Center of Quality and Excellence in Education (RCQE), which works under the auspices of the UNESCO, to collaborate on developing human capabilities in Saudi Arabia. Additionally, SABIC signed a memorandum of cooperation with the High Commission for Industrial Security (HCIS) to provide a framework for the exchange of experiences and develop a mechanism for collaboration in areas related to industrial security.

SABIC Young Leadership Council (SYLC) empowers SABIC’s future leaders and young talent to engage with SABIC’s executive leadership team and influence future business decision. SYLC priorities were updated in 2022 to include People Engagement, Organization Behaviors, and Business and Industry Engagement.

MANUFACTURING CAPITAL

SABIC Corporate Manufacturing oversees all our plant operations at our sites worldwide. During 2022, working within constraints brought on by the fallout of the pandemic, the Ukraine conflict, and the fuel crisis, SABIC continued to focus on the execution of our global manufacturing strategy to achieve the highest levels of EHSS and operational excellence standards

SABIC Manufacturing Strategy establishes a framework for accountability, ownership and realization targets, which enables us to mitigate risks, increase revenue, and optimize cost. The strategy comprises seven key strategic execution initiatives; Human Capital Development, Asset Lifecycle Management, CAPEX Discipline, Value Creation Leadership, Manufacturing Digitalization Programs, Risk Management and Operations Management System. Each initiative comprises a set of programs and targets (based on a 2022+4 Plan) and owners from both sides – corporate functions and sites. Progress reporting is based on an approved operating rhythm in which each action focal point reports on a quarterly basis and data is verified and published using a dedicated IT enabler. Data is later consolidated and shared during the quarterly manufacturing leadership meetings. Taken together, these mechanisms of strategy, execution and reporting form Manufacturing's operational excellence vehicle, which drives SABIC's progress toward its business plan and vision: "To be the preferred world leader in chemicals."

In March every year, a workshop is conducted involving stakeholders from across SABIC's business and functions to discuss manufacturing performance and identify "performance killers" hindering production plans. SABIC has developed and endorsed a five-year plan to address these performance killers with an anticipated production-loss avoidance of 4.6 MMT by 2026. The overall implementation progress is at 48% with a total of 199 KMT and 123 production loss avoidance was realized. As a further outcome of the workshop, the Performance Killer Initiative was also extended to other paradigms, including production loss due to external reasons, such as feedstock limitations, technology limitations and project-related losses linked to Engineering and Project Management. Similarly, the concept of Asset Life Cycle (ALC) was extended to manufacturing sites. Within this concept, site-specific performance is analyzed and classified by the sites against the different ALCs to address encountered losses. Subsequently, the sites take specific actions to address these losses. This concept was included as an amendment to the manufacturing strategy KPIs, with site-specific targets for production-loss avoidance presented as a five-year plan.

ASSET MANAGEMENT AND PERFORMANCE

During 2022, SABIC launched the Integrated Asset Life Assessment iALAp program to optimize the development of a bottom-up CAPEX investment portfolio for manufacturing assets. This program is designed to provide a robust and transparent framework to support assets-investment decision-making for all manufacturing sites. This framework provides the processes and tools to consider costs, risks and performance to enable making better informed decisions that maximize the long-term value of ALCs. On the organizational side, the iALA framework establishes new rules of engagement between different SABIC organizations to promote cross-functional collaboration as a fundamental pillar to the generation of sound asset-investment decisions.

Asset Performance Index (API)	
2021	2022
75.5%	77.9%

In the area of Asset Performance Index (API), SABIC's manufacturing sites have continued improvement in their manufacturing-excellence journey with a 2.4% improvement in API over 2021 (75.5% to 77.9%). The API measures our assets' current performance, reliability, and integrity against 2025 manufacturing targets, considering both lagging and leading KPIs. Progress in this regard was made despite the introduction of new maturity programs to mitigate emerging asset risks related to underground piping, concrete cylinder pipelines and coating protection. (In general, new programs have low scores when first introduced, causing a drop in the leading KPIs and API score. Nevertheless, improvement was made in other programs in 2022 to offset this drop). The stronger API equates to a 1.4% increase in plant reliability.

This year, the asset-operations-discipline program finished its second self-evaluation cycle for Saudi-based sites while commencing the first-cycle assessment for Europe and America sites. The program ensures that crucial operational components are implemented during production operations in an effort to further improve our



We create an inspiring work environment that forms the foundation of our people's competitive performance.

best-in-class standards while fostering an environment of empowerment within our manufacturing community.

SUSTAINABILITY THROUGH MANUFACTURING INNOVATION

Up-to-date technologies and technical solutions allow us to continuously fulfill sustainable practices. In 2022, we successfully designed and implemented an innovative real-time optimization technology at our olefins plants. This new solution has resulted in a significant value creation at two olefin crackers. Based on the success of this solution, a three-year program was developed to roll out this technology at the remaining crackers. The overall implementation progress of this program is at 35%.

OPERATIONS MANAGEMENT SYSTEM

During 2022, the Integrated Manufacturing Excellence Assessment (IMEA) initiative was introduced to assess the implementation of the Operations Management System (OMS) and Technical Programs. IMEA is a risk-based approach ensuring high risks are systematically identified and mitigated in operating units in all five OMS dimensions: people & organization, business performance & governance, EHSS management, ALC management, and continual improvements & quality management. The outcome is a sustainable improvement in all aspects of performance – that is, EHSS, culture, reliability, sustainability, quality, finance, etc. IMEA is now in its first cycle, and we expect to complete all SABIC manufacturing sites by the end of 2023.

WORKFORCE DEVELOPMENT

In manufacturing, we intend to practice the motto, "Be the Impact." This is evident in the efforts exerted and the results attained by all sites globally this year. Our landmark Frontline Employees Development Program (Jadeer) continued to expand in scope and content to include three additional disciplines (inspection technicians, analyzer technicians and fire technicians), with major enhancements in security and cybersecurity competencies. Simultaneously, the SABIC Engineers early Development program (SEEd) and Technical Talent Development program sustained momentum with a special focus on improving employees' experience and program structure. A new on-boarding scheme was introduced and high-profile engagements and dialogue sessions were organized between SEEd employees and the manufacturing executive vice president and affiliate presidents. The new program structure was piloted at two Saudi-based sites (Petrokemya and Saudi Kayan) to help confirm program readiness for full-scale implementation.

We maintained efforts to embed the right leadership behaviors, with all sites working to complete action plans and close the gaps identified during the global virtual assessment of critical organization behaviors (COBs) as areas that need improvement. We achieved a completion rate that exceeded this year's target of 80% as of Q3 2022. We are currently engaged in establishing a manufacturing learning center that integrates the technical talent-capability-development programs under a single unified platform. We are focusing on synergizing this initiative with a number of human-capital-development-optimization initiatives to ensure maximum value and impact.

We will continue to create a work environment that marks our human capital as the foundation of competitive performance, by inspiring and connecting them through our global networks, ensuring they are always motivated and challenged through diverse assignments, with access to excellent learning experiences and resources.

MANUFACTURING CAPITAL

CONTINUED

EHSS

Protecting EHSS is a core component of our business.

The SABIC EHSS policy aims to meet all compliance obligations while instilling a mindset that thinks beyond compliance. As EHSS and regulatory compliance is one of the pillars that the SABIC 2025 manufacturing strategy has been built on, we proactively react to the continuous international regulatory developments concerning the environmental aspect, and constantly engage with national regulators and advocate for a balanced environmental/business framework that assures business continuity without compromising our surrounding environment.

As a member of Association of International Chemical Manufacturers (AICM) in the Asia Pacific region, SABIC joined in the regular workshops and participated in different external EHSS platforms to actively learn and understand EHSS regulation trends. We also took part in similar interactions across other regions, such as Europe (CEFIC and Plastics Europe) and the United States (via ACC).

As part of our key focus area of 2022, SABIC introduced a human failure model in eSHEM reporting and investigations to provide a better understanding of the type of human failure involved in such incidents.

This year, Leadership Engagement & Visibility workshops were held reaching more than 200 leaders. Multiple Safety, Health & Environment Management (SHEM) standard training sessions were conducted for the newly circulated SHEMs. Confined space simulators were constructed and introduced to three sites to allow training of various confined space scenarios. Furthermore, the KSA Safety Network initiated a taskforce team to drive improvements on basic safety behaviors like hand safety and avoidance of Slip-Trip-Fall incidents.

In 2022, SABIC EHSS Corporate also maintained



We focus on achieving the highest levels of operational excellence at our manufacturing plants.

certification in Responsible Care® 14001:2015, which included ISO 14001 at the corporate level and certification in ISO 45001:2018 in Saudi Arabia. We were able to assure conformity with the best international EHSS standards, achieve our EHSS objectives, and meet regulatory and contractual requirements.

Over the year, 123 candidates in different regions were successfully certified in our EHSS certification program. The program includes NEBOSH Diploma, NEBOSH International General Certificate in Occupational Health and Safety, BOHS (iCertOH) certification, and NEBOSH certificate in Environmental Management. In addition, 44 subject-matter experts were trained internally on Environmental Risk Assessment at the proficient level to enhance their competencies in risk discovery methods.

Regional crisis management teams conducted 15 site-based and region-wide exercises on responding to cybersecurity attacks coordinated by SABIC's cybersecurity response team. Furthermore, we initiated the third enhancement phase for the Crisis Management Mobile Application used as a communication and announcement tool for all crisis teams globally.

GLOBAL SECURITY MANAGEMENT

SABIC has implemented an updated Security Risk Assessment (SRA) tool for small manufacturing sites. The new tool allows site security leaders to better identify threats to critical assets and implement appropriate risk response strategies. Training awareness sessions on use of the tool have been conducted in all regions.

New Security Maturity KPIs were introduced at SABIC sites this year. The KPIs indicate what audit action has been taken and specify the efficiency of the security systems. They reflect our current preparedness and functionality levels of the electronic security systems. The KPIs track the SRA recommendations to assist the leadership drive and monitor security management at SABIC manufacturing sites.

SABIC continued the development of security programs/initiatives including the development of security competency (Jadeer Site Security Program) for security guards in the MEA region.



We work to cultivate a culture that strengthens health and safety competencies and policies across our organization

GLOBAL CRISIS MANAGEMENT

Regional and local crisis management teams continue to respond to the COVID-19 pandemic, weather-related emergencies and cybersecurity threats.

Cybersecurity remains an ongoing threat to the industry and has the potential to have a major impact on manufacturing operations. SABIC is committed to developing competency in its crisis-management teams to respond to all threats, including the threat of cybersecurity attacks. This year, the regional crisis management teams conducted site-based and region-wide exercises with an emphasis on response to cybersecurity incidents. Fifteen exercises were coordinated by SABIC's cybersecurity response team. SABIC is committed to ensuring its crisis-management teams receive continuous training and crisis-management plans are updated.

SABIC initiated the third enhancement phase for the Crisis Management Mobile Application that is used as a communication and announcement tool for all crisis teams globally. Activities with IT were kicked off in Q4 2022, and the scope and blueprints were finalized, with go-live planned for Q1 2023.

PROCESS RISK MANAGEMENT

In sustaining the journey toward process-safety excellence, the global process risk management (PRM) function focused on its 2025 key strategic initiatives and improvement where needed.

PROCESS SAFETY COMPETENCY AND TRAINING DEVELOPMENT

PRM continued to build process safety competency across the entire organization by developing and offering relevant process safety qualifications and training programs throughout 2022. Incorporated within the SABIC process-safety-competency framework, each program follows the continuous improvement approach to both content and delivery. Process safety competency needs are also integrated into the OMS training matrix. We have worked to ensure continuity of key process-safety programs such as Process Safety Competency Development Program (PSCDP) for engineers, Process Hazard Analysis Leaders Qualification (PHALQ) Program and Foundations of Process Safety (FoPS) training. Further, PRM has initiated new learning interventions such as SOP-effective writing training delivered globally as well as piloted

new training delivered by SABIC resources on explosion risk assessment & protection at the workplace.

RISK DISCOVERY AND MANAGEMENT

In keeping with our 2025 EHSS strategy, we focused on sustaining the mindset of welcomed risk discovery through smart KPIs. This mindset encourages staff to not only report risks but also respond with permanent mitigation measures through SABIC Assurance for EHSS Risk (SAFER) risk management and stewardship. With the global implementation of IT enabler (eSAFER), continuous monitoring and visibility for EHSS risks have been achieved, along with active IT-enabler enhancements to facilitate stewardship for EHSS risks.

As explosive dusts handling is a common process at several sites, a Dust Hazard Analysis (DHA) task was piloted in the MEA region along with training at sites that handle explosive dusts. DHA aims to ensure adequate understanding and assessment in handling explosive dusts to avoid dust-related explosions and fires.

In line with the continuous monitoring of incidents, PRM has developed a Loss of Primary Containment (LOPC) evaluation tool (incorporated in SABIC OMS) to support consistent classification of process-safety events and drive informed decisions helping SABIC strive for learning and continuous improvement.

In addition to sustaining effective process-safety networking globally, PRM has expanded SABIC's impact in the region through sponsoring regional process-safety conferences as well as active participation in the Gulf Petrochemicals and Chemicals Association's newly formed process-safety network reflecting SABIC's responsible-care outlook.

EMERGENCY PREPAREDNESS AND RESPONSE CAPABILITIES

SABIC Emergency Response and Fire Protection focused its efforts on monitoring emergency response KPIs to improve our readiness for emergencies and the effectiveness of our response. In addition, we developed and arranged required competency programs and trainings for the emergency response team such as NFPA 1072-HAZMAT and Certified Fire Professional Specialist.



We monitor our emergency response KPIs to improve our readiness for emergencies

SOCIAL AND RELATIONSHIP CAPITAL

SABIC has a strong culture of community giving and volunteerism that complements the concepts of environmental and social responsibility integrated into our core business. This culture, nurtured across SABIC's 46-year history, inspires our investments in corporate social responsibility (CSR) programs that create lasting, positive impacts throughout our global communities.

SABIC GLOBAL CSR STRATEGY AND FOCUS AREAS CONTRIBUTE TO SAUDI VISION 2030 AND UN SDGS



Our global CSR strategic tool, RAISE, guides our approach to charitable donations, sponsorships, partnerships and employee-volunteer programs. SABIC's four priority focus areas allow us to direct our efforts towards addressing global mega-trends, including impacts from climate change, trends in urbanization and consumerism, and advances in economics and technology. We assess the impact and effectiveness of our programs through the Social Return on Investment (SROI) Model.



Our Global Corporate Social Responsibility activities address specific community needs in each country.

Across the year, we invested more than US\$ 28.9 million in 124 global CSR programs, reaching over 160,000 people in 20 countries. We also engaged in several global and regional platforms totaling US\$ 26.0 million investment with various stakeholders for partnerships in business growth and sustainability solutions toward people's prosperity and goodwill.



SCIENCE & TECHNOLOGY EDUCATION

We aim to foster innovation and quality education and create career pathways for youth in STEM fields. Our primary operating model is through partnerships with charities, non-governmental organizations (NGOs), schools, and communities and other stakeholders for a collaborative approach.

SABIC's Global Initiative for Education and Innovation continued once again this year; we partnered with Junior Achievement Worldwide and INJAZ Saudia to deliver impactful, hands-on, immersive learning benefitting 63,434 students in 12 countries - Argentina, Egypt, India, Mexico, Singapore, South Africa, Saudi Arabia, South Korea, Spain, UAE, USA and Vietnam. This initiative brings real-life case studies into the classrooms and cultivates critical thinking and teamwork through experimental learning. Among the programs offered was "How to be a leader in my community" urging students to think critically and ethically while taking ownership of life decisions. "Lights of Our Future" aims to inspire students' creativity and innovation in environmental preservation and tackling waste management. Meanwhile, "Connected with Tomorrow" offered students career perspectives and information on what behavioral skills are important for the job market.

Our second major initiative under Science & Technology Education is SABIC Global Back to School Initiative involving work with governments,

NGOs, schools and communities across the world to help students succeed in their education. The initiative reached students in eight countries this year - Argentina, Brazil, USA, UK, China, Netherlands, Spain and Saudi Arabia. In Saudi Arabia, in collaboration with the Ministry of Education and Takaful Foundation, programs offered included after-school tutoring, workshops in artificial intelligence and robotics, in addition to backpacks for 60,000 disadvantaged students.

SABIC supported the World Robot Olympiad 2022 in partnership with the Saudi Wireless Sports and Robot Federation, which brought together over 100,000 participants from more than 73 countries. The Saudi Arabia team achieved 1st place in the Olympiad. SABIC also partnered with Mawhiba to sponsor the 2022 Saudi science and engineering team that won 22 awards at the International Science and Engineering Fair (ISEF) 2022 held in Atlanta, USA.

We inaugurated the SABIC Life Gallery project at King Salman Science Oasis in Riyadh to provide an exceptional educational experience to visitors. Our Life Gallery project contains a variety of edutainment activities providing an exceptional experience to visitors about our planet, from the beginning of human life to the current time through a tour full of

SOCIAL AND RELATIONSHIP CAPITAL

CONTINUED

surprises and suspense.

Over 700 students participated in the SABIC Summer Innovation Program 2022, in partnership with Takaful Foundation, held in Riyadh, Jubail, Yanbu and Abha. The three-week program focused on concepts and practices in sustainability. SABIC also sponsored a Technical Camp for orphans in partnership with Bena Orphanage Care Association benefitting 120 students involving activities aiming to help build a culture of scientific curiosity among Saudi youth.

We helped support underdeveloped primary schools in China, where employees and their families provided young students in remote areas with personalized shoes, school bags and other school supplies to support their learning and growth. In Tortuguitas, Argentina, SABIC volunteers provided 200 backpacks to students in two local elementary schools. Meanwhile in Campinas, Brazil, SABIC partnered with Grupo Primavera Institute to provide 145 backpacks and school supplies to underprivileged students.

In Cartagena, Spain, SABIC employees were assigned as mentors to guide university students through the final project of their studies, motivating them toward engineering research and innovation. Meanwhile, younger students in La Aljorra were provided with tablets to assist them in accessing educational content through online platforms.

HEALTH & WELLNESS

SABIC aims to promote a broad, holistic concept of wellbeing in the communities in which we work and in society at large. We do so through two complementary initiatives: the SABIC Global Health Initiative and the SABIC Global Social Initiative. That our efforts are organized under these two initiatives is a recognition that health and wellness require both social and medical interventions. In 2022 our programs in Health & Wellness reached 10 countries – the US, Argentina, KSA, Somalia, Pakistan, China, Vietnam, the UK, the Netherlands and Spain.

We established the Madinah Autism Center in Saudi Arabia, with a capacity of 500. It offers vocational rehabilitation and treatment plans, research opportunities, training, and societal awareness of autism. SABIC also invested SAR 3 million into Jazan Autism Center for detecting autism early, aiming to reach over 570 beneficiaries annually in the region.

On World Blood Donor Day, we organized blood donation programs in Jubail, Yanbu, and Riyadh where 315 staff members donated blood. Furthermore in Houston, the US, for the second year, SABIC continued its relationship with the Gulf Coast Regional Center for SABIC employees to donate blood.

At the community level, we encourage the importance of maintaining an active lifestyle in the digital age. Given that health is one of the main pillars of our social responsibility strategy, we sponsored the Riyadh Marathon 2022 to motivate members of society to participate. Around 10,000 contestants participated in the 42-kilometer run, with 200 runners being SABIC employees. In the US, 50 SABIC employees participated in the Houston Marathon weekend. In the UK, 40 SABIC Teesside employees partook in the Headlight Charity Walk to raise funds for the Russ Devereux Foundation, a local mental health charity.



SABIC's CEO brings cheer to patients when he visited hospitals in Saudi Arabia during Eid celebrations.

We believe that a key element in promoting healthy behaviors is raising awareness and making available the necessary facilities for tackling the situation. To this effect, we launched five breast cancer screening clinics in Saudi Arabia, in collaboration with Zahara Association and the Ministry of Health. We also partnered with the University of Texas MD Anderson Cancer Center to create awareness about breast cancer, providing mobile mammograms to serve SABIC employees, their families, and other tenants at CityWest, Houston.

In China, SABIC worked with the Shanghai Charity Federation to donate material support such as facial masks and personal protective equipment during COVID-19 quarantine for those in cabin hospitals. Meanwhile in Saudi Arabia, we continued support of our medical insurance program with a two-year partnership with Kanaf association to enhance health conditions of 3,000 underprivileged people.

In 2022, SABIC's Global Social Initiative included several programs around the world as part of our CSR strategy to help the communities in which we operate.

SABIC employees continued to demonstrate their strong commitment to societal needs, such as in Spain where we partnered with local NGOs to support the underprivileged with food collection and blanket campaigns. We also worked with Vietnam Red Cross to donate US\$20,000 in family food parcels.

In Saudi Arabia, we partnered with SABIC Employees Charity Fund (Berr) to provide 4,000 winter clothes for beneficiaries of charitable associations. SABIC employee volunteers also worked with NGOs in Argentina to donate warm clothes and blankets for the disadvantaged during the winter season. Employees also volunteered to prepare food baskets at our Riyadh headquarters for families in need as part of an initiative that ensures 18,000 families annually in the Kingdom receive our food baskets. In the US, SABIC volunteers sorted and packed 11,772 pounds of food for families in Houston.

ENVIRONMENTAL PROTECTION

Participating in cleanup activities provides opportunities for SABIC employees to connect with each other and the wider communities, and is a good example of how our CSR activities complement the sustainability concepts inherent in our core business. Addressing climate change and plastic pollution require coordinated international and inter/intra-industry efforts. While smaller scale, local clean-up activities provide opportunities to build awareness and demonstrate that personal participation can make a difference. Our Global Environmental Protection Initiative reached seven countries in 2022 – India, Singapore, Indonesia, China, Thailand, Spain and the US.

We partnered with the Houston Wilderness Tree Planting for the second consecutive year for a large-scale native tree-planting activity to increase water absorption and erosion control to help with the area's flooding problems. We conducted a Circular Economy program in Spain in collaboration with the UPCT University focused on reducing marine litter, during which we held workshops and environmental awareness sessions targeting high school students.

In commemoration of World Environment Day 2022, we organized a community cleanup activity in Guangzhou and Chongqing, China, for the second year. The coastal cleanup was held to emphasize to our employees the responsibility we have as a company towards conserving and keeping the water areas clean for the community to enjoy. SABIC also held World Environment Day cleanup activities in Indonesia, Thailand, Singapore and India, cultivating a culture of responsible waste management as part of our commitment in the community. In Houston, SABIC supported Trash Bash, the largest single-day waterway cleanup in Texas.



