RESPONSIBLE CHEMISTRY FOR A SUSTAINABLE FUTURE

2024 ESG
EXECUTIVE SUMMARY

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ABOUT
THE REPORT

Sadara Chemical Company is proud to share the Executive Summary of its annual Sustainability Report for 2024. Now in its fourth year, this summary offers a snapshot of our key sustainability achievements and performance highlights, reflecting our continued commitment to advancing a sustainable future for our business, stakeholders, and the Kingdom of Saudi Arabia. It provides an overview of our seventh annual Sustainability Report, which has been carefully reviewed and validated by Sadara's Reporting and Disclosure Committee to ensure alignment with leading Environmental, Social, and Governance (ESG) reporting standards and frameworks. For a more in-depth look at our progress, please refer to the full 2024 Sustainability Report.

FEEDBACK

To improve future versions of this report, we appreciate any feedback. Please contact us at the following email address:

sustainability@sadara.com

We would appreciate you taking a few minutes to answer our questions by scanning the QR code on the right.

CAUTIONARY MESSAGE

When used herein, the words "anticipate," "believe," "could," "estimate," "expect," "going forward," "intend," "may," "ought to," "plan," "project," "seek," "should," "will," "would" and similar expressions, as they relate to Sadara Chemical Company's management, are intended to identify forward-looking statements. These forward-looking statements reflect the Company's views at the time such statements were made with respect to future events, by their nature involve both known and unknown risks and uncertainties and are not a guarantee of future performance or developments. Subject to the requirements of the applicable laws and regulations, Sadara Chemical Company does not intend and disclaims any obligation to update or otherwise revise such forward-looking statements, whether as a result of new information, future events or otherwise.

2024 PERFORMANCE SUMMARY (ESG HIGHLIGHTS)

ENVIRONMENT

Achieved **zero spill incidents** in 2024.	Recycled **52.2%** of our total waste generated.	Received the **Energy Leadership Insight Award** from the Clean Energy Ministerial.	Reduced total GHG intensity by **11.78%** compared to 2022.	**Completed the low Carbon fuel switch project** in Q4-2024, contributing to a 1% GHG reduction for imported fuels compared to 2022.

SOCIAL

Achieved **ZERO Level 1 Process Safety** and Containment Events for four consecutive years.	Completed **10 Integrated Management System audits** for EHS&S.	Sustained a Total Recordable Injury Rate (TRIR) **below 0.05** for the fourth consecutive year.	Achieved over 20 emergency preparedness drills, maintaining Industrial Security System **(ISS) availability above 98%**.
Increased community investments by **11.5%** and local programs by 76%.	**100% employee return rate** after leave.	Achieved a **75% increase** in donations and sponsorships.	Safely transported Sadara products covering over 30 million km **without any major transportation incidents**.
100% of Sadara employees received biannual performance and career reviews.	**77.65%** of Sadara's full-time workforce were Saudi nationals in 2024.		

GOVERNANCE

Zero non-compliance incidents reported.	Expanded our local supplier network to **2,523 contracted partners.**	Achieved **record-low Defects Per Million Opportunities (DPMO)** in 2024, demonstrating enhanced product quality and customer satisfaction.	Sadara's business lines achieved full **Saudi Aramco Business Continuity (BC) compliance** and completed **two major continuity drills** on critical operations.
Successful execution of 2024 audit plan across departments.	Achieved a record-breaking **92.8% prime production rate** for elastomers.	Achieved **ZERO non-compliance incidents** in 2024 related to health and safety of our products, services, and supply chain.	In 2024, we established a **Chief Information Security Officers (CISO) communication** channel industry-wide via the Ministry of Energy (MOE).
Total capitalization reached **$127 million.**			

DRIVING SUSTAINABLE IMPACT

SADARA'S DOUBLE MATERIALITY ASSESSMENT

GRI 2-25, 3-1

In 2024, Sadara conducted a comprehensive double-materiality assessment to align its sustainability priorities with stakeholder needs and expectations, industry trends, and global standards. The process evaluated both the impact of ESG topics on business and Sadara's impact on society and the environment. It included benchmarking, stakeholder engagement, and review of previously identified topics. As a result, Sadara refined its list of material topics merging, renaming, and expanding several areas to better reflect current priorities, such as Air Quality, Process Safety & Asset Integrity, and Innovation & Digital Transformation. These updates ensure the company's sustainability focus remains relevant and forward-looking, while the identified material topics guide Sadara's strategic priorities and resource allocation – helping to address key risks, seize opportunities, and create long-term value for stakeholders.