Employee volunteers participate in coastal cleaning in Chongqing and Guangzhou, China

WATER & SUSTAINABLE AGRICULTURE

Water and sustainable agriculture are increasingly vital due to their collective impact on our daily lives, from ending hunger to achieving food security and improving nutrition. We support farmers through sharing ideas and experiences on effective farming practices, crop productivity, quality and variety. To this end we sponsored three agricultural events in Saudi Arabia in 2022; The Coffee Bean Al Dayer Festival in Jazan region, the Al-Hariq Citrus Festival in Al-Hariq, the Olive Festival in Al-Jouf, and Date Festivals in Buraidah and Unaizah.

In South Africa, we continued our support of the Igardi activity which aims to utilize community waste as a resource to enhance food security and self sufficiency. This school program supports schools in building, planting and maintaining their own food gardens as well as setting up easy steps to evaluate and utilize local waste to benefit the community. Meanwhile in Kenya, in response to the community facing challenges with access to storage of clean water, SABIC provided fifty 2,000-liter plastic water tank to help the community harvest and store rain water.



Our Igardi activity aims to leverage community waste into sustainable agriculture

LOOKING FORWARD

We have planned a variety of projects for the coming years spanning the environment, health and education.

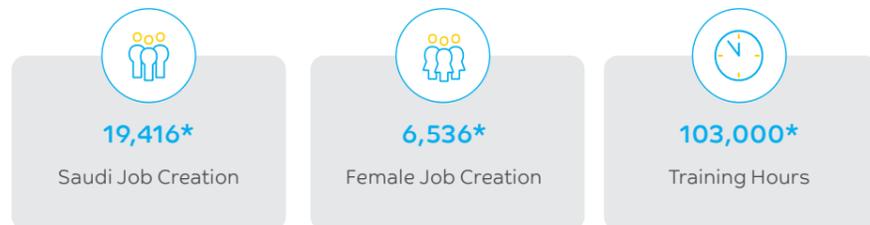
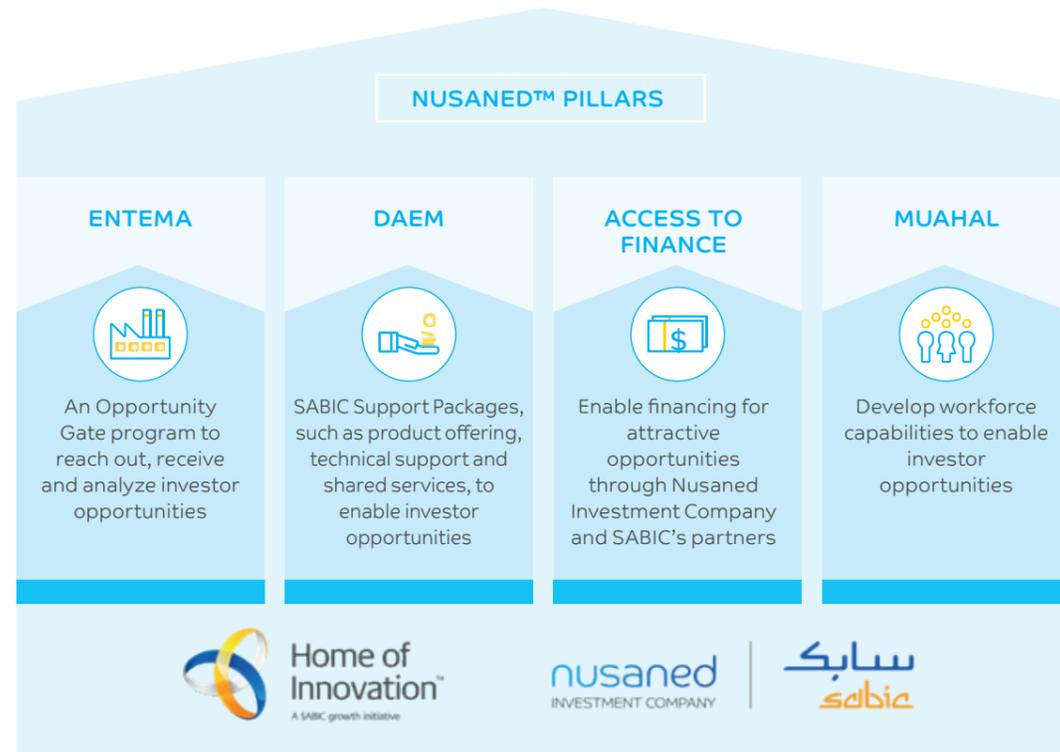
The SABIC Mental Health Hospital will be opened in 2023 in collaboration with the Ministry of Health, reflecting our commitment to supporting mental health. As part of this initiative, we plan to conduct community-awareness sessions and programs, provide therapy, create education and research opportunities, and develop a care model to deliver personalized patient care.

The MADAC Academy, another initiative slated for 2023, aims to build a world-class educational complex with equal emphasis on education and cultural values. The center, a SAR 20 million initiative, specializes in providing interactive education for young people, encouraging them to understand the historical, cultural, and scientific aspects of civilization and to develop intellectual curiosity.

SOCIAL AND RELATIONSHIP CAPITAL CONTINUED

TOWARD SAUDI VISION 2030

We are committed to the ambitious goals of Saudi Vision 2030 through NUSANED™, our pioneering local-content initiative designed to strengthen the local manufacturing base, diversify the national economy and create jobs. NUSANED™ brings together the public and private sectors in an effort to help small and medium sized enterprises (SMEs) get started, and enable more established SMEs grow and scale. Ultimately, NUSANED™ aims to reduce dependency on foreign imports by helping local businesses grow and thrive.



NUSANED™ provides opportunities for investors, especially young people and entrepreneurs, who wish to develop their businesses in innovative and leading industrial sectors. It further aims at raising the level of localization of industrial technologies, creating new jobs and increasing the volume of Saudi exports.



Creating jobs for women is one of the key goals of the NUSANED™ initiative.

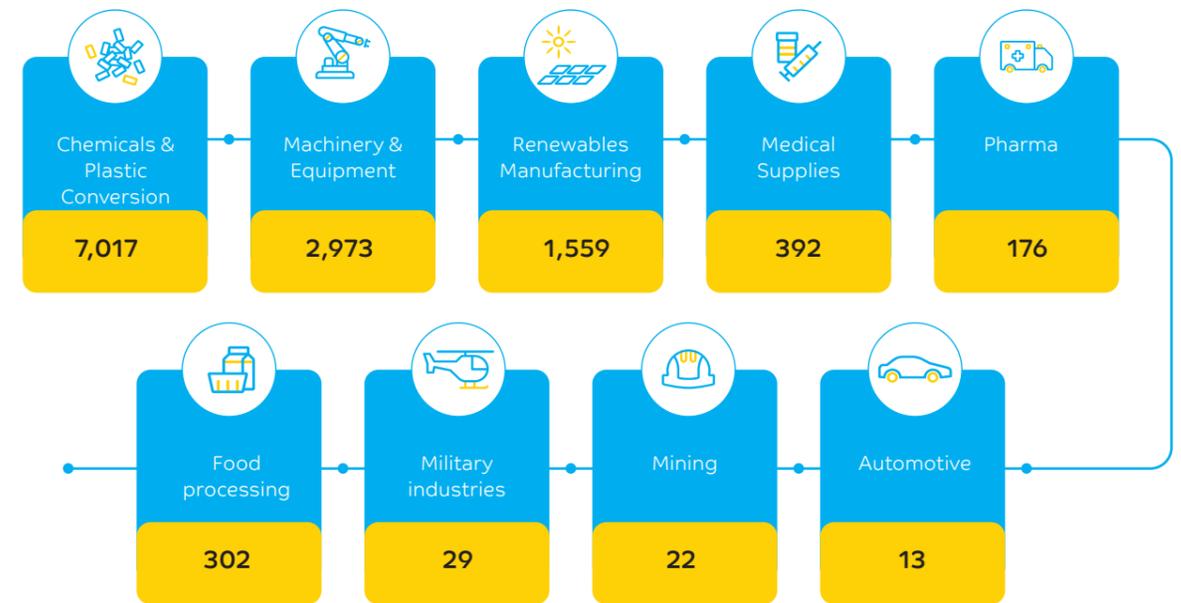
In 2022, the initiative continued to capitalize on strategic partnerships that enable, support and facilitate industrial investments, while developing skillsets and employment options that can bolster the Saudi local industry and overall national progress. Over the year, 51 investors graduated, which is the highest-ever since the establishment of the initiative.

With the aim of increasing women's participation and advancement in the labor market, our ExSABIC program provides on-the-job training at SABIC sites and affiliates in Saudi Arabia for women working in several national companies. The six-month training covers areas such as human resources, finance, information technology, technology and innovation, procurement, supply chain and local content. The fourth batch of ExSABIC started training in September 2022.

Moreover, the Nusaned Investment Company established its second fund, Nusaned Fund II, with SAR 750 million managed by SNB Capital.

We also reached out to Saudi manufacturers in our supply chain who can produce goods SABIC is currently importing in high volumes from international suppliers. These are goods SABIC believes can be manufactured in Saudi Arabia by Saudi SMEs if they get the relevant support.

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



*Since inception of NUSANED™ in 2018

SUPPLY CHAIN

SABIC continued to leverage its global footprint and network capabilities, striving to advance resilience that upholds its competitiveness and increases customer experience in an increasingly volatile environment.

This year, the lingering COVID-19 pandemic and emerging geopolitical events have affected the global supply chain in various ways. The global shipping industry had to handle disruptions such as logistics service interruptions, decline in schedule reliability and volatile freight-rate levels. Sustaining healthy inventory levels, securing capacity and balancing customer-service levels with cost effectiveness were key aspirations for our supply chain.

Thanks to its ambitions of building a resilient network, SABIC successfully maintained its service levels to serve its customers in over 130 countries. Through the launch of the global optimization program spanning all areas of the supply chain, we leveraged our collaboration with logistics service partners and used economies of scale to sustain transportation and storage cost at competitive levels and successfully deliver 32 million metric tons of product globally.

Our global supply-chain operating model and customer-centric mindset enabled us to avoid curtailments due to the pandemic.

To combat low-schedule reliability of vessels and sustain competitive customer service levels, we inaugurated a global optimization program spanning all areas of supply chain, aiming to optimize our global network performance. Our collaboration with logistics-service partners, combined with attentive consolidation of our flows, has helped in maintaining a high level of reliability, agility and efficiencies delivering our products globally.

To further improve our Sales & Operations Planning effectiveness and value focus, drive working capital optimization and increase agility, we amplified the role of exception handling through firm criteria and governance. This helped us to be agile in our decision-making, manage disruptions, and maneuver our product flows to higher margin regions.

OPTIMIZATION AND EFFICIENCY

We capitalized on our network capabilities to optimize service levels for our customers, adopting a diversified sourcing strategy and closely collaborating with over 500 logistics service providers worldwide to secure shipping capacity and sustain cost competitiveness. In the era of localized markets and increasing competitiveness, SABIC struck partnerships and invested in collaborations, diversifying the supply base to reduce supply-side risk and take advantage of globalization efficiencies.

SABIC is aiming to leverage the rail network within Saudi Arabia and thus diversify the network-reach accessibility. Connecting the rail to our infrastructure will take us to the next level and drastically empower our logistics systems in terms of consolidating container flows and export from other ports. Rail will enable our network to connect the product flows in a more environmentally friendly manner, with reduced carbon emissions.

Digitalization is essential for deriving more end-to-end visibility and predictability, extracting actionable insights, and elevating customer experience. We continued our digital journey through our Corporate Digitization Program that covers multiple domains such as supply chain, manufacturing, market and sales, procurement,



We successfully maintained our supply-chain service levels to serve our customers



We have maintained a high level of reliability, agility and efficiencies delivering our products globally

and product innovation.

We recognize that capable people and collaboration are instrumental in cultivating a dynamic organization. To this effect, we formed cross-regional and cross-functional teams to work together on a set of transformational programs (each with its own underlying governance and reporting structure) to advance network capabilities, transform sourcing strategies, and grow business.

The global supply chain is key to SABIC's ESG governance model and Scope 3 partner engagement. This year, we continued our progress to reduce carbon emissions, in close collaboration with authorities, regulators and service providers. We use our carbon-footprint model to trace the emissions down to individual shipments and engage with our suppliers on how to make the transportation of goods more eco-friendly. Optimizing our packaging and payload, experimenting with eco-friendly technologies such as e-trucks, playing a leading role in Operation Clean Sweep and promoting the use of eco-friendly ships are some examples of our sustainability efforts.

DIGITAL INITIATIVES

This year, SABIC implemented more digital initiatives into its process, as digitization continues to play an integral role in enabling faster and better operations. These initiatives include:

- Implementation of touchless orders to automate repetitive activities and improve work efficiency through seamless operations in the field of Order Management, Order Fulfilment, Documentation and Reporting.
- Continuous efforts deploying robotics process-automation solutions to streamline order-to-cash work processes and increase efficiency. Scalable solutions have been developed by the broader supply-chain community to automate redundant data-entry activities and business transactions.
- The success of the Track & Trace pilot demonstrates a visibility solution that allows us to proactively respond to customers and enhance

work efficiency. As a result, we have started working toward implementing it globally.

- Successfully completing the preparation phase of the AI-powered S&OP initiative, as part of our Corporate Digitalization Program, laying the foundation for better business decision-making, speed and anticipation of changes.
- Initiating the development phase of a new digital-operations platform that transforms our system landscape into a real-time connected business to complement the Corporate Digitalization Program and advance the user and customer experience.

NETWORK AND PLANNING OPTIMIZATION

SABIC achieved a major milestone in taking the lead in marketing and selling numerous Saudi Aramco affiliate's petrochemical products. SABIC's collaboration with Saudi Aramco and advanced integration of processes, systems and operations across the supply chain further created value for our customers.

Upscaling the high-sea model, a means of floating inventory, continued to deliver tangible benefits across the supply chain this year as high-seas delivery was deployed to transport products to further destinations and customers.

OUTLOOK

Supply-chain disruptions continue to be the norm. This year has increasingly proven that static operating models no longer work. We will continue executing our strategy, proactively responding to market challenges while amplifying network resilience by diversifying the supply chain.

This includes leveraging the right capabilities with efficiency upturn and dynamism in the organization, reacting to challenges via a strong set of leadership skills combined with scalable situation management. It also means proactively responding to market challenges and disruptions to uphold business continuity at any given time.

We will continue leveraging our partnerships and collaborative investments to sustain our position in the era of New Norms and increasing competitive intensity. In this way, we will continue elevating our global network resilience to accommodate growth and manage sustainability developments while maintaining a strong focus on EHSS.

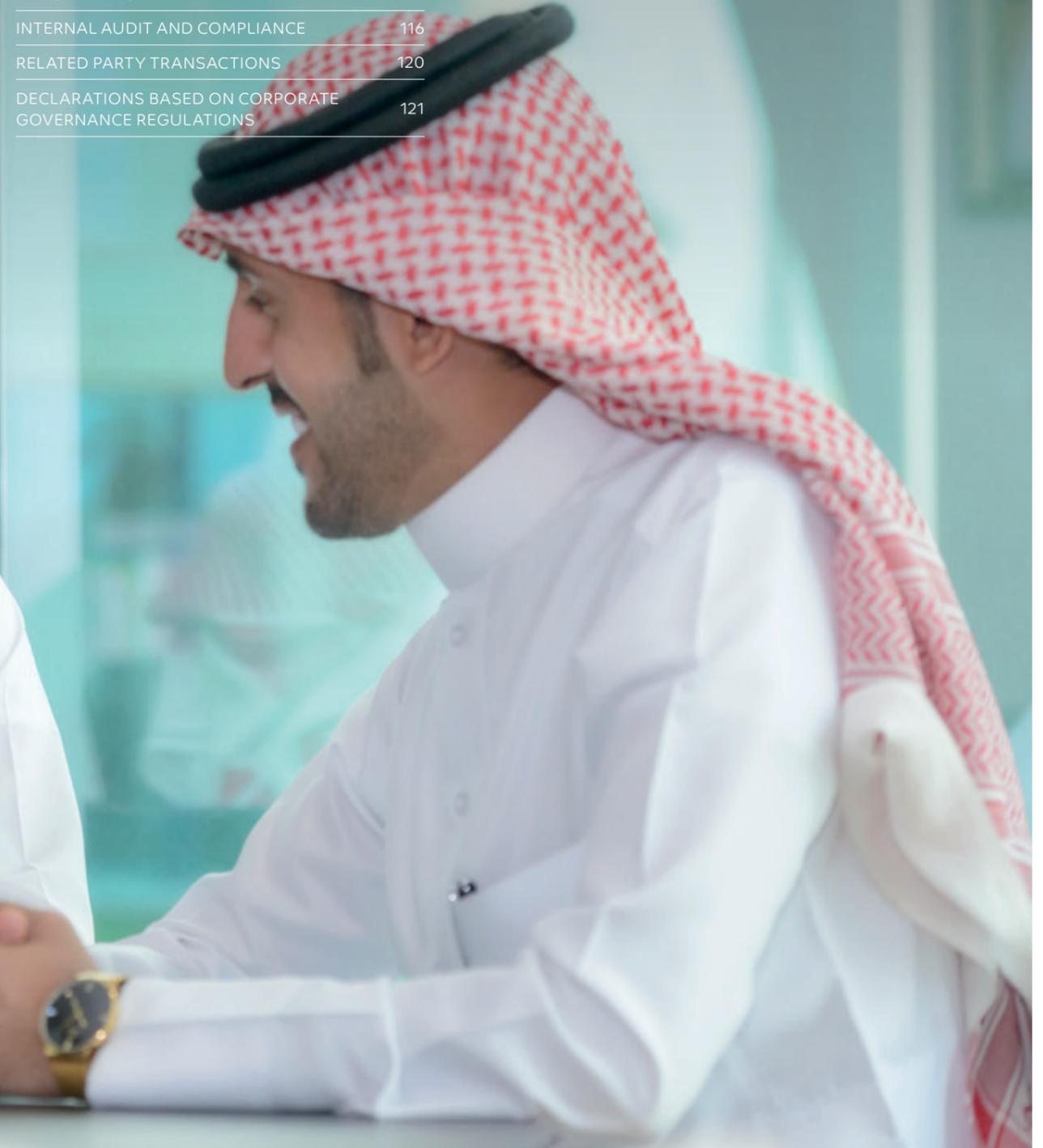
Digitalization is crucial to SABIC's future supply-chain plans. We envision further enhancements by unlocking digital transformation to drive better supply-demand visibility and manage operational risk. This feeds into our plans to introduce a new operating model that improves service levels, lead times and cost effectiveness.

As the world transitions toward a more circular economy, we believe it is vital to move to greener supply chain, proactively engaging with authorities, regulators, and service providers. We aim to further achieve significant carbon-emission reductions to reach our sustainability goals.

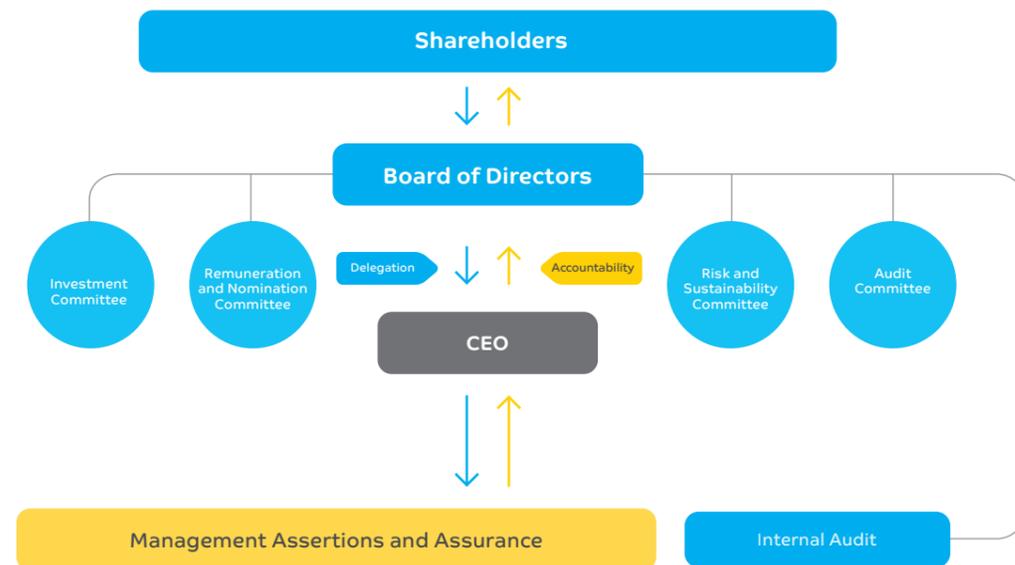
CORPORATE GOVERNANCE



GOVERNANCE FRAMEWORK	70
SHAREHOLDERS	71
SABIC BOARD	75
BIOGRAPHIES OF BOARD AND COMMITTEE MEMBERS	80
BOARD MEETINGS	96
BOARD COMMITTEES	100
EXECUTIVE MANAGEMENT	103
BIOGRAPHIES OF MANAGEMENT MEMBERS	104
REMUNERATION	111
INTERNAL AUDIT AND COMPLIANCE	116
RELATED PARTY TRANSACTIONS	120
DECLARATIONS BASED ON CORPORATE GOVERNANCE REGULATIONS	121



SABIC GOVERNANCE FRAMEWORK – KEY ENABLER FOR SUSTAINABLE STRATEGY



CORPORATE GOVERNANCE STRUCTURE

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

Our Corporate governance goes beyond meeting compliance requirements. SABIC has developed its own corporate governance framework (the 'Framework'), as shown in the diagram above, which sets out roles, responsibilities, methods of decision making and accountability in line with the Board approved delegation policy. It also includes the main governance bodies of the Company, and clarifies how they interrelate, integrate, and coordinate their activities.

SABIC robust corporate governance arrangements are aligned with applicable laws and regulations issued by the regulators including the Capital Market Authority (CMA) as well as the relevant international best practices.

The Framework is further supported by a comprehensive range of policies, guidelines and procedures to ensure that the business is conducted ethically and managed with effective oversight and control by the Board. The Framework also embodies the shareholders' rights and mechanisms for them to exercise such rights fairly and in accordance with the relevant regulations and global best practices. This includes enhancing communication with stakeholders and providing effective tools for such communication.

SABIC believes that governance, through its Framework and its governance bodies, is a key enabler towards achieving its goals, promoting accountability and transparency, enhancing its ability to sustain and maintaining strategic relationships with the various stakeholders.

SHAREHOLDERS

OWNERSHIP STRUCTURE

SABIC was established by the Government of Saudi Arabia as a 100% state-owned company. SABIC's shares were listed on the Saudi Stock Exchange in 1984, at which time the Government divested 30% of its shareholding in SABIC. On March 27, 2019 (corresponding to 20 Rajab 1440H), the Public Investment Fund (PIF) and Saudi Aramco signed a share purchase agreement, pursuant to which Saudi Aramco acquired all of the Government stake in SABIC. The transaction was completed on June 16, 2020 (corresponding to 24 Shawwal 1441H).

As of 31 December 2021, SABIC had issued and paid up share capital of SAR 30,000,000,000 consisting of 3,000,000,000 shares of SAR 10 Par value per share. The following entities hold more than 5% of SABIC's issued shares:

Name	No. of shares	Percentage of ownership
Aramco Chemical Company	2,100,000,000	70%

The remaining SABIC shares are floating in the Saudi Stock Exchange and owned by other investors, including certain institutions and private investors. Certain shares are also held by SABIC's Board of Directors and Senior Executives. Other than the Aramco Chemical Company and General Organization for Social Insurance, SABIC is not aware of any shareholder that, directly or indirectly, owns or could exercise control over SABIC. In addition, SABIC has not been informed by persons (other than the Board, Senior Executives and their relatives) who owns SABIC shares, for their holdings, together with any change to such interests during 2022.

DESCRIPTION OF DIVIDEND POLICY

Dividend is subject to realized net income and free cash flow during the year and according to Article (42) of the Company Bylaws, which reads as follows:

- Annually, the Corporation shall set aside ten percent (10%) of the net profits to form the statutory reserve. The Ordinary General Assembly may decide to stop such set-aside whenever the said reserve amounts to thirty percent (30%) of the capital of the Corporation. If in any year, the reserve falls below thirty percent (30%) of the capital, the Corporation shall again set aside until the reserve amounts to thirty percent (30%) of the capital. The Ordinary General Assembly has the authority to decide other kinds of reserves.
- After deducting the statutory reserve and any other reserve that may be decided by the Ordinary General Assembly, an amount representing no less than five 5% of Corporation's paid up capital shall be distributed from the annual net profits of the Corporation.

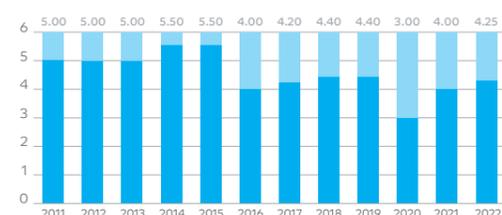
The Corporation may distribute interim profits to its shareholder on half year or quarterly basis, in accordance with the regulations issued by the CMA.

Note that the Board of Directors had decided to distribute cash dividends to shareholders for 2022 as follows:

Dividends cycle	Dividend per share	Percentage of distribution to share nominal value	No. of shares	Total distributed dividends	Date of eligibility	Distribution date
Second half of 2021	SAR 2.25	22.5%	3 billion	SAR 6.75 billion	10th April 2022	25th April 2022
First half of 2022	SAR 2.25	22.5%	3 billion	SAR 6.75 billion	11th September 2022	2nd October 2022
Second half of 2022	SAR 2	20%	3 billion	SAR 6 billion	13th March 2023	2nd April 2023

SHAREHOLDERS CONTINUED

DIVIDEND PER SHARE FOR THE LAST 10 YEARS (SAR)



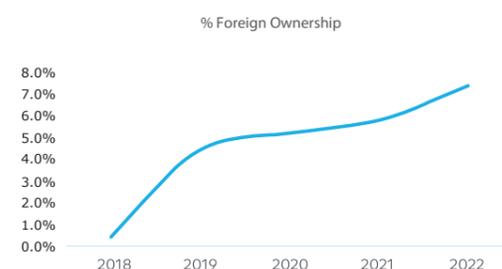
SABIC IN CAPITAL MARKETS

We went public in 1984 by being listed in the Saudi Stock Exchange. At that time, the shareholder base was restricted to Saudi Arabia and other citizens in the Gulf Cooperation Council countries.

In recent years, international investment into Saudi Arabia has risen significantly. 2018 marked a major turning point for the nation as it continued its advancement and drive toward Saudi Vision 2030: global financial market indices reclassified the nation from Frontier Market to Emerging Market.

This was accompanied by a wave of interest from the international investment community toward listed companies on the Saudi Stock Exchange, including SABIC.

From having a foreign investor base well below 1% in 2018, the year closed nearly around 7.4% foreign ownership, with a mix of active and passive funds.



SABIC SHARE PERFORMANCE

Despite a very strong start of the year, reaching a record high of 139 SAR on 7 March, SABIC shares lost 22.9% during 2022 (14.4% gain in 2021). This compares with a performance of -7.1% on the Tadawul All Shares Index (TASI) and the -8.8% of the Dow Jones Industrial Average (DJIA) index.

With a market capitalization of SR 268.2 bln or USD\$71.5bln at 31 December 2022, SABIC weights 2.72% of TASI. SABIC accounts for 38.82% of the market capitalization of all the Saudi-listed companies within the Materials sector.

SABIC's stock was also the fourth most actively traded stock during the year in terms of value, with SAR 66.67 billion (US\$ 25.23 billion).

SABIC's share price opened the year at SAR 116.00 and it traded broadly in line with TASI until the beginning of April. The first half of the year was characterized by a strong demand and certain pricing power that uphold our prices to cover for increased inflationary cost.

The remaining of the year reflected the decline in demand and in our prices and the expectation of moderation of margins and outlook. Our share price at the end of the year closed at SAR 89.40. The combination of high energy cost, inflationary headwinds and weak markets has threaten our margins and profitability. As we look now to 2023, the business and market conditions remain very tough and uncertain.

Five-year overview and dividend	2018	2019	2020	2021	2022
Number of registered shares issued (M)	3,000	3,000	3,000	3,000	3,000
Number of registered shares eligible for dividend (M)	3,000	3,000	3,000	3,000	3,000
Share Price at the end of the year (SAR)	116.2	93.9	101.4	116.0	89.4
High of the year (SAR)	130.4	127.4	101.8	135.2	139.0
Low of the year (SAR)	101.0	86.3	62.0	98.7	79.9
Annualized volatility	20.4%	20.3%	34.2%	20.5%	23.2%
Market capitalization at year-end (SARMM)	348.6	281.7	304.2	348.0	268.2%
Market capitalization at year-end (USDMM)	93.0	75.1	81.1	92.8	71.5
Distribution per share (SAR)	4.4	4.4	3	4	4.25

SABIC DIVIDEND AND CAPITAL ALLOCATION

Our financial performance was very strong during the first half of 2022 and has been impacted by the downtrend of the economy of the world, mostly driven by the energy prices.

Our global business model, supply chain and focus on asset reliability, continued to be our key strengths during last year. This provides a platform for growth and shareholder returns by generating a sustainable free cash flow throughout the cycle.

There was also a strong focus on capital discipline similar to 2021, which helped to support higher dividends and position SABIC well for future growth opportunities.

Distributing competitive dividends to our shareholders remained a key priority for SABIC in 2022. We declared cash dividends of SAR 4.25 per share to shareholders in 2022. This was 6.25%

higher than the previous year.

SABIC's capital allocation framework endorsed by our Board is to prioritize our adjusted Free cash flow 1) To support a stable to growing dividend and 2) To Fund Strategic Growth,...while ensuring we maintain a Strong Balance Sheet at all times.

This framework enforces strong capital discipline.

BEST INVESTOR RELATIONS PROGRAM IN 2022

We were honoured with the Best Investor Relations Program Award 2022 at the Saudi Capital Market Forum, demonstrating the company's continued focus on building a best in class IR organization and our strong commitment to meet the Capital Market Authority's disclosure requirements.

STRONG ENGAGEMENT WITH INVESTMENT COMMUNITY

We continue to have a world-class engagement with all participants of the capital markets with continuous and open communications, including institutional, retail investors and analysts. The pandemic continued to enforce social distance mostly throughout the first half of the year, especially on international travelling, keeping the majority of the events virtual.

To that effect, the Ordinary Annual General Meeting was held virtual for the third consecutive year to allow all shareholders to participate and exercise e-voting, an action that proved very successful with 82.23% shareholder participation.

Over the course of the year, we held more than 40 engagements reaching over 800 investors and analysts, while participating in regional, emerging and international chemicals conferences.

In addition to the continuous dialogue with socially responsible investors, we participated and supported several ESG focused webinars, roundtables and conferences, some of which are listed below:

- FII Regional Summit: Inclusive ESG For Emerging Markets
- Euromoney Sustainable Capital Markets Forum (ING)
- FII Summit: Inclusive ESG champions panel discussion
- ESG Investment Europe 2022, Reuters Events

The Investor Relations function is comprised of experienced professionals with a variety of backgrounds covering engineering, finance, banking, treasury, together with extensive business acumen. Most of the team is certified with CIRO certification (Certified Investor Relations Officer), including our listed affiliates, as well as, IFSAH certification.

The function is headed by the Investor Relations Officer who, in turn, is the Secretary of SABIC's Board of Directors. In addition, since early 2020, we have a dedicated team within Investor

Relations to address ESG communications and disclosures.

We provide a wide range of information online through our website and shareholders can reach the IR team directly by email at IR@SABIC.COM and by telephone +966112258000. In 2022, we established a dedicated Investor Relations Call Center to serve shareholder inquiries and increase shareholder satisfaction. Investors can now reach the Call Center through SABIC's page in the Saudi Exchange.

We also post all relevant presentations of our quarterly calls in our website.

SABIC INVESTOR DAY

SABIC organized the first ever Investor Day to engage with the global investor community, a two-day hybrid event in Riyadh and Jubail. During the event, SABIC leaders presented our growth strategy and performance, and highlighted our carbon neutrality, circularity and sustainability initiatives.

Attendees were also provided access to some of the SABIC's facilities around Riyadh, including the SABIC Global Headquarters, the SABIC Plastic Applications Development Center (SPADC) and SABIC's Home of Innovation.

On the second day of the event, attendees had the opportunity to meet with the leaders of SABIC's listed affiliates and visit SABIC's Jubail operations, which included a tour to the Carbon Capture and Purification Unit in SABIC's United plant. Built in 2015, it is the largest facility of its kind in the world.

Further information on the 2022 Investor Day is available online.

BEST-IN-CLASS DISCLOSURES

Our focus to continuously enhance our disclosures has been recognized by the Middle East Investor Relations Association (MEIRA) receiving a 3rd place of best 2021 Digital Integrated Report of Large Caps in the MENA region.

We have been issuing a dedicated Sustainability report since 2011. It has substantially been evolving over the years to include broader Environmental, Social and Governance (ESG) disclosures.

ESG disclosures have been embedded into the Earnings publications from the outset, acknowledging the need from investors to also understand the ESG performance and outlook.

SHAREHOLDERS

CONTINUED

SABIC DEBT CAPITAL MARKETS

Our net debt to EBITDA of (-0.36) reflects a strong net cash position at the end of the year of about SAR 13.92 bln.

The Investor Relations team and the Treasury team also maintained regular communication with the debt investor community and credit rating agencies.

We collaborated on the creation of the first fixed income guide from MEIRA for investor professionals "Guide for Best Practice Debt IR", sharing SABIC's best practices with debt investors.

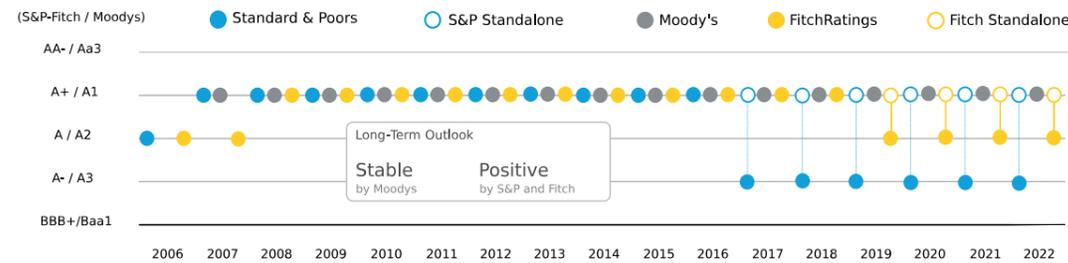
OVERVIEW OF SABIC'S MAIN BONDS

ISIN Code	XS1890684688	XS1890684761	XS2228112954	XS2228113762
Coupon	4%	4.50%	2.15%	3%
Issuer	SABIC Capital II BV	SABIC Capital II BV	SABIC Capital II BV	SABIC Capital II BV
Format	144A/RegS Senior Unsecured	144A/RegS Senior Unsecured	RegS Senior Unsecured	RegS Senior Unsecured
Volume	USD\$ 1 bln	USD\$ 1 bln	USD\$ 500 mln	USD\$ 500 mln
Term	2018/2023	2018/2028	2020/2030	2020/2050
Listing	Ireland	Ireland	Ireland	Ireland

SABIC CREDIT RATINGS

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

decade versus some of our peers. Both Standard and Poors and FitchRatings revised SABIC's outlook in April and May 2022 respectively.



SABIC – A SUSTAINABLE INVESTMENT

The SABIC share is attractive for investors focusing on companies with a strong ESG performance.

SABIC's ESG efforts were recognized for two consecutive years when we received the Best ESG Award at the Saudi Capital Markets Forum.

Leading ESG rating agencies consider SABIC best in class on ESG within the chemical industry and the

region. Their ratings particularly recognize SABIC's strong corporate governance, and the comprehensive measures to address relevant sustainability issues.

We actively participate in a large number of ESG ratings, and is listed in several sustainability indices.

In June 2022 we became a constituent of the FTSE4Good index series.

NUMBER OF THE COMPANY'S APPLICATIONS FOR THE REGISTER OF SHAREHOLDERS AND THE DATES AND RATIONAL OF SUCH APPLICATIONS

No.	Application Date	Application Rational
1	January 4, 2022	Shareholder Data Analysis
2	April 10, 2022	AGM
3	April 12, 2022	Dividends Entitlement
4	May 25, 2022	Shareholder Data Analysis
5	May 31, 2022	Shareholder Data Analysis
6	June 1, 2022	Shareholder Data Analysis
7	June 2, 2022	Shareholder Data Analysis
8	August 17, 2022	Shareholder Data Analysis
9	September 13, 2022	Dividends Entitlement

SABIC BOARD

BOARD RESPONSIBILITIES

Save the powers reserved by the Annual General Meeting (AGM), SABIC Board of Directors (the "Board") exercises all the powers and authorities necessary or useful to fulfill its steering, monitoring and advisory roles for achieving the Company's objectives. The Board collectively has the responsibility of fulfilling its role in administering the: Strategy and Management; Capital Structure; Financial Reporting and Controls; Communications and Stakeholder Relations; Organizational Structure; Audit, Risk, Compliance and Internal Controls.

* Detailed Board duties and responsibilities are set out in the Board Charter.

BOARD STRUCTURE & COMPOSITION

SABIC is managed by a board of directors consisting of nine (9) directors, the majority of whom are non-executives, including independent directors. SABIC directors have the right skills and expertise for managing the company's business affairs. The Board of Directors. On 10 Apr 2022, the Board started a new 3-year term with a refreshed composition.

As on 31 December 2022, SABIC Board comprises the following directors:

Name	Role	Classification	Capacity	Committee Memberships*	Outside Memberships
Khalid Hashim Al-Dabbagh ⁽¹⁾	Chairman	Non-Executive	In his personal capacity	BIC (Chair)	1
Ziad Thamer Al-Murshed	Member	Non-Executive	In his personal capacity	BIC & BRNC	1
Olivier Gerard Thorel	Member	Non-Executive	In his personal capacity	BRSC (Chair)	3
Mohammed Talal Al-Nahas	Member	Non-Executive	Representing GOSI*	BRNC	7
Dr. Mohammed Yahya Al-Qahtani ⁽²⁾	Member	Non-Executive	In his personal capacity	BIC (Chair) & BRNC	7
Yousef Abdurahman Al-Zamel ⁽²⁾	Member	Independent	In his personal capacity	BIC & BRSC	1
Nader Ibrahim Al-Wehibi	Member	Independent	In his personal capacity	BAC (Chair) & BRSC	2
Calum Grigor MacLean	Member	Independent	In his personal capacity	BRNC (Chair), BAC & BIC -	-
8 Directors		Non-Executive and Independent (100%)		Aver. Committee Membership 1.75 committees	Aver. Outside Membership 2.9
Eng. Khaled Hamza Nahas ⁽³⁾	Member	Independent	In his personal capacity	BRNC (Chair) & BIC	3
Abdullah Mohammed Al-Issa ⁽³⁾	Member	Non-Executive	In his personal capacity	BAC & BIC	2
Yousef Abdullah Al-Benyani ⁽⁴⁾	VC & CEO	Executive	In his personal capacity	BIC	-

- (1) Eng. Khalid Al-Dabbagh left the BIC on 09 Apr 2022
 (2) Dr. Mohammed Al-Qahtani and Eng. Yousef Al-Zamel first joined the Board on 10 Apr 2022
 (3) Dr. Khaled Nahas and Eng. Abdullah Al-Issa term expired on 09 Apr 2022
 (4) Mr. Yousef Al-Benyani resigned on 28 Sept 2022

* Legend:
 BIC= Board Investment Committee
 BRNC= Board Remuneration & Nomination Committee
 BRSC= Board Risk & Sustainability Committee
 BAC= Board Audit Committee
 GOSI= General Organization for Social Insurance

SABIC BOARD CONTINUED

BOARD DIVERSITY:

Name	Age		Tenure *		Gender		Nationality	Edu. Qualifications	Expertise	International Experience
	Ys	Date Joined	Ys	M/F	M/F	M/F				
Khalid Hashim Al-Dabbagh	61	Jun 2020	>2	M	M	KSA	BSc. Industrial Engineering; Exec. Cert. Management	Finance; Management; Planning; Sales & Marketing	✓	
Ziad Thamer Al-Murshed	49	Jun 2020	>2	M	M	KSA	BSc. Chemical Engineering; Master of Business Administration (MBA)	Industry; Business Development; Strategic Planning; International Business; Finance	✓	
Olivier Gerard Thorel	57	Jun 2020	>2	M	M	France	Diplome d'Ingenieur (Master equivalent)	Industry (Chemicals); Business Development; Supply & Distribution; Oil	✓	
Mohammed Talal Al-Nahas	60	Sep 2016	>6	M	M	KSA	BSc. Accounting; Exec. Cert. Business Administration	Finance; Training; Investment; Pensions; Banking; Management; Business Development	-	
Dr. Mohammed Yahya Al-Qahtani ⁽¹⁾	57	Apr 2022	<1	M	M	KSA	BSc., MSc. and PhD Petroleum Engineering	Industry; Energy; Corporate Planning	✓	
Yousef Abdurahman Al-Zamel ⁽¹⁾	70	Apr 2022	<1	M	M	KSA	BSc. Chemical Engineering	Manufacturing Operations; Strategy Planning	-	
Nader Ibrahim Alwehibi	43	Apr 2018	>4	M	M	KSA	BSc. Insurance; Master of Social Protection Policy	Risk Management; Social Protection; Insurance; Planning & Development	-	
Calum Grigor MacLean	59	Oct 2017	>5	M	M	UK	BSc. Chemistry	Industry (Chemicals); Management	✓	
	Aver Age 57 Y		Aver. Tenure 2.9 Y			6 KSA 1 France 1 UK				
Dr. Khaled Hamza Nahas ⁽²⁾	73	Apr 2013	>8	M	M	KSA	BSc. Engineering; Master's Degree, Engineering; PhD, Engineering of Economic System	Management; Entrepreneurship; Finance	-	
Abdullah Mohammed Al-Issa ⁽²⁾	67	Apr 1992	>29	M	M	KSA	BSc. Industrial Engineering; Master of Engineering Management	Engineering, Corporate Governance, Strategic Management, Banking & Finance, Investments	-	
Yousef Abdullah Al Benyan ⁽³⁾	60	Feb 2015	>7	M	M	KSA	MSc. Industrial Management; BSc. Economics	Industry; Finance; HR; Business Development; Sales & Marketing; Sustainability	✓	

(1) Dr. Mohammed Al-Qahtani and Eng. Yousef Al-Zamel first joined the Board on 10 Apr 2022

(2) Dr. Khaled Nahas and Eng. Abdullah Al-Issa term expired on 09 Apr 2022

(3) Mr. Yousef Al-Benyan resigned on 28 Sep 2022

* As on 31 Dec 2022, all current directors are eligible for re-appointment.

SABIC directors have diverse academic backgrounds, and are of professional exposures and expertise, nationalities, age, tenure and cultural backgrounds. They are graduates in a variety of academic disciplines including Finance, Risk Management, Chemistry, Business Administration, Social Protection, etc. They have had professional exposures and expertise in such varied fields as finance, strategy & planning, marketing & sales, business development, human resources, social protection, and the industry.

As on 31 December 2022, SABIC directors' age range is (43 to 70 years) and age average is (57). In line with CMA's CGRs, SABIC does not currently apply a board age limit. Our directors also have varied tenure lengths ranging from less than (1) to (6) years. The average Board tenure is (2.9) years. Save the prescribed maximum 9-year tenure for an independent director, no tenure limit is applied. A director's tenure terminates by the expiry of the Board term (3 years). Directors from the expiring Board may stand for reappointment, provided they still satisfy the membership conditions. This broad age and tenure diversities avails the Board of a

positive interplay of wide-ranging perspectives and experiences.

Our directors come from different geographies including Saudi Arabia, United Kingdom and France and two non-director (outside) members on the Audit Committee are from the Netherlands. This geographic diversity brings to the Board varied cultural backgrounds

In respect of nomination and appointment to the Board, SABIC policy and culture is open and all-inclusive. Nomination to the Board is publicly announced, and the BRNC assesses the candidacy applications and make nominations on basis of the objective and on-merit criteria and standards set out in SABIC Board Membership Policy, while taking into account the Board's needs of skills, expertise and diversity. The Board members are appointed at the AGM by voting.

BOARD INDEPENDENCE

SABIC splits the Chairman and the CEO roles, the Board is chaired by a non-executive director; and as on 31 December 2022, the independent directors account for one-third (37.5%)*, the non-executive directors make the majority (62.5%), and the independent and non-executive directors constitute (100%) of the Board composition. Applying the DJSI** criteria for director's independence, Mr. Mohammed T. Al-Nahas also qualifies to independent directors category raising percentage to (44.4%). With these independence supportive characteristics, SABIC Board satisfies the independence criteria of Article (16) of CMA's CGRs and stands aligned to the global best practices.