STAKEHOLDER ENGAGEMENT

GRI 2-16, 2-29

Stakeholder engagement is central to Sadara's sustainability approach. We maintain an open communication with key groups such as investors, employees, customers, and government bodies through ongoing dialogue, workshops, and surveys. These profound efforts ensure our strategy remains aligned with stakeholder priorities and reflect our commitment to transparency, accountability, and long-term value creation.

All Sadara stakeholders are invited to share feedback, including complaints and queries with Sadara via our regular engagement channels or through the **Contact Us** section of our website.

SADARA'S DOUBLE MATERIALITY MATRIX

GRI 3-1, 3-2
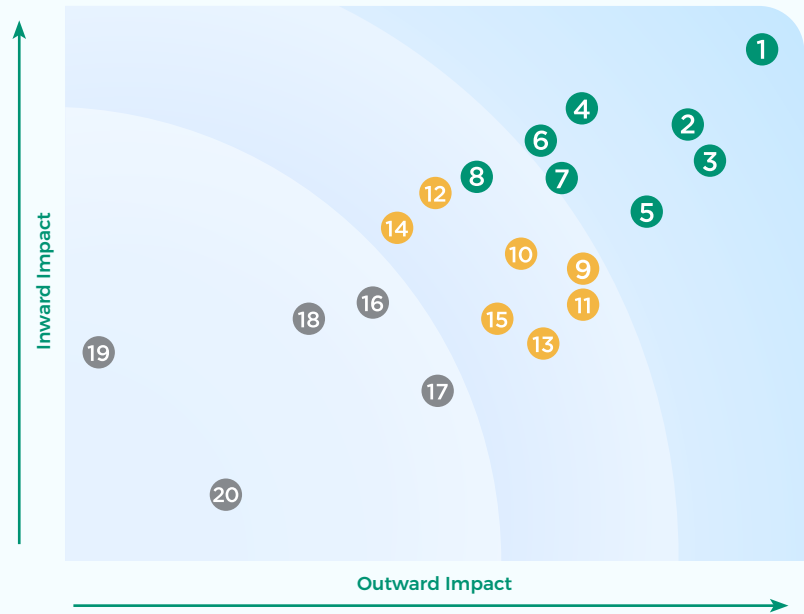
Material topics were reviewed by management to ensure alignment with the company's sustainability priorities. As a result, the topic Climate Change and GHG Emissions was elevated as the top priority topic.

MOST IMPORTANT

1. Occupational Health, Safety & Well-being.
2. Economic Impact.
3. Product Quality, Safety, & Stewardship.
4. Climate Change & GHG Emissions.
5. Data Privacy & Cybersecurity.
6. Process Safety & Asset Integrity.
7. Ethics, Governance, & Compliance.
8. Human Rights Management.

MORE IMPORTANT

9. Air Quality.
10. Customer Relations.
11. Energy Management.
12. Innovation & Digital Transformation.
13. Talent Development & Employee Experience.
14. Water Management.
15. Supply Chain Management.

IMPORTANT

16. Social Responsibility.
17. Risk Management & Business Continuity.
18. Circular Economy & Waste Management.
19. Biodiversity.
20. Diversity & Inclusion.

SUSTAINABILITY STRATEGY AND SUSTAINABILITY FRAMEWORK

Driving sustainable growth at Sadara begins with a clear and structured strategy. Our five-year sustainability roadmap, launched in 2020, is built around five core pillars, 10 strategic goals, and 24 key performance indicators (KPIs) that address our most material issues. These priorities reflect the expectations of our stakeholders and the needs of our business. Implementation and oversight are led by Sadara's Sustainability Council, ensuring accountability and consistent progress toward our long-term sustainability objectives.

STRATEGIC PILLARS	STRATEGIC GOALS	KPIs
Governance & Integrity	1. Strengthen Corporate Governance.	Ensure validity of all company certificates.
		Maintain level of implementation for Corporate Operating Discipline Management System (ODMS).
	2. Ensure Business Ethics and Integrity.	Increase Supplier Code of Conduct acknowledgment.
		Reduce number of grievances.
Occupational Health & Safety	3. Achieve World-Class Health and Safety Performance.	Maximize employees' Medical Check-up Program.
		Improve Total Recordable Injury Rate.
		Maintain Global Harmonization System implementation.
		Control Transportation Incident L1 Rate.
	4. Promote Product Stewardship Practices.	Minimize Process Safety & Containment Event-L1 Rate.