SABIC Board annually evaluates the extent of the Independent member's independence and ensure that there are no relationships or circumstances that affect or may affect his/her ability to perform his/her duties, express his/her opinions and vote on decisions objectively and with no bias. Freeness of all directors' of conflicts of interest is also verified annually.

According to CMA CRGs, and by way of example, the following negate the independence requirement for an Independent Director:

- be holding (5%) or more of the shares of the Company or any other company within its group; or be a relative of a person who holds such percentage;
- be a relative of any board member or senior executive of the Company, or of any other company within its group;
- be a board member of any company within the group of the Company;
- be, or was during the preceding two years, an employee of the Company, or any company in its group, or be holding a controlling interest in the Company, or any party dealing with the Company or any company in its group such as the external auditors or main suppliers during the preceding two years.
- have a direct or indirect interest in the businesses and contracts executed for the Company's account;
- be receiving financial consideration from the Company, over and above the remuneration for his/her membership of the Board or any of its committees exceeding (SAR 200,000) or 50% of his/her remuneration of the last year for the membership of the board or any of its committees, whichever is less;
- be engaged in a business that competes with the Company, or conducting businesses in any of the Company's branch activities;
- not have served on the Board for more than nine (9) years, consecutively or inconsecutively.

The vast majority of the directors sit on the Board in their personal capacity and are capable to express their own views and make their own judgments and decisions, unaffected by any influence.

* Article (16) of the CMA CGRs requires having at least two (or one-third of the board) Independent Directors.

** Dow Jones Sustainability Indices (DJSI)

BOARD PERFORMANCE ASSESSMENT

In 2022, SABIC conducted a formal board assessment facilitated by "Governance Compass", an independent third party specialized in board assessment. It included assessment of the Board as a whole, the Board committees, each Board member, the Board Chairperson, the Board and committees Secretaries and some members of the Executive Management.

GOVERNANCE DOCUMENTS REVIEW

In 2022, SABIC engaged an independent expert into conducting a review of the Board and committee charters and a number of the corporate policies. The review was conducted against the applicable laws and regulations and the best local and international practices and standards.

BOARD OF DIRECTORS



KHALID HASHIM AL-DABBAGH
Chairman
Non-Executive Member

We remain focused on adopting the highest ESG standards as part of our growth strategy, as we continue contributing to the successful achievement of Saudi Vision 2030.



MOHAMMED TALAL AL-NAHAS

Board Member
Non-Executive Member



DR. MOHAMMED YAHYA AL-QAHTANI

Board Member
Non-Executive Member



ZIAD THAMER AL-MURSHED

Board Member
Non-Executive Member



OLIVIER GERARD THOREL

Board Member
Non-Executive Member



YOUSEF ABDULRAHMAN AL-ZAMEL

Board Member
Independent Member



CALUM GRIGOR MACLEAN

Board Member
Independent Member



NADER IBRAHIM AL-WEHIBI

Board Member
Independent Member

BIOGRAPHIES OF THE BOARD OF DIRECTORS MEMBERS



KHALID HASHIM AL-DABBAGH

SABIC Board Chairman
Non-Executive Director

OTHER CURRENT POSITIONS / MEMBERSHIPS

- Board Member, Saudi Aramco

PREVIOUS POSITIONS

- SVP, Finance Strategy & Development, Saudi Aramco
- Financial Controller & Treasurer, Saudi Aramco
- Director of Joint Venture Development & Support, Saudi Aramco
- Manager of the Business Analysis Department, Saudi Aramco
- Managing Director, Saudi Petroleum Company, Tokyo, Japan
- Key positions in London, Tokyo and New York at Saudi Aramco-owned companies
- President and Chief Executive Officer, Saudi Petroleum International (SPII)

PREVIOUS BOARD MEMBERSHIPS

- Pengerang Petrochemical Sdn Bhd.
- Pengerang Refining Sdn Bhd.
- Sadara Chemical Company
- ARLANXEO Holding B.V.
- Fujian Refining and Petrochemical Company
- Aramco Trading Company
- Saudi Aramco Base Oil Company (Luberef)
- Saudi Aramco Development Company (SADCO)
- Wisayah Global Investment Company (WISAYAH)
- Arab Petroleum Pipelines Company (SUMED)



MOHAMMED TALAL AL-NAHAS

SABIC Board Member
Non-Executive Director

OTHER CURRENT POSITIONS / MEMBERSHIPS

- Governor and Board Member, General Organization for Social Insurance (GOSI)
- Board Member, Saudi Telecom Company (STC)
- Chairman, Saudi Pharmaceutical Industries & Medical Appliances Corporation (SPIMACO)
- Chairman, Al Taawuniyah Real Estate Investment
- Chairman, ASMA Capital
- Chairman, Dammam Pharma
- Board Member, Future Work

PREVIOUS POSITIONS

- Governor, Public Pension Agency
- General Manager, Branches, Al-Inma Bank
- Held multiple positions, SAMBA Financial Group

PREVIOUS BOARD MEMBERSHIPS

- Tibah Holding Company
- International Company for Water and Power Projects (ACWA Power)
- Saudi Travellers Cheque Company
- Riyadh Bank
- Raza Cooperative Real Estate Company

BIOGRAPHIES OF THE BOARD OF DIRECTORS MEMBERS

CONTINUED



DR. MOHAMMED YAHYA AL-QAHTANI

SABIC Board Member
Non-Executive Director

OTHER CURRENT POSITIONS / MEMBERSHIPS

- Executive Vice President, Downstream, Saudi Aramco
- Chairman, Aramco Trading Company (ATC)
- Chairman, King Salman Energy City Development Company (SPARK)
- Chairman, Saudi Aramco Total Refining and Petrochemical Company (SATORP)
- Chairman, Motiva Enterprises LLC
- Board Member, S-Oil Corporation
- Board Member, Saudi Arabian Mining Company (Ma'aden)
- Board Member, Gulf Petrochemicals & Chemicals Association (GPCA)
- Board Member, Dhahran Techno Valley Company

PREVIOUS POSITIONS

- Executive Vice President, Upstream, Saudi Aramco
- Vice President, Corporate Planning, Saudi Aramco
- Vice President, Corporate Affairs, Saudi Aramco
- Vice President, Petroleum Engineering & Development, Saudi Aramco
- Executive Director, Petroleum Engineering & Development, Saudi Aramco
- Chief Petroleum Engineer, Saudi Aramco

PREVIOUS BOARD MEMBERSHIPS

- Saudi Aramco Jubail Refinery Company (SASREF)
- Pengerang Petrochemical Company Sdn. Bhd.
- Pengerang Refining Company Sdn. Bhd.
- Saudi Aramco Upstream Technology Company (SAUTC)



ZIAD THAMER AL-MURSHED

SABIC Board Member
Non-Executive Director

OTHER CURRENT POSITIONS / MEMBERSHIPS

- Executive Vice President & Chief Financial Officer, Saudi Aramco
- Chairman, Wisayah Global Investment Company (WISAYAH)

PREVIOUS POSITIONS

- Vice President, Fuels & Lubricants, Saudi Aramco
- Executive Director, New Business Development, Saudi Aramco
- Vice President, International Operations, Saudi Aramco
- General Manager, Transaction Development, Saudi Aramco
- Vice President, Downstream Growth and Integration, Saudi Aramco
- Director, Strategic Planning, Saudi Aramco
- Director, Economic & Energy Analysis, Saudi Aramco
- Manager, Yanbu NGL Fractionation Department, Saudi Aramco
- Manager Business Analysis, Saudi Aramco
- Executive Manager, Saudi Aramco Asia Company Limited

PREVIOUS BOARD MEMBERSHIPS

- S-Oil Corporation
- Aramco Trading Company
- Aramco Chemicals Company (ACC)
- Sadara Chemical Company (Sadara)
- Aramco Overseas Company B.V.
- Saudi Arabian Industrial Investment Company (Dussur)
- Aramco Services Company (ASC)
- Saudi Aramco Asia Company (SAAC)
- ARLANXEO Holding B.V.
- Saudi Aramco Development Company (SADCO)
- Industrialization & Energy Services Company (Taqa)
- Saudi Aramco Entrepreneurship Center (Wa'ed)
- Motiva Enterprises LLC
- Saudi Aramco Entrepreneurship Ventures (Wa'ed Ventures)
- Saudi Refining, Inc. (SRI)
- Tas'helat Marketing Company (TMC)
- International Maritime Industries Company (IMIC)
- Aramco Lubricants and Retail Company

BIOGRAPHIES OF THE BOARD OF DIRECTORS MEMBERS

CONTINUED



OLIVIER GERARD THOREL

SABIC Board Member
Non-Executive Director

OTHER CURRENT POSITIONS / MEMBERSHIPS

- Senior Vice President, Chemicals, Saudi Aramco
- Board Member, ARLANXEO Holding Co.
- Board Member, Aramco Performance Materials LLC
- Board Member, Saudi Aramco Technologies

PREVIOUS POSITIONS

- Executive Director, Chemicals, Saudi Aramco
- Vice President, Chemicals Asia, Ventures and New Business Development, Royal Dutch Shell PLC (Shell)
- Vice President, Global Intermediates Shell, Singapore
- Vice President, Supply, Distribution, and Shell Pipelines - Shell North America

PREVIOUS BOARD MEMBERSHIPS

- Pengerang Petrochemical Sdn Bhd.
- Pengerang Refining Sdn Bhd.
- Fujian Refining and Petrochemical Company Limited (FREP)
- Sadara Chemical Company (Sadara)
- Saudi Aramco Total Refining and Petrochemical Company (SATORP)
- Aramco Chemicals Company (ACC)
- Sinopec SenMei (Fujian) Petroleum Company Limited
- Saudi Aramco Energy Ventures LLC



YOUSEF ABDULRAHMAN AL-ZAMEL

SABIC Board Member
Independent Director

OTHER CURRENT POSITIONS / MEMBERSHIPS

- Board Member, Alinma Investment Company

PREVIOUS POSITIONS

- Advisor to HE Minister of Energy, Industry & Mineral Resources; and President of National Industrial Strategy Project
- Senior Advisor to Vice Chairman & CEO, SABIC
- Executive Vice President, Strategy & Planning, SABIC
- Executive Vice President, Chemicals SBU, SABIC
- Executive Vice President, Fertilizers SBU, SABIC
- Vice President, Marketing, SABIC
- General Manager, Saudi Arabian Fertilizer Marketing Company (SNABIC)
- Manager, Chemicals Marketing, SABIC
- Manager, Manufacturing Operations (Ethylene – thermal cracking), Sadaf
- Engineer, Manufacturing Operations, Shell Chemicals Company
- Chemical Engineer, SABIC

PREVIOUS BOARD MEMBERSHIPS

- Sahara International Petrochemical Company (SIPCHEM)
- Al Watania for Industries (WFI)

BIOGRAPHIES OF THE BOARD OF DIRECTORS MEMBERS

CONTINUED



CALUM GRIGOR MACLEAN

SABIC Board Member
Independent Director

OTHER CURRENT POSITIONS / MEMBERSHIPS

- N/A

PREVIOUS POSITIONS

- CEO, Synthomer
- CEO, Ineos Olefins and Polymers Europe
- CEO, EVC

PREVIOUS BOARD MEMBERSHIPS

- Clariant Co.
- Ineos Olefines Group
- EVC Co.
- Petroineos Refining
- Ineos Phenol
- Styrolution
- Ineos ChlorVinyls
- Ineos Olefins and Polymers Europe



NADER IBRAHIM AL-WEHBI

SABIC Board Member
Independent Director

OTHER CURRENT POSITIONS / MEMBERSHIPS

- CEO, Gulf Catering Co.
- Board Member, Riyadh Bank
- Board Member, Mudad Business

PREVIOUS POSITIONS

- Assistant Governor for Insurance Affairs, General Organization for Social Insurance (GOSI)
- General Manager, Planning and Development, General Organization for Social Insurance (GOSI)

PREVIOUS BOARD MEMBERSHIPS

- National Medical Care
- Jarir Marketing
- Clariant Co.
- Future Work Co.

BIOGRAPHIES OF THE BOARD OF DIRECTORS MEMBERS

CONTINUED



YUSEF ABDULLAH AL-BENYAN

Former SABIC Vice Chairman and CEO
Executive Director*

OTHER CURRENT POSITIONS / MEMBERSHIPS

- Minister of Education, Saudi Arabia

PREVIOUS POSITIONS

- EVP, Corporate Finance, SABIC
- EVP, Chemicals SBU, SABIC
- EVP, Corporate Human Resources, SABIC
- General Manager, SABIC USA (Houston)
- General Manager, Fiber Intermediates, SABIC
- General Manager, SABIC Asia Pacific

PREVIOUS BOARD MEMBERSHIP

- SABIC Agri-Nutrients Company
- SABIC Investment and Local Content Development Company (Nusaned Investment)
- Saudi Stock Exchange (Tadawul)
- Saudi Information Technology Company (SITE)
- Saudi Yanbu Petrochemical Company (Yanpet)
- Al-Jubail Petrochemical Company (Kemya)
- Saudi Iron & Steel Company (Hadeed)
- Power and Water Utility Company for Jubail and Yanbu (Marafiq)
- SABIC Asia Pacific PTE
- Saudi Recycling Company
- Yanbu National Petrochemical Company (Yansab)

*Term ended September 28, 2022



ABDULLAH MOHAMMED AL-ISSA

Former SABIC Board Member
Non-Executive Director*

OTHER CURRENT POSITIONS / MEMBERSHIP

- Chairman, Riyadh Bank
- Chairman, Assila Investment Company

PREVIOUS POSITIONS

- CEO, Assila Investment Company
- Partner, Saudi Construction Company
- Founder & President, A. M. Alissa Consulting Engineers

PREVIOUS BOARD MEMBERSHIPS

- Clariant Co.
- Arabian Cement
- National Medical Care
- Jadwa Investment
- National Shipping Company of Saudi Arabia (Bahri)
- National Chemical Carrier (NCC)
- Saudi Arabian Mining Company (Ma'aden)
- Dur Hospitality
- Etihad Etisalat (Mobily)
- SABIC Capital

*Term ended April 9, 2022

BIOGRAPHIES OF THE BOARD OF DIRECTORS MEMBERS

CONTINUED



DR. KHALED HAMZA NAHAS

Former SABIC Board Member
Independent Director*

OTHER CURRENT POSITIONS / MEMBERSHIP

- Board Member, Mithaq Holding Co.
- Board Member, Arsh Investment Co.
- Board Member, Al-Madina Investment Holding Company

PREVIOUS POSITIONS

- Deputy Chairman of the Industrial Committee of the Chamber of Commerce and Industry
- Member of the Consultative Council (Shura)
- Mayor of Makkah

PREVIOUS BOARD MEMBERSHIPS

- Riyadh Bank
- National Water Company
- Saudi Investment Bank
- Saudi Hotels & Resorts Company
- Saudi Telecom Company (STC)
- National Commercial Bank (NCB)
- National Company for Spring Mattress & Sponges
- Tabuk Hotels Company
- Hassana Investment Company
- Binladen Group
- Clariant
- Military Industries Organization
- Ta'am Company
- Saudi Arabian Investment Company (Sanabil Investments)

*Term ended April 9, 2022

BIOGRAPHIES OF THE NON-DIRECTORS (OUTSIDE) MEMBERS



SALAH MOHAMMED AL-HAREKY

Audit Committee Member
Non-Director (Outside) Member

OTHER CURRENT POSITIONS / MEMBERSHIP

- Senior Vice President & Treasurer, Saudi Aramco
- Chairman of Audit of Committee, Saudi Industrial Development Fund (SIDF)
- Chairman, Sukuk Company
- Board Member and Chairman of Audit Committee, Wisayah Global Investment Company (WISAYAH)
- Member of the Board and Chairman of Audit Committee, Aramco Trading Company
- Member, Investment Management Company
- Member, Saudi Aramco Development Company
- Member, S-Oil Corporation

PREVIOUS POSITIONS

- Vice President & Treasurer, Saudi Aramco
- Financial Controller, Saudi Aramco
- Assistant Treasurer, Saudi Aramco
- Managing Director, Saudi Petroleum Overseas Ltd (SPOL)
- Manager, Treasury Advisory Department, Saudi Aramco
- Manager, Treasury Services Department, Saudi Aramco

PREVIOUS BOARD MEMBERSHIPS

- Sadara Chemical Company (Sadara)
- Saudi Aramco Sukuk Company
- Saudi Aramco Total Refining and Petrochemical Company (SATORP)
- Yanbu Aramco Sinopec Refining (YASREF)

BIOGRAPHIES OF THE NON-DIRECTORS (OUTSIDE) MEMBERS

CONTINUED



STEPHAN VAN SANTBRINK

Audit Committee Member
Non-Director (Outside) Member

OTHER CURRENT POSITIONS / MEMBERSHIP

- VP of Downstream Finance, Strategy and Planning, Saudi Aramco
- Board Audit Committee, Aramco Trading Company (ATC)
- Board Audit Committee, Motiva Enterprises LLC
- Board Member and Audit Committee Member, Aramco Overseas Company
- Board Member, Aramco Oil Pipelines Company
- Board Member and Chairman of the Audit Committee, Saudi Aramco Total Refining and Petrochemical Company (SATORP)
- Board Member, Aramco Gas Pipelines Company

PREVIOUS POSITIONS

- Head of Downstream Finance, Saudi Aramco
- Head of Upstream Finance, Saudi Aramco
- VP Finance, Integrated Gas & New Energies, Shell
- Group Financial Controller, Arrow Energy
- Global Controller Projects & Technology, Shell
- Global Treasurer Upstream, Shell
- Tax Advisor Upstream Middle East & Russia, Shell
- Tax advisor, KPMG

PREVIOUS BOARD MEMBERSHIPS

- N/A



WILHELMUS H. JANSEN

Audit Committee Member
Non-Director (Outside) Member

OTHER CURRENT POSITIONS / MEMBERSHIP

- Independent Financial Consultant

PREVIOUS POSITIONS

- Senior audit partner, PwC, Saudi Arabia
- Audit partner, PwC, Netherlands
- Audit partner, PwC, South Africa
- Audit partner, PwC, Nigeria

PREVIOUS BOARD MEMBERSHIPS

- N/A

BIOGRAPHIES OF NON-DIRECTORS (OUTSIDE) MEMBERS

CONTINUED



ABDULAZIZ HABDAN AL-HABDAN

Former Audit Committee Chairman
Non-Director (Outside) Member *

OTHER CURRENT POSITIONS / MEMBERSHIPS

- General Manager, Health Oasis Hospital
- Board Member, SABIC Agri-Nutrients Co.

PREVIOUS POSITIONS

- Assistant Governor, General Organization for Social Insurance (GOSI)

PREVIOUS BOARD MEMBERSHIPS

- Banque Saudi Fransi
- Bank Al-Jazira
- Allianz Saudi Fransi Cooperative Insurance
- Makkah Medical Center
- Saudi Telecom Company (STC)
- Saudi Fransi Capital

**Term ended April 9, 2022*



DR. KHALED DAWOOD AL-FADDAGH

Former Audit Committee Member
Non-Director (Outside) Member *

OTHER CURRENT POSITIONS / MEMBERSHIPS

- President and co-founder, Misk Al Zad Commercial Development Company
- Board Member, Eastern Health Cluster

PREVIOUS POSITIONS

- Executive Director, Internal Audit Department, Saudi Aramco
- General Auditor, Saudi Aramco
- Director of Corporate Planning, Saudi Aramco
- CEO, Petron Corporation, Philippines

PREVIOUS BOARD MEMBERSHIPS

- Bupa Arabia
- International Company for Water and Power Projects (ACWA Power)
- Public Investment Fund (PIF)
- Saudi Institute of Internal Auditors (IIA)
- Ettifaq FC.

**Term ended April 9, 2022*

BOARD & AGM MEETINGS

BOARD MEETINGS

The Board holds at least four (4) quarterly meetings a year at the Chairperson's invitation or upon the request of any one (1) of the Board members. The quorum for a Board meeting is achieved by the presence of the members' majority. During the year ended on December 31, 2022, the Board met six (6) times.

BOARD PARTICIPATION IN THE ANNUAL GENERAL MEETING

The Board members participate in the Annual General Meetings (AGM). Such practice reflects the Board keenness to enable and promote direct and regular engagement with shareholders. During the year ended on December 31, 2022, the Company held its Ordinary AGM on April 10, 2022.

The Board members' attendance of the Board meetings and the AGM in 2022 was as follows:

Name	Board Meetings						Total attended		Annual General Meeting		
	1 st	2 nd	3 rd	4 th	5 th	6 th	No.	%	1 st OAGM	Attendance	
	10 Feb 22	8 Mar 22	10 Apr 22	18 Jun 22	27 Sep 22	13 Dec 22	No.	%	10 Apr 22	No.	%
Khalid Hashim Al-Dabbagh	✓	✓	✓	✓	✓	✓	6	100%	✓	1	100%
Ziad Thamer Al-Murshed	✓	✓	✓	✓	✓	✓	6	100%	✓	1	100%
Olivier Gerard Thorel	✓	✓	✓	✓	✓	✓	6	100%	✓	1	100%
Mohammed Talal Al-Nahas	✓	✓	✓	✓	✓	✓	6	100%	✓	1	100%
Dr. Mohammed Yahya Al-Qahtani ⁽¹⁾	-	-	✓	✓	✓	✓	4	100%	-	-	-
Yousef Abdurahman Al-Zamel ⁽¹⁾	-	-	✓	✓	✓	✓	4	100%	-	-	-
Nader Ibrahim Al-Wehibi	X	✓	✓	✓	✓	✓	5	83%	✓	1	100%
Calum Grigor MacLean	X	✓	✓	✓	✓	✓	5	83%	✓	1	100%
Average Board Meeting Attendance: 95.75%							Average AGM Attendance: 100%				
Yousef Abdullah Al Benyan ⁽²⁾	✓	✓	✓	✓	✓	-	5	100%	✓	1	100%
Dr. Khaled Hamza Nahas ⁽³⁾	✓	✓	-	-	-	-	2	100%	✓	1	100%
Abdullah Mohammed Al-Issa ⁽³⁾	X	✓	-	-	-	-	1	50%	✓	1	100%

(1) Dr. Mohammed Al-Qahtani and Eng. Yousef Al-Zamel joined the Board on 10 Apr 2022
 (2) Mr. Yousef Al-Benyan resigned on 28 Sep 2022
 (3) Dr. Khaled Nahas and Eng. Abdullah Al-Issa term expired on 09 Apr 2022

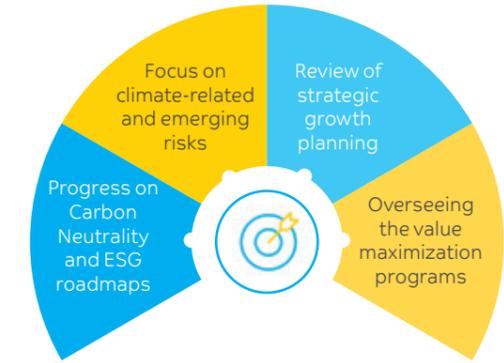
BOARD'S KEY DELIBERATIONS DURING 2022:

In 2022, the Board deliberations covered all the routine matters pertaining to its mandate, as the ultimate responsible body for monitoring, guiding and advising the Company. Some of the key topics deliberated included:



BOARD PRIORITIES FOR 2023

Some of the key Board priorities for 2023:



BOARD COMMITTEES

SABIC Board is supported by four (4) committees, which are: the Audit Committee, Remuneration & Nomination Committee, Risk & Sustainability Committee, and Investment Committee. Committees' performance is periodically assessed by the Board, who is ultimately responsible of their acts.

The current Board Audit Committee, which was re-formed for a new term along with the Board, comprises five (5) members of whom two (2) are independent directors and three (3) are non-director (outside) members. The Committee is chaired by an independent director.

BOARD AUDIT COMMITTEE

According to its charter, the Board Audit Committee (BAC) shall be formed by the Ordinary AGM, based the Board of Directors proposal, from members other than the Board executive members, whether shareholders or others. It shall comprise three (3) to five (5) members provided at least one is an independent director.

A non-director (outside) member on BAC, has all the membership's rights and authorities, including voting, and is independent of SABIC management.

This composition underpins a strong independence for SABIC Audit Committee and ensures independent and effective audit oversight.

As on 31 December 2022, the BAC is composed of the following members:

Name	Role	Classification	Gender		Age	Nationality	Other Boards	Independent of		Ed. Qualifications	Expertise
			M/F	Years				Num. Management	Other Interests		
Nader Ibrahim Al-Wehibi ⁽¹⁾	Chairman	Independent	M	43	KSA	2	Yes	Yes	BSc. Insurance; Master's Degree. Risk Management; Social Protection; Social Protection Policy	Risk Management; Social Protection; Insurance; Planning	
Calum Grigor MacLean ⁽²⁾	Member	Independent	M	59	UK	-	Yes	Yes	BSc. Chemistry	Industry (Chemicals); Management	
Salah Mohammed Al-Hareky	Member	Non-Director	M	56	KSA	7	Yes	Yes	BSc. Accounting Master of Business Administration (MBA)	Auditing; Controllership; Finance ; Treasury	
Wilhelmus H. Jansen ⁽²⁾	Member	Non-Director	M	62	The Netherlands	-	Yes	Yes	MSc. Economics Fellow Chartered Accountant (FCA)	Finance; Risk Management Governance	
Stephan V. Santbrink ⁽²⁾	Member	Non-Director	M	49	The Netherlands	6	Yes	Yes	MSc. Economics MBA LL.M Degree. Law	Finance; Risk Management; Strategy; Capital Investment; Law	
5 Members		2 Independent		3 Non-Director							
Abdulaziz Habbad Al-Habbad ⁽³⁾	Chairman	Non-Director	M	63	KSA	1	Yes	Yes	BSc. Business Administration MSc Administrative Sciences	Auditing; Management; Banking.	
Dr. Khalid Dawood Al-Faddagh ⁽³⁾	Member	Non-Director	M	68	KSA	1	Yes	Yes	MSc. Applied Mechanics PhD Applied Mechanical Engineering	Auditing; Risk Management; Planning; Management	
Abdullah Mohammed Al-Issa ⁽³⁾	Member	Non-Executive	M	67	KSA	2	Yes	Yes	BSc. Industrial Engineering Master of Engineering Management	Capital markets; Finance; Banking	

(1) Mr. Nader Al-Wehibi is also a member of the Risk & Sustainability Committee
 (2) Mr. Calum MacLean , Mr. Wilhelmus Jansen, and Mr. Stephan Santbrink joined the BAC on 10 Apr 2022
 (3) Mr. Abdulaziz Al-Habbad, Dr. Khalid Al-Faddagh and Eng. Abdullah Al-Issa left the BAC on 09 Apr 2022

BOARD COMMITTEES

CONTINUED

BAC MEETING ATTENDANCE:

Name	BAC Meetings					Attendance	
	1 st	2 nd	3 rd	4 th	5 th	No.	%
	02 Feb 22	03 Mar 22	11 May 22	08 Aug 22	27 Oct 22		
Nader Ibrahim Al-Wehibi	√	√	√	√	√	5	100%
Calum Grigor MacLean ⁽¹⁾	-	-	√	√	√	3	100%
Salah Mohammed Al-Hareky	√	√	√	√	√	5	100%
Wilhelmus H. Jansen ⁽¹⁾	-	-	√	√	√	3	100%
Stephan V. Santbrink ⁽¹⁾	-	-	√	√	√	3	100%
5 Members	Average Committee Meeting Attendance: 100%						
Abdulaziz Habdan Al-Habdan ⁽²⁾	√	√	-	-	-	2	100%
Dr. Khalid Dawood Al-Faddagh ⁽²⁾	√	√	-	-	-	2	100%
Abdullah Mohammed Al-Issa ⁽²⁾	√	√	-	-	-	2	100%

(1) Mr. Calum MacLean, Mr. Wilhelmus Jansen, and Mr. Stephan Santbrink joined the BAC on 10 Apr 2022

(2) Mr. Abdulaziz Al-Habdan, Dr. Khalid Al-Faddagh and Eng. Abdullah Al-Issa left the BAC on 09 Apr 2022

BAC RESPONSIBILITIES:

- **Oversight of financial reporting**, including: (i) reviewing the Group's financial statements; (ii) providing technical opinion(s) as to the Board report and financial statements being in compliance with regulatory requirements; (iii) examining unusual transactions in the financial statements; (iv) verifying accounting estimates; and (v) reviewing financial and accounting policies of the Group;
- **Oversight of internal control systems**, including: (i) reviewing internal and financial controls and risk management systems and ensuring their effectiveness through regular reports prepared by the Internal Audit Department (or external auditors) and following up on the execution of actions; and (ii) reporting to the Board on the adequacy of internal control systems;
- **Oversight of internal audit**, including: (i) supervising the Internal Audit Department and verifying its effectiveness in carrying out its roles and responsibilities; (ii) reviewing and approving the annual audit plan; (iii) reviewing reports prepared by the Internal Audit Department and following up on the execution of actions; (iv) ensuring the independence of the Internal Audit Department; and (v) evaluating the performance of the head of the Internal Audit Department;
- **Oversight of the external auditor**, including: (i) recommending the appointment or dismissal of the external auditor and determining their fee after assessing their performance, independence, scope of work and terms of engagement; (ii) verifying the independence of the external auditor; (iii) reviewing the external audit plan and verifying its compliance with applicable regulations; (iv) answering external auditor's queries and providing requisite support for the performance of an external audit; and (v) reviewing reports prepared by the external auditor and following up on the implementation of recommended action;
- **Oversight of compliance**, including: (i) reviewing reports prepared by regulatory bodies in respect of compliance with applicable regulations and following up on the implementation of recommended action; (ii) ensuring SABIC's compliance with relevant regulations, by-laws and policies; (iii) reviewing proposed related party transactions; (iv) establishing appropriate procedures for internal reporting of violations of internal control systems; and (v) establishing appropriate procedures for following up on any such reports of violation (including ensuring independence of such procedures); and where relevant, making recommendations to the Board in respect of the foregoing.

BOARD REMUNERATION & NOMINATION COMMITTEE

According to its charter, the Board Remuneration & Nomination Committee (BRNC) shall be formed by the Board, according to the rules approved by the AGM for its formation, term, working procedure and remuneration of its members. The BRNC is formed from Board members whether or not are shareholders. It shall comprise three (3) to five (5) members provided at least one (1) is an independent director and none is an executive director.

As on 31 December 2022, the BRNC comprises the following four (4) members, of whom one (1) is independent and three (3) are non-executive directors of the Board and chaired by an independent director. With this composition, the BRNC is fully independent and capable of operating effectively. The following table shows the BRNC composition and meetings:

Name	Role	Classification	Independent of Management	Other Interests	BRNC Meetings				Attendance	
					1 st	2 nd	3 rd	4 th	No.	%
					01 Mar 22	14 June 22	19 Sept 22	12 Dec 22		
Calum Grigor MacLean ⁽¹⁾	Chairman	Independent	Yes	Yes	-	√	√	√	3	100%
Mohammed Talal Al-Nahas	Member	Non-Executive	Yes	Yes	√	√	√	√	4	100%
Ziad Thamer Al-Murshed	Member	Non-Executive	Yes	Yes	√	X	√	√	3	75%
Dr. Mohammed Yahya Al-Qahtani ⁽¹⁾	Member	Non-Executive	Yes	Yes	-	√	√	√	3	100%
4 Members		1 Independent 3 Non-Executive			Average Committee Meeting Attendance: 93.75%					
Dr. Khaled Hamza Nahas ⁽²⁾	Chairman	Independent	Yes	Yes	√	-	-	-	1	100%

(1) Mr. Calum MacLean and Dr. Mohammed Al-Qahtani joined the BRNC on 10 Apr 2022

(2) Dr. Khaled Nahas left the BRNC on 09 Apr 2022

BOARD COMMITTEES

BRNC RESPONSIBILITIES:

- **Oversight of remuneration**, including: (i) developing remuneration policies for the members of the Board, Board committee and Executive Management and recommending them to the Board for approval by the Annual General Meeting of SABIC's shareholders; (ii) reviewing remuneration policies regularly to ensure keeping up with changes in relevant legislation and regulations, SABIC's strategic objectives and the skills and qualifications required, and recommending proposed changes to the Board; (iii) recommending to the Board the remuneration of the members of the Board, Board committee and Executive Management in accordance with the policy approved by the Annual General Meeting of SABIC's shareholders; (iv) preparing an annual report on remunerations paid to the members of the Board, Board committee and Executive Management; and (v) specifying and recommending types of incentives for employees;
- **Oversight of appointments of Board members**, including: (i) developing a Board membership policy and recommending it to the Board for approval by the Annual General Meeting of SABIC's shareholders; (ii) reviewing such policy regularly to ensure that it complies with the changes in the relevant legislation and regulations, SABIC's strategic objectives, skills and qualifications required, and recommending proposed changes to the Board; (iii) conducting an annual review of the required skills for Board membership and preparing a description of the required capabilities and qualifications; (iv) recommending nominated individuals for Board membership in accordance with the Board membership policy; (v) verifying conflicts of interest for Board nominees, and making appropriate recommendations to the Board; (vi) reviewing the Board structure and recommending changes, if required or appropriate; (vii) reviewing the charters of the Board and the Board committees and updating them in accordance with the regulatory requirements and best practices; (viii) keeping Board members always informed of latest developments in the field of corporate governance and best practices; (ix) establishing processes for addressing vacancies in the Board or Board committees; and (x) recommending measures to evaluate the performance of the Board and the Board committees;

- **Oversight of Board functioning**, including: (i) ensuring independence of the independent directors; (ii) recommending re-nominations/ dismissals of members of the Board and Board committee; (iii) verifying whether a Board member is engaged in any business that competes with the Company's businesses, or competes in any activity or a branch of an activity carried out by the Company and making necessary recommendations to the Board; (iv) Reviewing status of the member's competition against the Company's businesses (approved by the Annual General Meeting) on an annual basis; basis; and (v) overseeing the implementation of an orientation programme for new Board members;
- **Oversight of appointments of Executive Management members**, including: (i) recommending to the Board appropriate policies and standards for the appointment of Executive Management members and identifying the required capabilities and skills; (ii) reviewing such policies and standards regularly to ensure their consistency with changes in SABIC's strategic objectives, and identifying the skills and qualifications required to achieve such objectives; (iii) preparing job descriptions for Executive Management appointments; and (iv) developing succession planning processes for cases of vacancy of the position of any member of the Executives Committee and making the required recommendations.

BOARD RISK & SUSTAINABILITY COMMITTEE

According to its charter, the Board Risk & Sustainability Committee (BRSC) shall be formed by a Board resolution setting out its formation, term, working procedure and remuneration of its members. The BRSC is formed from three (3) to five (5) members.

As on 31 December 2022, the BRSC comprises the following three (3) members, of whom one (2) are independent and one (1) is non-executive directors. The following table shows the BRSC composition and meetings:

Name	Role	Classification	Independent of		BRSC Meetings			Attendance	
			Management	Other Interests	1 st 07 Mar 22	2 nd 26 Sept 22	3 rd 12 Dec 22	No.	%
Olivier Gerard Thorel	Chairman	Non-executive	Yes	Yes	√	√	√	3	100%
Nader Ibrahim Al-Wehibi	Member	Independent	Yes	Yes	√	√	√	3	100%
Yousef Abdurahman Al-Zamel ⁽¹⁾	Member	Independent	Yes	Yes	-	√	√	2	100%
3 Members		2 Independent 1 Non-Executive	Average Committee Meeting Attendance: 100%						
Calum Grigor MacLean ⁽²⁾	Chairman	Non-executive	Yes	Yes	√	-	-	1	100%

(1) Eng.Yousef Al-Zamel joined the BRSC on 10 Apr 2022
(2) Mr. Calum MacLean left the BRSC on 09 Apr 2022

BRSC RESPONSIBILITIES:

- **Risk management functions**, including: (i) working with the Executive Management to develop a corporate risk management policy in accordance with SABIC's business and activities and pursuant to SABIC's objectives and strategy, and recommending such policy to the Board; (ii) reviewing the corporate risk management policy periodically to ensure consistency with changes that may occur in the internal or external environments in which SABIC operates, the legislation governing its business or strategic objectives, or otherwise, and recommending proposed changes to the Board; (iii) recommending to the Board an acceptable level of risk to SABIC and how to maintain it, and monitoring that this level is not exceeded; (iv) verifying business continuity and identifying risks facing SABIC annually; (v) overseeing the risk management systems and assessing their effectiveness and mechanisms of identifying, measuring and monitoring risks; (vi) re-evaluating the ability to take, or be exposed to risks regularly (for example through stress testing); (vii) preparing a report to the Board containing detailed risk exposure and proposed steps to manage these risks; (viii) providing recommendations to the Board on risk management issues; (ix) verifying the independence of risk management personnel; (x) ensuring that risk management personnel understand the risks facing SABIC, and working to increase awareness of the risk culture; and (xi) reviewing any issues raised by the Audit Committee that may affect SABIC's risk management;

- **Sustainability management functions**, including: (i) working with the Executive Management to develop a corporate sustainability strategy and policies that are commensurate with the nature of SABIC's activities and business; (ii) reviewing the sustainability strategy and policies periodically to ensure their consistency with changes in the internal or external environments in which SABIC operates, the legislation regulating its business or strategic objectives, or otherwise, and recommending proposed changes to the Board; and (iii) overseeing SABIC's EHSS systems and ensuring they are in compliance with relevant legislation and regulations, and the availability of the skills and expertise necessary for their management.

BRSC PRIORITIES FOR RISK MANAGEMENT AND SUSTAINABILITY ASSURANCE:



BOARD COMMITTEES

CONTINUED

BOARD INVESTMENT COMMITTEE

According to its charter, the Board Investment Committee (BIC) shall be formed by a Board resolution setting out its formation, term, working procedure and remuneration of its members. The committee is formed from three (3) to five (5) members.

As on 31 December 2022. The table below shows the committee composition and meetings:

Name	Role	Classification	Independent of		BIC Meetings				Attendance	
			Management	Other Interests	1 st	2 nd	3 rd	No.	%	
					07 Mar 22	19 Sept 22	05 Dec 22			
Dr. Mohammed Yahya Al-Qahtani ⁽¹⁾	Chairman	Non-Executive	Yes	Yes	-	√	√	2	100%	
Yousef Abdurahman Al-Zamel ⁽¹⁾	Member	Independent	Yes	Yes	-	√	√	2	100%	
Ziad Thamer Al-Murshed	Member	Non-Executive	Yes	Yes	√	√	√	3	100%	
Calum Grigor MacLean ⁽¹⁾	Member	Independent	Yes	Yes	-	√	√	2	100%	
4 Members		2 Independent 2 Non-Executive			Average Committee Meeting Attendance: 100%					
Khalid Hashim Al-Dabbagh ⁽²⁾	Chairman	Non-Executive	Yes	Yes	√	-	-	1	100%	
Dr. Khaled Hamza Nahas ⁽²⁾	Member	Independent	Yes	Yes	√	-	-	1	100%	
Abdullah Mohammed Al-Issa ⁽²⁾	Member	Non-Executive	Yes	Yes	√	-	-	1	100%	
Yousef Abdullah Al-Benyan ⁽³⁾	Member	Executive	No	Yes	√	√	-	2	100%	

(1) Dr. Mohammed Al-Qahtani, Eng. Yousef Al-Zamel and Mr. Calum MacLean joined the BIC on 10 Apr 2022

(2) Eng. Khalid Al-Dabbagh, Dr. Khaled Nahas, and Eng. Abdullah Al-Issa left the BIC on 09 Apr 2022

(3) Mr. Yousef Al-Benyan resigned on 28 Sept 2022

BIC RESPONSIBILITIES:

- Working with the Executive Management to develop an investment strategy and policy commensurate with the nature of SABIC's business, activities and risks;
- Examining financing prospects for such investment opportunities;
- Reviewing the investment strategy and policy regularly to ensure consistency with changes that may occur in the external environment in which SABIC operates, the legislation regulating the business, or the strategic objectives or otherwise, and recommending proposed changes to the Board;
- Ensuring that the proposed investment opportunities comply with relevant regulations and instructions;
- Overseeing investment activities and establishing appropriate processes for measuring and assessing investment performance;
- Prioritizing investment proposals;
- Evaluating the investment opportunities
- Reviewing the Executive Management's interim progress reports on approved investment opportunities.

proposed by the Executive Management (such as mergers or acquisitions of companies, businesses or assets; divestiture, sale, or transfer of ownership, exit or disposition of an existing investment; and joint venture partnerships);

OWNERSHIP OF BOARD MEMBERS

As on December 31, 2022, Board members, their spouses and their minor children had the following shareholding in SABIC and/or its subsidiaries:

Name	Beginning of year shares (No.)				End of year shares (No.)				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 Abdurahman Al-Zamel ⁽¹⁾	-	-	-	-	69,200	5,849	79,500	137,000	-	-	-	-
Calum Grigor MacLean	-	-	-	-	-	-	-	-	-	-	-	-
Nader Ibrahim Al-Wehibi	310	-	13,000	350	310	6,900	13,000	350	-	+6,900	-	-
Dr. Khaled Hamza Nahas ⁽²⁾	-	-	-	-	-	-	-	-	-	-	-	-
Non-Executive Directors												
Khalid Hashim Al-Dabbagh	-	-	-	-	-	-	-	17,300	-	-	-	+17,300
Mohammed Talal Al-Nahas	-	-	-	25	-	-	-	25	-	-	+200	-
Mohammed Yahya Al-Qahtani ⁽¹⁾	-	-	-	-	-	-	-	130	-	-	-	-
Ziad Thamer Al-Murshed	-	-	-	30	-	-	-	30	-	-	-	-
Olivier Gerard Thorel	-	-	-	-	-	-	-	-	-	-	-	-
Abdullah Mohammed Al-Issa ⁽²⁾	300,000	-	-	-	-	-	-	-	-	-	-	-
Executive Directors												
Yousef Abdullah Al-Benyan ⁽³⁾	44,000	7,000	177,234	1,000	-	-	-	-	-	-	-	-

(1) Eng. Yousef Al-Zamel, Dr. Mohammed Al-Qahtani joined on 10 Apr 2022

(2) Dr. Khaled Nahas, Eng. Abdullah Al-Issa term expired on 09 Apr 2022

(3) Mr. Yousef Al-Benyan resigned on 28 Sept 2022

EXECUTIVE MANAGEMENT

The day-to-day management of SABIC's business is led by its senior executives who, together with the Vice-Chairman / CEO, represent the Company's Executive Management

Team. As of December 31, 2022, the Executive Management Team comprises the following members:

Name	Title
Abdulrahman Al-Fageeh	CEO (A) and Executive Vice President, Petrochemicals
Abdulaziz Al-Oudan	Executive Vice President, Corporate Human Resources
Samir Al-Abdrabbuh	Executive Vice President, Agri-Nutrients
Anas Kentab	Executive Vice President, Europe Repositioning
Timothy D. Leveille	Executive Vice President, Corporate Finance
Bob Maughon	Executive Vice President, Sustainability, Technology and Innovation
Abdulrahman Shamsaddin	Executive Vice President, Shared Services
Ahmed M. Al-Jabr	Executive Vice President, Manufacturing
Ahmad Al-Shaikh	Executive Vice President, Engineering and Project Management
Ernesto Occhiello	Executive Vice President, Specialties
Faisal Al-Suwailem	Executive Vice President, Shared Services

BIOGRAPHIES OF EXECUTIVE MANAGEMENT MEMBERS



ABDULRAHMAN AL-FAGEEH
CEO (A)*

CURRENT POSITION

– Mr. Al-Fageeh is the CEO (A) and Executive Vice President for Petrochemicals. He is the Chairman of SABIC Agri-Nutrients Company and the Nusaned Investment Company. He is also the Chairman of the Gulf Petrochemicals and Chemicals Association and the Petrochemical Manufacturers Committee, and is on the Board of the Royal Commission for Jubail and Yanbu.

WORK EXPERIENCE AND PREVIOUS POSITION

– As a global leader in the chemical industry, he has held several senior executive positions in the company in Project Management, Plant Operations, and Corporate & Business Management. Before assuming his present position, he was the Executive Vice President of the Polymers and Executive Vice President Performance Chemicals business units.

– Other senior positions at SABIC include Vice President of the Polyethylene Business Unit, and President of Yansab. He was also the Chairman of Petrokemya, Sadaf, Ibn Sina, Shrouq, Yanpet, Kemya, SAMAC, SABIC SK Nexlene Company, Gulf Coast Growth Ventures, SABIC Fujian. He was Vice Chairman of the Board of Ibn Zahr, and a board member in Ar-Razi and SABIC Capital B.V.

– He was also the Chairman of the World Plastics Council, an NGO, working to promote the ethic of sustainability and the responsible use of plastics.

EDUCATIONAL QUALIFICATIONS

– Mr. Al-Fageeh holds a Bachelor of Science degree in Chemical Engineering from the King Saud University, Riyadh, and an MBA from Bradford University, UK.

* Effective September 28, 2022



SAMIR AL-ABDRABBUH
Executive Vice President
Strategic Growth

CURRENT POSITION

– Mr. Al-Abdrabbuh is the Executive Vice-President for Strategic Growth, Chairman of the Board of Directors of Al-Jubail Fertilizer Company (Al-Bayroni); and Vice Chairman of SABIC Agri-Nutrients Company.

WORK EXPERIENCE AND PREVIOUS POSITIONS

– With over 35 years of experience in the Petrochemicals Industry, Mr. Al-Abdrabbuh has held a number of senior positions at SABIC, including the one most recently prior to his current post, the position of Executive Vice President, Agri-Nutrients, where he successfully led the first ever SABIC Agri-Nutrients Business Strategic Transformation into SABIC Agri-Nutrients Company.

– Previously, he held a number of leadership positions including Vice President, Global Supply Chain, Vice President, Oxygenates Business Unit, and Vice President, Global Corporate Communications.

– Some of the other key positions he held were Chairman of Board of Directors of SABIC affiliates, Sabtank and Chemtank, and Chairman of the Board of Directors, SABIC Supply Chain Services Company (SSCS), Board member of Ibn-Sina Co, Vice Chairman of GPCA Fertilizers Committee, Board Member of Arab Fertilizers Association (AFA), Board Member of International Fertilizers Association (IFA), Board Member and Managing Director of Gulf Petrochemical Industries Corporation (GPIC), Board Member of the National Sustainable Agricultural Research and Development Center (Estidamah), and Chairman of the Board of Directors of the Asia Clean Fuels Association (ACFA).

EDUCATIONAL QUALIFICATIONS

– He is a graduate of the King Fahd University of Petroleum & Minerals, where he earned a BSc degree in Computer Science & Engineering. Mr. Al-Abdrabbuh has also completed many professional courses in world-class institutions such as London Business School, UCLA and the University of Michigan.



ABDULAZIZ AL-ODAN
Executive Vice President
Corporate Human Resources

CURRENT POSITION

– Mr. Al-Oudan is the Executive Vice President for Corporate Human Resources, and the Chairman of Eastern Petrochemical Company (Sharq), Secretary General of SABIC Nomination & Remuneration Committee, member of the Nomination & Remuneration Committee of Saudi Exports Development, and member of the Arabian Society for Human Resource Management (ASHRM).

– During his 25-year career with SABIC, Mr. Al-Oudan has held other senior positions, including Chairman of United Jubail Petrochemical Company, Director, Global Information Technology Center of Excellence, and Director, Global Information Technology Business Partnership. He was instrumental in starting the first Business Process Management department at SABIC. Prior to that, he was the Corporate IT Strategy & Planning Leader, SAP Financial Controlling Consultant for FANAR.

WORK EXPERIENCE AND PREVIOUS POSITIONS

– Before assuming his current posting, Mr. Al-Oudan served as General Manager, Global Talent Management, and earlier General Manager, HR Middle East and Africa.

EDUCATIONAL QUALIFICATIONS

– Mr. Al-Oudan holds a degree in Management Information Systems from King Saud University, Saudi Arabia.

BIOGRAPHIES OF EXECUTIVE MANAGEMENT MEMBERS

CONTINUED



ANAS KENTAB

Executive Vice President
Europe Repositioning

CURRENT POSITION

- Mr. Kentab is the Executive Vice President for Europe Repositioning. He is the Chairman of the Board of Petrokemya, Gulf Coast Growth Ventures, Yanpet and Kemya.

WORK EXPERIENCE AND PREVIOUS POSITIONS

- Before assuming his present position, Mr. Kentab served as Executive Vice President of Crude Oil to Chemicals (COTC) project. Prior to that, he served as Executive Vice President of the Agri-Nutrients strategic business unit. He has held a number of senior positions at SABIC, including the post of Vice President of a number of business units, such as Polyethylene, Polypropylene and Olefins



TIMOTHY D. LEVEILLE

Executive Vice President
Corporate Finance

CURRENT POSITION

- Mr. Leveille is the Executive Vice President for Corporate Finance, and is Chairman of the Supervisory Board of SABIC CAPITAL B.V.

WORK EXPERIENCE AND PREVIOUS POSITIONS

- Before assuming his present position, Mr. Leveille was Senior Vice President, Chief Financial Officer, and Controller of Chevron Phillips Chemical Company, based in The Woodlands, Texas, United States.
- He served previously as Assistant Treasurer of Chevron Corp., with oversight over global cash management and financing activities for Chevron's operating companies worldwide.
- He has worked for the public accounting firm of PricewaterhouseCoopers, and in 1987, joined

and Industrial Gases. He was also the General Manager of Intermediate Operations and Planning.

- He began his career at SABIC as Project Manager for Sharq. He held several positions in the former Intermediates business unit, where he managed financial and business reporting, strategy and investment planning, and operations planning. He was also a business manager for the mono-ethylene glycol business
- He was the Chairman of United and SOCC, and a member of the boards of Kemya, Sharq, SAFCO, Al-Bayroni, Sadaf, Yanpet and SSTPC.

EDUCATIONAL QUALIFICATIONS

- Mr. Kentab holds a Bachelor's degree in Mechanical Engineering from King Saud University in Riyadh. He has undertaken several management and executive leadership programs in GE, INSEAD, IMD, and London Business School.

Caltex, an international joint venture between Texaco and Chevron that was formed originally in 1936 to market oil from the newly discovered fields in Saudi Arabia.

- Mr. Leveille served in various overseas finance roles in Asia and Africa for roughly 17 years with Caltex, including as country Chairman and Chief Financial Officer of Caltex Philippines. In 2007, he became Vice President of Finance for Chevron's global gas business, and in 2009 Senior Director of International Finance in Corporate Treasury.

EDUCATIONAL QUALIFICATIONS

- Mr. Leveille holds a Bachelor's Degree in Accounting and Computer Science from Boston College and a Master's of Business Administration in Finance from Columbia University School of Business, United States. He was certified as a US public accountant (CPA), licensed by the state of New York in 1985.



BOB MAUGHON

Executive Vice President
Sustainability, Technology and Innovation

CURRENT POSITION

- Dr. Bob Maughon is the Executive Vice President, Sustainability, Technology & Innovation and Chief Technology and Sustainability Officer. He oversees a global organization with 18 research centers around the world and a talented team focused on driving process, product and application innovation to support SABIC's growth agenda. Additionally, Maughon has responsibility for Corporate Sustainability, Product Stewardship, Technology Licensing and Technology Ventures.

WORK EXPERIENCE AND PREVIOUS POSITIONS

- Prior to joining SABIC in 2019, Maughon served as the R&D Vice President for Packaging & Specialty Plastics and Hydrocarbons at Dow.
- Early in his career with Dow, he worked in the Corporate R&D laboratories on a variety of programs ranging from heterogeneous hydrogenation catalysis, ring opening

polymerization, homogeneous catalysis and alternative feedstocks.

- Over the course of his 21-years with Dow, Maughon moved from an individual contributor to eventually assuming people leadership roles in Corporate R&D and subsequently Business R&D for Hydrocarbons and Energy, Dow Pharma & Food Solutions, and Packaging & Specialty Plastics and Hydrocarbons.
- Maughon serves as a member for the University of Michigan Engineering Leadership Advisory Board, the AspenTech Executive Advisory Board, and the American Chemical Society Sustainable Development Advisory Council. He holds nine US patents and has numerous publications and presentations at external conferences.

EDUCATIONAL QUALIFICATIONS

- Maughon earned his BA degree in chemistry from Rice University and his PhD in organic chemistry from the California Institute of Technology.



ABDULRAHMAN SHAMSADDIN

Chief Executive Officer
SABIC Agri-Nutrients Company

CURRENT POSITION

- Mr. Shamsaddin is the Chief Executive Officer, Agri-Nutrients Company. He is also the Chairman of Yansab.

WORK EXPERIENCE AND PREVIOUS POSITIONS

- Prior to his present posting, Mr. Shamsaddin held a number of senior positions at SABIC, including Executive Vice President of SABIC Shared Services and Vice President of Internal Audit.
- During his career, Mr. Shamsaddin played several operational and management roles, covering Process Safety Management, Reliability, Engineering/Project Management, Maintenance and Operations functions in refinery and petrochemical plants.
- He also took up the responsibility of the company's Enterprise Risk Management as General Manager, which encompassed Risk Management, Internal Controls, Business Continuity Management, Global Insurance and Credit Management.

- He was also a member of SABIC Risk Management's Executive Committee and the Secretary of the SABIC Board Risk & Compliance Committee. He was part of the Corporate Finance Leadership Team and led several projects and global initiatives. As the company's Chief Audit Executive, he was accountable to the Board Audit Committee for the Corporate Internal Audit.

- In his early professional career, Mr. Shamsaddin served at Saudi Aramco-Exxon Mobil Refinery (SAMREF) with global secondment experiences at refinery and chemical sites. He then joined SABIC as Manufacturing Turnaround Senior Manager at SABIC Manufacturing and was promoted as Manufacturing Services/Planning General Manager. He also served as Operations General Manager at Ibn Rushd and Continuous Improvement General Manager at SABIC Manufacturing Center of Excellence.

EDUCATIONAL QUALIFICATIONS

- Mr. Shamsaddin holds a Bachelor's Degree in Applied Mechanical Engineering (Hons) from King Fahd University of Petroleum & Minerals (KFUPM), Saudi Arabia.

BIOGRAPHIES OF EXECUTIVE MANAGEMENT MEMBERS

CONTINUED



AHMAD AL SHAIKH

Executive Vice President
Engineering & Project Management

CURRENT POSITION

- Mr. Al-Shaikh is the Executive Vice President for Engineering & Project Management. He is also the Chairman of Saudi Kayan, SABIC Fujian and Takamol.

WORK EXPERIENCE AND PREVIOUS POSITIONS

- Mr. Al-Shaikh joined SABIC as Project Engineer and has since held a number of senior positions, including Executive Vice President of Manufacturing, and President of Yanpet and United.

- In the early days of his career, he was with Saudi Aramco-Shell Refinery.

EDUCATIONAL QUALIFICATIONS

- Mr. Al-Shaikh holds a Bachelor of Science in Electrical Engineering from King Abdulaziz University, Saudi Arabia.
- He has completed intensive executive programs from IMD, INSEAD, and General Electric.



AHMED M. AL-JABR

Executive Vice President
Manufacturing

CURRENT POSITION

- Mr. Al-Jabr is the Executive Vice President for Manufacturing, overseeing the company's global manufacturing operations in the Americas, Europe, Asia and Middle East/Africa, including major sites in Saudi Arabia. He is also the Chairman of Gas and the Vice Chairman of Marafiq.

WORK EXPERIENCE AND PREVIOUS POSITIONS

- Prior to his present posting, Mr. Al-Jabr was the President of SABIC Agri-Nutrients. He has also held the posts of President of Sharq and Al-Bayroni, and was a board member of Alba. He has more than 34 years of experience in

different management, manufacturing, and technical functions where he has focused on facilitating operations, maximizing revenue and productivity, and ensuring future growth. He has also had vast experience in Mergers & Acquisition.

EDUCATIONAL QUALIFICATIONS

- Mr. Al-Jabr holds a Bachelor's degree in Chemical Engineering from King Fahad University of Petroleum and Minerals, Dhahran, Saudi Arabia.
- He has completed leadership programs from the University of Michigan and INSEAD Business School.



ERNESTO OCCHIELLO

Executive Vice President
Specialties

CURRENT POSITION

- Mr. Occhiello is the Executive Vice President for Specialties.

WORK EXPERIENCE AND PREVIOUS POSITIONS

- Mr. Occhiello previously held the positions of Executive Vice President, SABIC Technology & Innovation, and Executive Vice President, SABIC Innovative Plastics. He later joined Clariant as Chief Executive Officer.

- Prior to joining SABIC, he served as Global R&D Director of Dow Chemical Company. He was also the Research and Technology Leader, Polyurethane and Chlor-Alkali Business, Montedison SpA.

EDUCATIONAL QUALIFICATIONS

- A former professor from the University of Turin in Chemistry of Materials, Mr. Occhiello has co-authored two books, more than 100 scientific papers, and communications to congresses. He is responsible for more than 45 patents and has more than 120 citations in SciFinder. Mr. Occhiello holds a Laurea in Chemistry cum laude from the University of Turin.



FAISAL AL-SUWAILEM

Executive Vice President
Shared Services

CURRENT POSITION

- Mr. Al-Suwailem is the Executive Vice President for Shared Services. He is also the Chairman of United and a board member of SABIC Capital B.V.

WORK EXPERIENCE AND PREVIOUS POSITIONS

- Before assuming his present position, he was Vice President of Internal Audit.
- He has also held several key positions, including the General Manager, Board Affairs and Corporate Governance, where he played a significant role in establishing and enhancing Corporate Governance standards.
- Earlier, he served as the General Manager, Enterprise Risk Management, where he played a key role in formalizing and enhancing the company-wide Risk Management and Business Continuity Management (BCM) framework and practices.
- He was also a board member of Ar-Razi and MPC.

EDUCATIONAL QUALIFICATIONS

- Mr. Al-Suwailem holds a Bachelor's Degree in Accounting from Western Illinois University and a Master's Degree in Business Administration (Executive MBA) from Thunderbird School of Global Management (Arizona State University). He has also completed leadership and executive development programs from IMD and Harvard.

EXECUTIVE MANAGEMENT

EXECUTIVE OWNERSHIP

As of 31 December 2022 Board members, their spouses and their minor children had the following shareholding in SABIC and/or its subsidiaries:

Executives	Beginning of the year, no. of shares				End of the year, no. of shares				Net change			
	SABIC	SABIC Agri- Nutrients	Saudi Kayan	Yansab	SABIC	SABIC Agri- Nutrients	Saudi Kayan	Yansab	SABIC	SABIC Agri- Nutrients	Saudi Kayan	Yansab
Abdulrahman Saleh Abdulrahman Al-Fageeh	-	-	-	12,896	-	-	-	12,896	-	-	-	-
Samir Ali Al-Abdrabbuh	-	-	-	-	-	-	-	-	-	-	-	-
Abdulrahman Shamsaddin	-	-	-	-	-	-	-	-	-	-	-	-
Abdulaziz Ali Abdulaziz Al-Oudan	-	-	-	-	-	-	-	10	-	-	-	+10
Ahmad Terais Saad Al-Sheikh	-	-	65,000	17,198	-	-	00,000	00,000	-	-	-65,000	-17,198
Anas Yusuf Kentab	15,000	12,000	10,000	12,000	15,000	12,000	10,000	12,000	-	-	-	-
Timothy Leveille	-	-	-	-	-	-	-	-	-	-	-	-
Dr. Bob Maughon	-	-	-	-	-	-	-	-	-	-	-	-
Ernesto Occhiello	-	-	-	-	-	-	-	-	-	-	-	-
Ahmed Mohammed Al Jabr	-	342	1,000	13,046	-	342	1,000	85	-	-	-	-12,961
Faisal Al-Suwailem	-	-	-	-	-	-	-	-	-	-	-	-

REMUNERATION

REMUNERATION POLICY

Remuneration, allowances and other benefits for the members of SABIC Board, board committees – including non-director (outside) members – and the executive management are regulated by SABIC Remuneration Policy approved by the AGM 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. It, in all, aims at*:

- Attracting and retaining the best calibers who have the right skills and expertise to achieve SABIC's purpose and objectives;
- Creating an attractive working environment that helps SABIC retain talents and achieve its vision and sustainability;
- Serving as a motivating factor for the members to

do their best to achieve SABIC objectives and enhance its growth and sustainability;

- Being suitable to SABIC business size and nature, and its strategic objectives; and
- Not creating any sort of conflicts of interest or harming the interests of SABIC.

The Board determines the remuneration and other benefits for the members of the Board, its committees, and Senior Management, upon the recommendation of the BRNC. The total pay that a Board member may receive in a year is capped at of SR 1,800,000; and to exceed that cap, the AGM approval will be required.

The total remuneration paid by the Company to the members of the Board and committees for the fiscal year ended on 31 December 2022, are set out below:

REMUNERATION

CONTINUED

Name	Fixed remunerations							Variable remunerations								
	Fixed amount ⁽¹⁾	Attendance allowance for Board meetings	Total attendance allowance for Committee meetings	In-kind benefits	Remuneration of technical, administrative, and consulting works	Remuneration of the Chairman of the Board, the Managing Director, or the Secretary of the Board of Directors	Total	Profit rate	Periodic bonuses	Short-term incentive service	Long-term incentive service	Shares awarded (enter value)	Total	End of service award	Grand total	Expenditure allowance
First: Independent Members							First: Independent Members									
Nader Ibrahim Al-Wehibi	200.000	25.000	25.000	-	-	-	250.000	-	-	-	-	-	-	-	250.000	
Yousef Abdurahman Al-Zamel ⁽²⁾	145.753	20.000	20.000	-	-	-	185.753	-	-	-	-	-	-	-	185.753	
Calum Grigor MacLean	200.000	25.000	25.000	-	-	-	250.000	-	-	-	-	-	-	-	250.000	
Dr. Khaled Hamza Nahas ⁽³⁾	54.247	10.000	10.000	-	-	-	74.247	-	-	-	-	-	-	-	74.247	
Total	600.000	80.000	80.000	-	-	-	760.000	-	-	-	-	-	-	-	760.000	
Second: Non-executive Members							Second: Non-executive Members									
Khalid Hashim Al-Dabbagh	200.000	30.000	5.000	-	-	-	235.000	-	-	-	-	-	-	-	235.000	
Mohammed Talal Al-Nahas	200.000	30.000	20.000	-	-	-	250.000	-	-	-	-	-	-	-	250.000	
Dr. Mohammed Yahya Al-Qahtani ⁽²⁾	145.753	20.000	25.000	-	-	-	190.753	-	-	-	-	-	-	-	190.753	
Eng. Ziad Thamer Al-Murshed	200.000	30.000	20.000	-	-	-	250.000	-	-	-	-	-	-	-	250.000	
Eng. Olivier Gerard Thorel	200.000	30.000	15.000	-	-	-	245.000	-	-	-	-	-	-	-	245.000	
Abdullah Mohammed Al-Issa ⁽³⁾	54.247	5.000	15.000	-	-	-	74.247	-	-	-	-	-	-	-	74.247	
Total	1,000.000	145.000	100.000	-	-	-	1,245,000	-	-	-	-	-	-	-	1,245.000	
Third: Executive Members							Third: Executive Members									
Yousef Abdullah Al-Benyan ⁽⁴⁾	147.945	25.000	10.000	-	-	-	182.945	-	-	-	-	-	-	-	182.945	
Total	147.945	25.000	10.000	-	-	-	182.945	-	-	-	-	-	-	-	182.945	

(1) The fixed amount is the annual remuneration specified for membership of the Board of Directors for the year 2022.

(2) Eng. Yousef Al-Zamel and Dr. Mohammed Al-Qahtani joined the Board on 10 Apr 2022

(3) Dr. Khaled Nahas and Eng. Abdullah Al-Issa term expired on 09 Apr 2022

(4) Mr. Yousef Al-Benyan resigned on 28 Sept 2022

REMUNERATION

CONTINUED

The total remuneration paid by SABIC to the members of the Board committees for the fiscal year ended on 31 December 2022, are set out below:

Name	Fixed remuneration (excluding meeting attendance allowance)				Meeting attendance allowance				Total
	BAC	BRNC	BRSC	BIC	BAC	BRNC	BRSC	BIC	
Board Members									
Khalid Hashim Al-Dabbagh ⁽¹⁾				67,808				5,000	72,808
Mohammed Talal Al-Nahas		250,000				20,000			270,000
Nader Ibrahim Al-Wehibi	250,000		-		15,000		10,000		275,000
Dr. Mohammed Yahya Al-Qahtani ⁽²⁾		-		182,192		15,000		10,000	207,192
Calum Grigor MacLean	250,000	-	-	-	10,000	5,000	5,000	5,000	275,000
Yousef Abdurahman Al-Zamel ⁽²⁾				182,192			10,000	10,000	202,192
Ziad Thamer Al-Murshed		250,000		-		10,000		10,000	270,000
Olivier Gerard Thorel				250,000			15,000		265,000
Yousef Abdullah Al-Benyan ⁽³⁾				184,932				10,000	194,932
Dr. Khaled Hamza Nahas ⁽¹⁾		67,808		-		5,000		5,000	77,808
Abdullah Mohammed Al-Issa ⁽¹⁾	67,808			-	10,000			5,000	82,808
Total									2,192,740
Non-Director Members									
Salah Mohammed Al-Hareky	200,000				25,000				225,000
Wilhelmus H. Jansen ⁽²⁾	145,753				15,000				160,753
Stephan V. Santbrink ⁽²⁾	145,753				15,000				160,753
Abdulaziz Habdan Al-Habdan ⁽¹⁾	54,247				10,000				64,247
Dr. Khalid Dawood Al-Faddagh ⁽¹⁾	54,247				10,000				64,247
Total									675,000
Grand Total	1,167,808	567,808	432,192	434,932	115,000	55,000	35,000	60,000	2,867,740

(1) Eng. Khalid Al-Dabbagh, Dr. Khaled Nahas, Eng. Abdullah Alissa, Mr. Abdulaziz Al-Habdan and Dr. Khalid Al-Faddagh left committees on 09 Apr 2022

(2) Dr. Mohammed Al-Qahtani, Eng. Yousef Al-Zamel, Mr. Wilhelmus Jansen and Mr. Stephan Santbrink joined committees start on 10 Apr 2022

(3) Mr. Yousef Al-Benyan resigned on 28 Sept 2022

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, 2022 are as below:

Senior Executives	Fixed remunerations				Variable remunerations								
	Salaries	Allowances	In-kind Benefits	Total	Periodic Profits	Short-term incentive plans*	Long-term incentive plans**	Granted shares (insert the value)	Total	End of service benefits	Total remunerations for Board	Total aggregate amount	
Total (SAR)	13,859,849	4,960,871	493,772	19,314,492	-	-	15,619,662	6,607,528	-	22,227,190	6,448,954	172,945	48,163,581

* Remuneration for 2021

** Remuneration for 2021 cycle



Internal Audit has full access to SABIC's sites around the world, information, documents and employee-related issues.

INTERNAL AUDIT AND COMPLIANCE

INTERNAL AUDIT

SABIC's Internal Audit Department reports functionally to the Board Audit Committee and administratively to the Vice Chairman/Chief Executive Officer. In carrying out its duties, the Department has full access to SABIC's sites around the world, information, documents and employee related matters. The Internal Audit Department operates in accordance with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors (IIA Standards) as confirmed by external quality assurance & improvement program. Furthermore, Internal Audit maintains an internal quality assurance and improvement program, covering all aspects of the internal audit activities, to evaluate and continuously improve these activities.

The Internal Audit Department carried out planned audits in accordance with the agreed schedule and changes required during the year, as approved by the Board Audit Committee to evaluate, objectively and independently, the adequacy and effectiveness of Internal Controls System. Furthermore, Internal Audit participated in special assignments and conducted consulting services, including, for instance, integrated assurance and control self-assessment, maturity assessment of governance, risk management and controls culture in SABIC and other advisory engagements.

Throughout 2022, Internal Audit Department regularly issued audit progress reports to the Board Audit Committee during the year covering the audit plan progress, audit activities / observations, progress on internal audits' outcome and overall update / view on internal controls effectiveness and related subjects. During 2022, Internal Audit continued its significant progress made in closing and verifying audit findings along with strengthening the follow-up / closure process.

The Internal Audit Department continued to pursue the IA Strategy in 2022, with impactful outcomes. The four strategic pillars of the IA Department are Audit Functional Excellence, Stronger 3-Lines of Assurance, More and Broader Technology and Talents for Today & Tomorrow, which enabled conducting more efficient and effective audits with tangible influence on Governance, Internal Controls & Risk Management across SABIC's Corporate Functions and SBUs globally. The Department is committed to continuous improvement through the role of dedicated Audit Expertise Center.

In strengthening the 3-Lines of Assurance, the IA Leadership team continued the structured engagement sessions with SABIC leadership teams, proactively sharing key risks, common themes of audit findings and enhancing internal controls.

The Internal Audit Department's focus on advancing technology remains a top priority in 2022. Significant improvements were made in enhancing the existing capabilities within SABIC and its Affiliates, where applicable, including technologies such as robotic process automation, data analytics and others to automate audit processes and to enable continuous auditing and monitoring the company's critical processes.

The Internal Audit Department's focus on human capabilities remains a top priority; attracting and developing talents and enabling them to acquire required skill sets and relevant qualifications to perform the audit activities in an effective manner. In 2022, 6 auditors completed their certifications which further strengthens the line of assurance within Internal Audit Department. Furthermore, SABIC Internal Audit contributes to SABIC people development programs such as Internal Audit Capability Program, where employees from different departments are seconded to SABIC Internal Audit to improve governance, risk management and internal controls culture and gain in-depth experiences about the internal audit processes.

SABIC Internal Audit maintained its active collaboration with SABIC External Auditors to accommodate both responsibilities and add greater value to the organization and its shareholders. The External Auditors reports to the management contributes to the formation of board audit committee's opinion on the effectiveness of Company's internal controls system.

The Board Audit Committee is of the opinion that the Company's Executive Management has maintained an effective internal controls system capable of providing reasonable assurances; and that the audits outcome together with the Audit Committee meeting discussions, have all provided reasonable grounds for formulating this opinion.



At SABIC, compliance and ethics are integrated in ongoing processes that seek to engage our workforce and other stakeholders with a framework for conducting business in an ethical manner.

COMPLIANCE

SABIC conducts business ethically, honestly, and in full compliance with the law. We believe that how we conduct ourselves is critical to our success as the preferred world leader in chemicals. At SABIC, compliance and ethics are integrated in ongoing processes that seek to engage our workforce, customers, suppliers, investors, community members and other stakeholders with a framework for conducting business in an ethical manner, addressing risk and mitigating issues and concerns.

Starting with our Code of Ethics, we hold ourselves to the highest standards of integrity and seek to comply fully with the laws and regulations of the countries in which we operate. Our leaders embrace the Code and incorporate it into the daily activities of their teams.

To build the right foundation for our integrity culture and avoid violations, all employees are required to complete compliance training on specific topics based on work duties, such as antitrust regulations, fair employment practices and trade controls. This training takes various forms, including face-to-face or online training, with training materials and formats being updated regularly.

SABIC's Chief Compliance Counsel is responsible for managing the implementation of the compliance program, supported by a team of lawyers and professionals working in each region where we conduct our business. The Chief Compliance Counsel regularly reports to the Audit Committee of the Board on progress, risks, mitigation measures and initiatives.

We encourage employees to report any compliance concerns, and we encourage them to inquire and ask for guidance if there is any doubt. We also make our reporting channels available to external stakeholders such as customers, suppliers, and community members. The company responds quickly to potential risks of any such concerns or possible breaches.

In order to stay abreast of the latest regulatory developments, to have a broader perspective, to learn best practices and, in some cases, to act collectively to impact change, we partner with external organizations that lead on important integrity issues.

Since 2013, SABIC has participated in the annual G20/B20 policy process on anti-corruption. In 2022, we were part of the Indonesian B20 Integrity and Compliance Task Force. In the Middle East, we are part of an organization called the Pearl Initiative – a group for

Gulf-based companies to share best practices on compliance and good governance. Through these partnerships, we learn about pioneering efforts that other companies are taking and we share our best practices with others.

Building capacity in our business environment is important to our external stakeholders. They are not satisfied with just knowing what SABIC is doing internally, but also want to have assurances that our supply chain is free of corruption, forced and child labor, environmental violations and other compliance violations. In 2021, SABIC launched a wide-ranging training program for 3rd party business partners including suppliers, distributors and contract workers. Through this online, local-language training, we are able to ensure that our third parties have a grounding in the compliance concepts that we adhere to.

All of these internal and external efforts benefit us in many ways, including through independent recognition. SABIC was awarded the Ethisphere Compliance Leader Verification®, valid through 2024. The verification process takes a deep-dive view of all aspects of a company's program, including its ethics program structure and oversight, training and communication, risk measurement, monitoring for misconduct, disciplinary measures and ethical corporate culture and employee perceptions. The rigorous review process and verification signals to SABIC and our stakeholders that our compliance efforts meet or exceed benchmark expectations.

As a signatory of the United Nations Global Compact (UNGC) since 2012, SABIC is committed to upholding the 10 principles of the UNGC. In 2022, we furthered this commitment through the publication of our first external statement on human rights. As detailed in that statement, we seek to create Chemistry that Matters™ in a manner that respects and fosters human rights in our daily operations. We embrace this same position with our business partners in our value chain, in the communities where we operate, and in the application and use of our products. We deploy numerous cross-functional resources in support of this aspiration.

RELATED PARTY TRANSACTION

The company assumes marketing and sales of affiliates' products in various local, regional and global markets through marketing agreements signed with those companies. For example, SABIC is selling chemical products produced by Sadara.

The affiliates sign services agreements with our corporate functions to provide various business services. Our Corporate Finance function provides accounting services. Engineering is provided by our Engineering and Project Management organization. Corporate Human Resources provides human resources support. Shared Services provides information technology. Legal Affairs provides compliance & ethics services to the affiliates. The company also provides its affiliates with procurement services, including transportation, warehouse services and delivery of materials related to spare parts through the SABIC Shared Services function.

SABIC's Legal Affairs, Enterprise Risk Management, Internal Audit and EHSS departments are designed to safeguard the interests of all SABIC stakeholders, including customers, employees and shareholders, and to manage SABIC's risks in a way that promotes our 2025 goal of becoming the world's preferred leader in chemicals.

The SABIC Legal Department protects the business against legal risks, through legal advice, employee training, and developing and leading

corporate legal strategy to promote and protect the company's goals, strategies and priorities. The Legal Department safeguards compliance with the laws and regulations of the jurisdictions where we operate.

Global Treasury focuses on ensuring a risk mindful culture, addressing key business interruption risks, ensuring a comprehensive consolidated insurance program and improving our data and process governance structure.

Internal Audit performs operational reviews of all aspects of activities in the business units and functions of SABIC and affiliates inside and outside Saudi Arabia. In addition, our Environment, Health, Safety and Security Department is responsible for supporting and protecting the Company and its affiliates to identify risk and ensure safety in compliance with government rules and regulations and industry standards.

DECLARATIONS BASED ON CORPORATE GOVERNANCE REGULATIONS

BOARD OF DIRECTORS DECLARATIONS

The Board of Directors acknowledges that:

- The accounting records were properly prepared;
- The internal control system was founded on a sound basis and implemented effectively; and
- There are no doubts about the company's ability to continue as a going concern.

COMPANY DECLARATIONS

- The company has not concluded any transactions or contracts of substantial interest to a member of the Board of Directors, or the Senior Executives, or any person related to any of them.
- There is no competing business with the Company or any of its activities that any member of the Board is engaging in or was engaging in such competing businesses.
- The company complies with CMA's regulations in all aspects except in respect of the following:

Article /Clause no.	Provision of Article/Clause	Reason
Article 92: 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 Corporate Governance Regulations, which stipulates that the Board of Directors shall form specialized committees, based on the need and circumstances of the company, in a manner that enables it to perform effectively, the Board of Directors does not see a need to form a specialized committee on "corporate governance". When the Board and all its existing committees, carry out their duties and achieve their objectives, they do inherently realize the corporate governance function and objectives.

APPENDIX

RISK FACTORS	124
ESG DISCLOSURES	130
DETAILS OF AFFILIATES, JOINT VENTURES, ASSOCIATED COMPANIES IN THE FINANCIAL STATEMENTS	132



RISK FACTORS

Theme	Risk	Driver	Potential Impact	Response Plan
STRATEGIC RISKS				
HIGHLY COMPETITIVE INDUSTRIES SABIC is exposed to the competitive characteristics of several different geographic markets and industries, which gives rise to exposure of operational and market risks (e.g., higher cost of production and selling price). SABIC's principal competitors vary from product to product and range from large global petrochemical companies to numerous smaller regional companies. Potential outcomes include a failure to meet performance expectations related to quality, time to market, cost and innovation as competitors	Risk 1: Potential failure in developing new products and processes, or bringing them to the market in a timely manner	Due to lack of research and marketing resources	That could result in ineffective and costly implementation of SABIC strategy	The implementation of SABIC's strategy to remain competitive requires continued technological advances and innovation in its operations. A key component of SABIC's strategy is to introduce new products and applications that offer distinct value to customers. SABIC continues to devote substantial resources to the marketing and development of new advanced products, processes, and support the expenditure of the research and development functions of its business.
	Risk 2: SABIC might fall behind its competitors in technology advancements and innovation in its operations	Due to lack of assurance that SABIC will have access to the most advanced technology developed by its licensors in the future	That might result in failure to implement SABIC's strategy and remain competitive	
	Risk 3: SABIC might not be able to manufacture products more economically compared to its competitors	Due to lack of research and marketing resources	That could result in shrinking of the available market for SABIC's products	
	Risk 4: Potential worldwide and regional petrochemicals capacity expansions	Due to raw material suppliers may expand their value chains	That could result in petrochemicals production capability exceeding product demand and lead to short- or long-term downward pricing pressures.	
CYCLICAL NATURE OF THE PETROCHEMICALS INDUSTRY AND MARKET CONDITIONS The petrochemicals industry is subject to the cycles of expansion and contraction in line with movements in the global economy, which creates swings in the supply and demand of petrochemicals products and volatility in the prices of feedstock and finished petrochemical products. The price of feedstock and product depends on the location of the production facility, the type of product, and the location of the customer. In the last decade, the global economy has experienced periods of slowdown, high volatility, reduced business activity, unemployment, and decline in interest rates and erosion of consumer confidence, all of which have affected downstream demand for chemical and plastic products in certain industry sectors and regions.	Risk 1: Inability to accurately predict the duration and dates of the economic trends and cycles	Due to the cyclical nature of the global petrochemical markets (i.e., supply and demand) and external impacts (i.e. Geopolitical tension)	That could significantly influence SABIC's operations and/ or financial condition	SABIC conducts a continuous horizon scanning and catches 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 robust scenario planning to build a product portfolio that can withstand changes in various trends.
	Risk 2: Potential downturn in regional or global economy, market crisis or prolonged periods of instability	Due to extended recession in any of the geographies that SABIC operates	That could lead to a substantially decrease in the demand for SABIC's products and adverse effect on SABIC's business	

Theme	Risk	Driver	Potential Impact	Response Plan
OPERATIONAL RISKS				
CAPITALIZE ON DIGITAL TRANSFORMATION (OPPORTUNITY) Effective utilization of Big Data Tools and Analytics will help SABIC to achieve superior market intelligence, higher productivity and efficiency.	Advantages to improve the reliability of manufacturing plants operations and enhance market analytics studies	By effective utilization of big data /analytics tools and manufacturing automation	That could lead to enhance operations productivity and efficiency as well as market analytics	SABIC is accelerating its digitalization efforts by investing more in digital capabilities and technologies to build agility and increase efficiencies. We focus on automating manufacturing processes, integrate machines, monitor performance, and predict equipment failure. As many as 36 of our manufacturing plants will be outfitted with Asset Healthcare, a monitoring system that uses artificial intelligence (AI) to predict potential failures of critical equipment. We are utilizing Big Data tools and predictive analytics to achieve superior market intelligence, gain new insights and become more responsive to our customers, as well as higher productivity and efficiency. Our investments in smart solutions to create fully digitalized value chains will continue, supported by new innovative business models.
CONDITIONS AFFECTING TRANSPORTATION OF MATERIALS SABIC's operations rely on the transportation of materials by sea and overland; and seeks cost efficiencies in the distribution of its finished products. Any issue affecting cargo transportation (e.g., dangerous conditions, natural disasters, labor market, or insurance etc.) could reduce SABIC's competitive advantage compared to 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.	Inability to attract and retain the right talent to support SABIC's current and growing business	Due to talent market demand (e.g., recruit qualified personnel or the unexpected loss of SABIC's key and skilled personnel)	That could impact SABIC business and operation (e.g., implementing new manufacturing technologies, developing new products, and improving customer engagement etc.).	SABIC offers competitive compensation and other benefits in order to attract and retain highly skilled employees. We also provide continuous training to upskill our existing employees by offering online competency-based learning with a wide range of accessible courses, including advanced programs in disciplines such as manufacturing, supply chain, sales, and marketing.
CONDITIONS AFFECTING TRANSPORTATION OF MATERIALS SABIC's operations rely on the transportation of materials by sea and overland; and seeks cost efficiencies in the distribution of its finished products. Any issue affecting cargo transportation (e.g., dangerous conditions, natural disasters, labor market, or insurance etc.) could reduce SABIC's competitive advantage compared to 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.	Potential delivery delays and significant increases in shipment costs	Due to dangerous conditions, natural disasters, special taxes, insurance limitation of space and containers etc.	That could result in financial losses and reputational damages	SABIC regularly performs supplier assessments, run through potential supply chain disruption scenarios, and identify areas of risk (e.g., political, geopolitical, weather-related, regulatory, or labor market risks). A top objective of developing new supply chain risk management approaches is to replace a dominant focus on low-cost sourcing with a more disciplined, comprehensive approach centered on fostering resilience and reliability in the face of ongoing global volatility. SABIC recognizes that supply chain strategies need to be reworked to incorporate climate change considerations along with other ESG matters.

RISK FACTORS

CONTINUED

Theme	Risk	Driver	Potential Impact	Response Plan
GEOPOLITICAL INSTABILITY AND PANDEMIC (EMERGING RISK) Deciding where to build a petrochemicals plant depends on tax and feedstock incentives, sustainability and technology considerations and logistics advantages. SABIC is centrally located in a region that is strategically important and parts of this region have been subject to political and security concerns. Unrest and conflict may cause continued 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. In 2022, the global economies faced multiple threats, ranging from the impact of the COVID-19 pandemic, geopolitical tensions and rising energy prices to economic uncertainty, supply chain disruption and natural disasters	Global logistics constraints and trade disruption on shipping route (truck/rail/barge/short sea)	Caused by geopolitical instability or pandemic restrictions	That may result in inability to forecast business and operation performance in the near- to mid-term future and delay to fulfill customer demand and increased costs	In the event of a geopolitical instability, SABIC starts with establishing a crisis-management team (CMT) to take the lead on gathering internal and external perspectives, identifying potential risks, and developing mitigation strategies. Continuous update is provided to SABIC Board and executives on the situation and review the ongoing mitigation efforts.
USE OF INFORMATION TECHNOLOGY SABIC, as all organizations, is exposed to various IT-related risks, such as the loss or theft of data, cyber-attacks, 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 SABIC's operations and financial condition.	Inability to prevent cyber-attacks and leakage of confidential information/data	Due to sophisticated cyber-crimes, and improper use of IT systems and networks	That could impact confidentiality, availability and integrity of data, operations and infrastructure of the IT systems, networks, facilities, production downtime and operational disruptions	SABIC maintains up-to-date version and back-up for its IT systems and frequently performs cyber-security attack simulations.
INHERENT PROCESS SAFETY The nature of petrochemical operations expose SABIC to environment, health, safety and security risks.	Inability to mitigate the inherent risks of petrochemical safety	Due to complexity of petrochemical operation	That could adversely impact our brand, EHSS, expose us to legal liability or business interruption.	SABIC deploys an operation management system that comprises of five dimension encompassing process safety. SABIC also deploys a process safety capability development program to bring up the competency level of its required staff.
PROJECTS UNDER DEVELOPMENT SABIC has a number of significant capital-intensive projects that are under development or in the planning stages. These projects include investment in new production plants and expansion or upgrade of existing plants. Each of these projects entails a number of risks during construction and commissioning. These risks include investment cost over-run, availability of feedstock, unanticipated liabilities, changes in taxes or duties, difficulties in achieving projected efficiencies, synergies, ability of appointed contractor to comply with contractual obligations, and changes in market conditions.	Potential project time delays and cost overruns for project	Due to high demand for materials and workforce	That could result in delay in value realization and financial impact	SABIC has a structured approach to all of its projects with gating system that ensures covering the required studies and analysis to make an informed decision on the projects. SABIC evaluates the different scenarios, which might affect the plant construction and commissioning, before deciding upon investments.

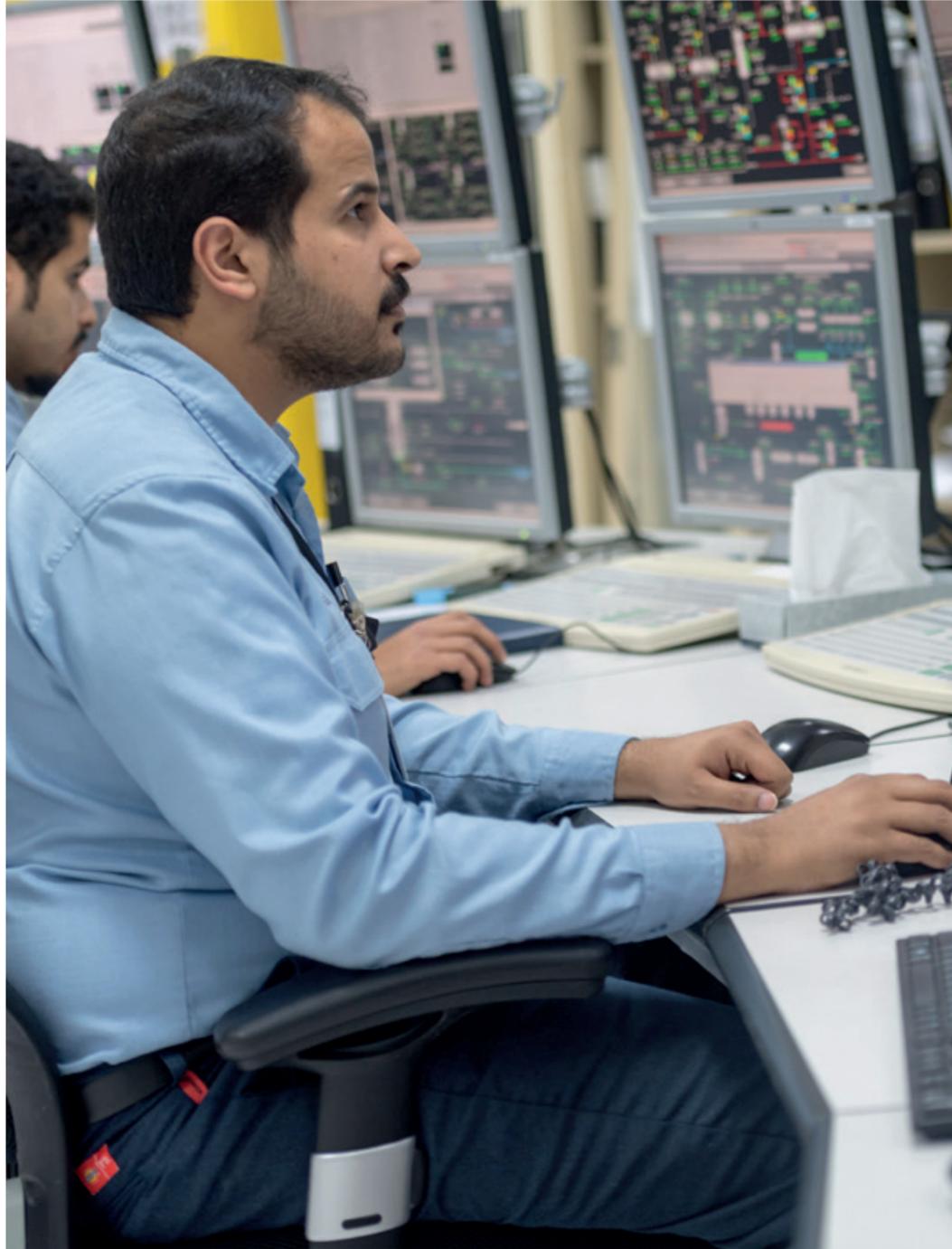
Theme	Risk	Driver	Potential Impact	Response Plan
ACCIDENTS INVOLVING SABIC'S PRODUCTS SABIC's business is inherently subjected to the risk of spills, discharges, or releases of hazardous substances into the environment. SABIC feedstock and products are mostly volatile and explosive chemicals, which may result in the following: - Fire/explosions at SABIC's 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 could result in a fatality, personal injury, equipment failures or shutdowns, damage to the environment, civil lawsuits, criminal investigations, and regulatory enforcement proceedings, all of which could lead to significant liabilities for SABIC. Any damage to persons, equipment, or property or other disruption to SABIC's ability to produce or distribute its products could result in a significant decrease in SABIC revenues and profits and significant additional cost to replace or repair SABIC's assets.	Liabilities for fatality, personal injury, property damage, manage and dispose of waste materials and environmental clean-up	Result from the disposal or release of hazardous substances into the environment	That could impact SABIC's business and operations	SABIC and its subsidiaries are in compliance with all local and foreign laws, international standard and regulations relating to the use, treatment, storage and disposal of hazardous, toxic substances or waste, which ensure the employees, contractors, and public health and safety as well as the protection of the environment.
FINANCIAL RISKS				
CUSTOMER CREDIT SABIC provides services and products to a variety of regional and global customers.	Potential non-payment, primarily through trade receivables, for SABIC's services and products	Due to deterioration of economic conditions	That could impact SABIC business and operation	SABIC has procedures in place to monitor credit risk on their receivables and continuously monitors customers' credit limits and risk associated with it.
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. This exposure is primarily through account receivables, trade payables, and certain non-SAR denominated bank accounts and borrowings.	Exposure to currency exchange rates	Due to changes in the dynamic of the global economy	That result in an adverse impact on SABIC's business and financial condition	SABIC conducts a regular review of currency exposures.
INSUFFICIENT INSURANCE POLICIES The operations of SABIC and its affiliates are subject to hazards and risks 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, severe damage or destruction of SABIC's properties or the properties of others.	Insufficient insurance coverage	Due to large property damage and business interruption	That may influence SABIC's financial condition by the suspension of operations and the obligation for civil or criminal penalties	SABIC maintains insurance coverage in amounts that are consistent with relevant industry practice, including coverage for the risk of property damage, business interruption resulting from fire, or machinery breakdown and third-party liability.

RISK FACTORS

CONTINUED

Theme	Risk	Driver	Potential Impact	Response Plan
COMPLIANCE RISKS				
SUSTAINABILITY AND CLIMATE CHANGE REGULATIONS SABIC and its affiliates must comply with all applicable laws and regulations related to environment, health, safety, and security (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 remediate facilities, civil and criminal penalties). The costs associated with controlling greenhouse gases emissions could significantly increase SABIC's operating costs. Any mitigation regulations will require additional investments to install new emission controls. In addition, some countries have introduced legislation to ban, restrict or discourage the use of certain types of plastic packaging or products, such as single-use plastic bags e.g., ban the use of polyethylene-based lightweight non-biodegradable plastic bags, imposed taxes on their use). As investors, boards, customers, employees, and policymakers continue to focus on ESG, more attention on industry actions and reporting is expected.	Risk 1: Inability to control GHG emissions and meet reduction targets	Due to political attention to issues concerning climate change adaptation or mitigation through regulation	That could impact SABIC's business and operations	SABIC is complying voluntarily within a complex network of reporting regulations, ratings, and disclosure framework. SABIC is investing more in capital, to install new systems and equipment in its production facilities, to meet and comply with all applicable laws and regulations related to sustainability and ESG reporting. These proactive approaches help SABIC stay ahead of the change and create more competitive advantage.
	Risk 2: Emerging and rapidly evolving regulations targeting the use of plastics globally	Caused by growing pressures from regulatory bodies (e.g., climate change, ESG reporting etc.)	That could result in additional compliance costs, uncompetitive position, low demand for SABIC's product, and negative impact on SABIC reputation	
	Risk 3: Potential delay in delivering against sustainability or carbon-neutral goals and ESG reporting	Caused by fast-evolving sustainability and ESG landscape	That result in negative impact on SABIC reputation	
USE OF INTELLECTUAL PROPERTY AND TECHNOLOGY LICENSES SABIC depends upon a wide range of intellectual property to support its businesses and has obtained licenses for certain technologies, which are used in its manufacturing facilities.	Potential theft of SABIC's proprietary technology and other intellectual property, including technical data, business processes, data sets or other sensitive information	Through direct intrusion include cyber intrusions into a company's computer systems and physical theft through corporate espionage, including with the assistance of insiders, reverse engineering of technology and intellectual property	That could have impact on SABIC's reputation, business continuity and operation	SABIC ensures that all its IP information are well-protected against possible infringements with a continuous monitoring and track. Also, raising the employees' awareness plays a big role in helping SABIC to protect its intellectual property from unauthorized leaks. SABIC mandates all its employees to attend certain number of awareness sessions and courses related to the use of intellectual property and technology licenses and their legal implications.

Theme	Risk	Driver	Potential Impact	Response Plan
DISPUTES AND/OR LITIGATIONS SABIC could be subject to litigation and regulatory proceedings related to legal and regulatory frameworks. They cover product liability, competition, antitrust law, export control, data protection, patent law, procurement law, tax legislation, and environmental protection regulations. Violations of these legal and regulatory laws may result in civil or criminal penalties, an effect on reputation, and other adverse financial consequences on SABIC.	Potential litigation and regulatory proceedings related to legal and regulatory frameworks	Due to lack of employees' compliance- and legal-related knowledge	That could result in substantial penalties leading to possible significant losses in both costs and expenses aspects	Starting with our Code of Ethics, we lay out the foundation for our employees to act with integrity and comply fully with the laws and regulations of the countries in which we operate, and adhere to the company's internal policies that often exceed legal requirements. To build the right foundation for ethical compliance and avoiding violations, all employees are required to attend comprehensive compliance trainings, refresher courses, and special trainings on specific topics based on work duties, such as antitrust legislation, fair employment practices and trade controls. This training takes various forms, including face-to-face or online trainings, with training materials and formats being updated regularly.
INTERNATIONAL TRADE CONTROLS The worsening of political relationship between countries could result in negative consequences in these countries and have a knock-on effect on global trade and the economic environment. Protectionist barriers are increased during the economic crisis. SABIC exports products to countries who may have adopted trade control measures (e.g., export or imports controls, anti-dumping and anti-subsidy). Any trade defense measures or duties imposed on exports or imports from SABIC, its suppliers or customers could have a material and adverse effect on SABIC's operations and financial condition.	Potential increase in protectionist barriers by countries in key market regions	Caused by trade defense measures or imposed duties	That might result in reputational and financial losses	SABIC works with governments and local authorities to avoid or minimize trade restrictions for SABIC's import and export.
SAFER CHEMISTRY REGULATIONS SABIC's business is subject to a variety of laws and governmental regulations regarding the use, discharge, and disposal of toxic or hazardous materials. For example, to obtain regulatory approval for new products and manufacturing processes, SABIC must demonstrate, to the relevant authorities, that the product is safe for its intended uses and that SABIC is capable of manufacturing the product in accordance with applicable rules. Compliance with such laws and regulations could be costly (e.g., confiscation, recall, or monetary fines etc.), which could prevent or inhibit the development, distribution, and sale of SABIC's products.	Delay in getting approval to introduce new products or continue distributing existing products	Due to variety of laws and governmental regulations regarding the use, discharge, and disposal of toxic or hazardous materials	That could have material and adverse effect on SABIC's business, results of operations, or financial condition	SABIC is adopting tools and capabilities to digitally screen SABIC products against customer chemical lists. Where applicable, SABIC makes the Life Cycle Assessment as part of Sustainability Product qualification process. It is addressing all aspects of a product's from production and utilization to disposal.



SABIC has shown considerable improvements in its ESG disclosure scores in recent years.

ESG DISCLOSURES

The table below links SABIC's World Economic Forum disclosures with the Global Reporting Initiative. The full disclosure story can be found on SABIC's website.

Category	Topic	Reference	GRI Standards	
Governing Purpose	Setting purpose	- Governance Framework , SABIC annual report (Page 70) - ESG Reporting Steering Committee , SABIC annual report (Pages 48-49) - Our Brand Manifesto in www.sabic.com/en/about/our-brand	102-26	
	Purpose-led management	- Our Strategy in SABIC annual report (Pages 20-23)	102-26	
Quality of Governing Body	Governance body composition	- SABIC Board in SABIC annual report (Page 75) - Risk and Sustainability Committee in SABIC annual report (Page 100) - Sustainability Governance in www.sabic.com/en/sustainability/governance	102-22	
	Remuneration	- Remuneration in SABIC annual report (Pages 111-115)	102-35	
Principles of Governance	Stakeholder Engagement	- Stakeholder engagement in SABIC Sustainability report - Our Workforce in to SABIC Sustainability report - Materiality in SABIC Sustainability report	102-43, 102-47	
		Anti-corruption	- SABIC Code of Ethics in www.sabic.com/en/about/our-compliance-culture/sabic-codeof-ethics	205-2, 205-3
Ethical Behavior	Protected ethics advice and reporting mechanisms	- Ethics and Compliance in SABIC sustainability report - Our Compliance Culture in www.sabic.com/en/about/our-compliance-culture - Our Human Rights Program in https://www.sabic.com/en/about/our-compliance-culture/our-human-rights-program	102-17	
	Risk and Opportunity Oversight	- Integrating risk and opportunity into business process - Risk Assessment and Governance in SABIC annual report (Pages 26-27) - Risk Factors in SABIC annual report (Pages 124-129)	102-15	
Planet	Climate Change	- GHG emissions - GHG emissions and other operational footprint details in SABIC Technical Supplement report - Climate Change and Greenhouse Gas in SABIC Sustainability report - Climate Change and Greenhouse Gas in SABIC Sustainability report	305-1	
		Paris-aligned GHG emissions targets TCFD Disclosures	- TCFD Disclosures in SABIC Sustainability report	
	Fresh water availability	- Freshwater consumption in water stressed areas	- Water section in SABIC Sustainability report	303-3
People	Dignity and Equality	- Diversity & Inclusion in SABIC Sustainability report - SABIC Code of Ethics Fair Employment Practices Policy in SABIC Code of Ethics: www.sabic.com/en/about/our-compliance-culture/sabic-codeof-ethics	406-1, 408, 409	
	Health and Well Being	- Health & Safety	- Environment, health, safety, and security (EHSS) and Product Safety section in SABIC Sustainability report	403-2, 4
	Skills for the Future	- Training	- Our Workforce > SABIC Academy in SABIC Sustainability report	404-1
Employment and wealth generation	Infrastructure investments and services supported	- Nusaned Investment at nusanedinv.sabic.com	203-1	
	Significant indirect economic impacts	- Nusaned Investment at nusanedinv.sabic.com	203-2	
Prosperity	Total Tax Paid	- Global Tax Strategy in www.sabic.com/en/investors/corporate-governance - Taxes overview in SABIC annual report (Page 32) and Consolidated Financial statements for the year ended 31 December 2022 at www.sabic.com/en/newsandmedia/media-centre-publications	207	
	Community and social vitality	- Social impact and community relationships in SABIC Sustainability report - Global CSR initiatives reach and focus areas in SABIC Sustainability report	413-1	
		Social Investment		
Universal matters	UN Global Compact	- UNGC Principles at SABIC: www.sabic.com/en/sustainability/corporate-reporting/ungc-principles		
	Sustainable Development Goals	- SABIC SDGs roadmap : www.sabic.com/en/Images/Sustainable-Development-Goals-2019-Roadmap_tcm1010-21094.pdf		

DETAILS OF AFFILIATES, JOINT VENTURES AND ASSOCIATED COMPANIES IN THE FINANCIAL STATEMENTS WHERE APPROPRIATE

SABIC HOLDS DIRECT OR INDIRECT OWNERSHIP IN THE ENTITIES LISTED BELOW

Name of entity	Percentage shareholding as at 31 December 2022 (direct or indirect) *	Principal business activity	Country of operation	Country of incorporation	Share Capital (Saudi Riyal'000)
SUBSIDIARIES					
SABIC Luxembourg S.à r.l. ("SLUX") and its subsidiaries	100.00%	Operation of major petrochemical complexes, production and sale of hydrocarbon products, innovative plastics, polymers and chemicals	Europe, America and Asia	Luxembourg	34,388
SABIC Industrial Investments Company ("SIIC") and its subsidiaries	100.00%	Establishment of metal, petrochemical, chemicals and fertilizer plants	Middle East and North Africa	Saudi Arabia	300,000
Arabian Petrochemical Company ("PETROKEMYA")	100.00%	Operation of complex to produce olefins, derivatives and polymers	Saudi Arabia	Saudi Arabia	1,955,540
Saudi Iron and Steel Company ("HADEED")	100.00%	Manufacture of long and flat steel products	Saudi Arabia	Saudi Arabia	1,070,000
Sabic Investment and Local Content Development Company ("NUSANED") and its subsidiaries	100.00%	Involve in promoting local business and provides financial and non-financial support.	Saudi Arabia	Saudi Arabia	379,731
Saudi European Petrochemical Company ("IBN ZAHRA")	80.00%	Operation of a Complex for manufacture of methyltethyl butyl ether (MTBE) and polypropylene	Saudi Arabia	Saudi Arabia	1,025,666
Jubail United Petrochemical Company ("UNITED")	75.00%	Operation of a major petrochemical complex for the production of ethylene, polyethylene, ethylene glycol and linear alpha olefins	Saudi Arabia	Saudi Arabia	2,495,620
Saudi Methanol Company ("AR RAZI")	75.00%	Processes for developing, creating, owning and operating chemical methanol complex industry	Saudi Arabia	Saudi Arabia	259,000
National Industrial Gases Company ("GAS")	74.00%	Production of industrial gases and supply to different industries	Saudi Arabia	Saudi Arabia	248,000
Yanbu National Petrochemical Company ("YANSAB")	52.08%	Operation of petrochemical complex for the production of ethylene, propylene, ethylene glycol, low leaner density polyethylene, high density polyethylene, polypropylene, MTBE, butene and BTX.	Saudi Arabia	Saudi Arabia	5,625,000
SABIC Agri-Nutrients Company ("SABIC AN") and its subsidiaries	50.10%	Production, conversion and manufacturing, marketing and trading in fertilizers and agri-nutrients of all types including, without limitation, Ammonia and Urea	Saudi Arabia	Saudi Arabia	4,760,354
National Methanol Company ("IBN SINA")	50.00%	Operation of petrochemical complex for the production of methanol, methyl tertiary-butyl ether (MTBE)	Saudi Arabia	Saudi Arabia	558,000
Arabian Industrial Fibers Company ("IBN RUSHD")	48.37%	Operation of petrochemical complex for the production of aromatic components and derivatives and a pure terephthalic acid, acetic acid, polyethylene terephthalate	Saudi Arabia	Saudi Arabia	2,000,000
Saudi Kayan Petrochemical Company ("SAUDI KAYAN")	35.00%	Operation of petrochemical complex for the production of Ethylene, Propylene, Polyethylene, Polypropylene, Ethylene Glycol, Natural Detergent Alcohol, Bisphenol-A, Acetone and other products.	Saudi Arabia	Saudi Arabia	15,000,000
JOINT OPERATIONS					
Gulf Coast Growth Venture LLC ("GCGV")	50.00%	Production of petrochemical products	USA	USA	24,701,497
Saudi Methacrylates Company ("SAMAC")	50.00%	Production of methyl methacrylate and polymethyl methyl methacrylate	Saudi Arabia	Saudi Arabia	1,350,000
Saudi Acrylic Butanol Company ("SABUCO")	11.67%	Production of butanol	Saudi Arabia	Saudi Arabia	486,000
JOINT VENTURES					
SINOPEC/SABIC Tianjin Petrochemical Company Limited ("SSTPC")	50.00%	Production petrochemical products	China	China	5,342,884
Saudi Yanbu Petrochemical Company ("YANPET")	50.00%	Operation of petrochemical complex to produces ethylene, glycol ethylene, polyethylene, polypropylene, propylene, thermal gasoline	Saudi Arabia	Saudi Arabia	4,596,000
Al-Jubail Petrochemical Company ("KEMYA")	50.00%	Operation of ethylene cracker and polyethylene, propylene, rubber plants	Saudi Arabia	Saudi Arabia	2,149,200
Eastern Petrochemical Company ("SHARQ")	50.00%	Operation of petrochemical complex to produce glycol ethylene, linear low density, high density polyethylene, and olefins plant	Saudi Arabia	Saudi Arabia	1,890,000
SABIC SK Nexelene Company Pte. Ltd. ("SSNC")	50.00%	Production of a range of high-performance polyethylene products	South Korea Corporate Headquarter: Singapore	South Korea	1,125,038
Cosmar Company ("COSMAR")	50.00%	Styrene production	USA	USA	918,615

Name of entity	Percentage shareholding as at 31 December 2022 (direct or indirect) *	Principal business activity	Country of operation	Country of incorporation	Share Capital (Saudi Riyal'000)
SABIC Plastic Energy Advanced Recycling BV ("SPEAR")	50.00%	Plastic waste to pyoil demonstration plant	The Netherlands	The Netherlands	8,052
Mauritania Saudi Mining & Steel Company S.A. ("TAKAMUL")	50.00%	Investment in metals, iron and related business operations	Mauritania	Mauritania	91,375
Advanced Energy Storage System Investment Company ("AESSIC")	48.72%	The principal purpose of the company is the manufacturing of accumulator, primary cells and liquid batteries	Saudi Arabia	Saudi Arabia	110,250
Utility Support Group B.V. ("USG")	50.00%	Utilities manufacturing and purchasing	The Netherlands	The Netherlands	72
Saudi Pallet Manufacturing Company ("SPMC")	30.50%	SPMC is engaged in the production of plastic pallets and products using roto mold method, wholesaling of wooden works and plastic products	Saudi Arabia	Saudi Arabia	86,739
Isotopes Company ("IHC")	13.44%	The manufacturing of and processing of industrial isotopes sources, and related products; and the marketing and sale of those products in addition to complementary products and services.	Saudi Arabia	Saudi Arabia	20,587
SABIC Fujian Petrochemicals Co., Ltd. ("FUJIAN")	51.00%	Production of petrochemical products	China	China	7,307,520
ASSOCIATES					
German Pipeline Development Company GMBH ("GPDC")	39.00%	Managing the Propylene Pipeline	Germany	Germany	68,893
Clariant AG ("CLARIANT")	31.50%	Manufacturing of specialty chemical products	Global	Switzerland	3,512,410
Gulf Aluminium Rolling Mill Company ("GARMCO")	30.40%	Downstream aluminum facilities	Global	Bahrain	386,840
Ma'aden Phosphate Company ("MPC")	30.00%	Operation of complex for the production of phosphate and fertilizers	Saudi Arabia	Saudi Arabia	6,208,480
Mallinda, Inc. ("MALLINDA")	26.20%	Plastic resin manufacturer	USA	USA	8,569
Saudi Arabian Industrial Investment Company ("DUSSUR")	25.00%	Investment in downstream industries	Saudi Arabia	Saudi Arabia	3,300,000
Bahrain Aluminium Company BSC ("ALBA")	20.62%	Manufacturing and production of Aluminum Slabs, Alloys and Ingots	Bahrain	Bahrain	1,420,000
National Chemical Carrier Company ("NCC")	20.00%	Purchase, chartering and operation of petrochemical carriers (carriers and ships)	Saudi Arabia	Saudi Arabia	610,000
ARG mbH & Co KG ("ARG")	25.00%	Exploration of an Ethylene pipeline	Germany, The Netherlands, Belgium	Germany	25,071
ARG Verwaltungs GmbH	25.00%	An administrative company	Germany	Germany	109
Power and Water Utilities Company for Jubail and Yanbu ("MARAFIQ")	17.50%	Maintenance, management and implementation of saline water cooling and treatment systems	Saudi Arabia	Saudi Arabia	2,500,000
Gulf Petrochemical Industries Company ("GPIC")	16.70%	The Company owns and operates a petrochemical processing complex and storage and export loading facilities for the purpose of manufacturing and exporting its ammonia, urea and methanol products to world markets.	Bahrain	Bahrain	600,000
Ma'aden Wa'ad Al Shamal Phosphate Company ("MWSPC")	15.00%	The production of: Di-ammonium and mono-ammonium phosphate fertilizer; Di-calcium and mono-calcium phosphate, Ammonia, Purified phosphoric acid, Phosphoric acid, Sulphuric acid and Sulphate of potash.	Saudi Arabia	Saudi Arabia	7,942,502
Nusaned Fund I	50.00%	Seek capital appreciation through investment in companies operating within the petrochemical value chain and sectors aligned with the National Industrial Development and logistic program (NIDL) with the aim to support and enhance local content spending and contribute toward the kingdom's 2030 objectives.	Saudi Arabia	Saudi Arabia	74,601
Nusaned Fund II	60.00%	A private equity fund to invest in private industrial companies, with a focus on Saudi Arabia, in line with the national agenda for local content and industrial development.	Saudi Arabia	Saudi Arabia	450,000

* Percentages disclosed reflect the effective ownership of SABIC in the respective entities.

- Excludes certain entities not deemed material.

- For more information on SABIC's Subsidiaries and Investments in Associates and Joint Arrangements, please refer to note 41 in the Annual Consolidated Financial Statements

DETAILS OF STOCKS AND DEBT INSTRUMENTS ISSUED BY EACH AFFILIATE

No	Affiliate name	No. of shares and nominal value	Debt instruments in SAR '000
1	SABIC Industrial Investments Co. (SIIC) and its affiliates	300,000 shares, SR 1,000 each	1,607,209
2	SABIC Luxembourg S. A. R. L. and its affiliates	262,000 shares, SR 131.25 each	14,546,915
3	Arabian Petrochemical Company (PETROKEMYA)	195,554 shares, SR 10,000 each	715,872
4	Saudi Iron & Steel Company (HADEED)	1,070,000 shares, SR 1,000 each	594,357
5	Saudi-European Petrochemical Company (IBN ZAHR)	1,025,666 shares, SR 1,000 each	122,608
6	Jubail United Petrochemical Company (UNITED)	2,495,620 shares, SR 1,000 each	1,198,452
7	National Chemical Fertilizers Company (IBN AL-BAYTAR)	494,700 shares, SR 1,000 each	68,604
8	National Industrial Gases Co (GAS)	248,000 shares, SR 1,000 each	1,008,201
9	Yanbu National Petrochemical Company (YANSAB)	562,500,000 shares, SR 10 each	147,755
10	Al Jubail Fertilizer Co (AL-BAYRONI)	13,430 shares, SR 50,000 each	59,864
11	National Methanol Company (IBN SINA)	5,580 shares, SR 100,000 each	482,538
12	Arabian Industrial Fibers Company (IBN RUSHD)	200,000,000 shares, SR 10 each	2,916,957
13	SABIC Agri-Nutrients Company (SABIC AN)	416,666,666 shares, SR 10 each	100,294
14	Saudi Kayan Petrochemical Company's (SAUDI KAYAN)	1,500,000,000 shares, SR 10 each	10,065,928
15	Saudi Methyl Acrylate Company (SAMAC)	135,000,000 shares, SR 10 each	624,912
16	SABIC Supply Chain Services Limited Company (SSCS)	50,000 shares, SR 10 each	21,055
17	International Shipping and Transportation Co. (ISTC)	40,000 shares, SR 1,000 each	253,693
18	SABIC Terminal Services Company (SABTANK)	300,000 ordinary shares, SR 100 each	37,041
19	Saudi Methanol Company (AR-RAZI)	25,900,000 shares of SR 10 each	153,445

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