STRATEGIC PILLARS	STRATEGIC GOALS	KPIs
Climate Change & Natural Resources Conservation	5. Minimize Environmental Impact.	Reduce GHG intensity.
		Reduce energy intensity.
		Reduce water intensity.
	6. Support Circular Economy.	Reduce material effectiveness intensity.
		Reduce plastic pellet losses.
Business Growth & Operational Excellence	7. Ensure Operational Excellence.	Enhance Product Supply Reliability (PSR).
		DPMO.
	8. Support Downstream Industry Local Content.	Increase number of PlasChem Park tenants.
		Increase percentage of spending on local suppliers.
People & Community	9. Strengthen the Value of Employee Proposition.	Increase employee engagement score.
		Accelerate Saudization.
		Increase employee training hours and development programs.
		Increase the rate of women's inclusion and employment.
	10. Support the Local Community.	Increase community engagement initiatives.
		Raise employee volunteering hours.

ENVIRONMENT

Sustainability Strategy KPIs:

SUSTAINABILITY STRATEGY PILLARS	STRATEGIC GOALS	KPIs	UNIT	2024 PERFOR-MANCE	2024 TARGET	2025 TARGET
CLIMATE CHANGE & NATURAL RESOURCES CONSERVATION	1. Minimize Environmental Impact	Reduce energy intensity.	GJ/metric ton of product	**27.882**	27.000	26.500
		Reduce GHG intensity.	Metric ton CO_2e/ ton of product	**1.836**	1.800	1.700
		Reduce water intensity.	m^3/metric ton of product	**11.304**	9.408	9.313
	2. Support Circular Economy	Reduce plastic pellet losses.	Percentage	**0.100**	0.500	0
		Reduce material effectiveness intensity.	Metric ton material loss/ metric ton product	**0.108**	0.137	0.132

ENVIRONMENTAL STRATEGY, MANAGEMENT, AND COMPLIANCE

GRI 2-23, 3-3

In 2024, Sadara continued to strengthen its commitment to environmental sustainability through a structured governance approach aligned with national initiatives such as the Saudi Green Initiative (SGI) and Vision 2030. Oversight is led by the Climate Change and Natural Resource Conservation Committee, which ensures alignment with ESG targets and regulatory standards.

Environmental efforts are guided by Sadara's Sustainability Policy and Environmental Management System, supported by global certifications including ISO 14001, ISO 50001, and Responsible Care® (RC) 14001. During the year, the company submitted over 500 environmental monitoring reports and maintained full compliance with all regulatory requirements. A dedicated Decarbonization Team, working alongside the Energy Management team, continues to drive measurable progress in emissions reduction and energy efficiency across operations and activities.

CLIMATE CHANGE & GHG EMISSIONS

GRI 2-25, 3-3, 305-1, 305-2, 305-4, 305-5, 305-7

Sadara is actively pursuing net zero emissions by 2050 through a decarbonization strategy focused on energy efficiency, renewable energy, and process optimization. In 2024, a shift to natural gas in boilers reduced CO_2 emissions by approximately 101,235 metric tons compared to 2020, with further reductions expected as the project scales. The company also received recognition for emissions-reducing innovations and continues to explore technologies like carbon capture.

Sadara reduced its GHG intensity by 12% and total emissions by 17% since 2020, while maintaining compliance with national reporting programs and using a standardized emissions tracking system to ensure data accuracy.

GHG Emissions	Unit	2022	2023	2024
Total GHG Emissions (Sum of Scope 1 and 2)	Million metric ton of CO_2eq	5.496	4.916	5.394
Emission intensity (total GHG emissions/tons product sold)	Metric ton of CO_2eq/ton product	1.835	1.823	1.836

AIR QUALITY

Sadara is strongly committed to air quality protection, maintaining full regulatory compliance in 2024 with no significant violations. Through its Environmental Management System and Environment, Health, Safety, and Security (EHS&S) Policy, the company achieved significant reductions in emissions: NOx and SOx decreased to 1.26 and 0.39 thousand metric tons respectively, Volatile Organic Compounds (VOCs) dropped by 2.5%, and hazardous air pollutants (HAPs) were reduced by 53.6%.

These improvements were supported by a new preventive maintenance strategy and the continued success of the Leak Detection and Repair (LDAR) program, which monitors over 75,000 components and achieves a leak repair rate above 90%. Since transitioning to a work unit rate model, the LDAR program has also saved ﷼10.7 million. Advanced systems like Continuous Emissions Monitoring Systems (CEMS) ensure real-time monitoring and swift corrective actions, reinforcing Sadara's commitment to operational excellence and environmental responsibility. To further track air quality performance, Sadara monitors the Emission Action Limit (EAL) as a key performance indicator, with actual and target values monitored over the past three years and through 2025.

Year	EAL Actual	EAL Target
2022	1,110	1,112
2023	507	1,054
2024	256	877
2025	—	702

ENERGY MANAGEMENT

GRI 2-4, 2-23, 2-25, 3-3, 302-1, 302-3, 302-4, 302-5

Sadara's energy efficiency efforts, certified under ISO 50001:2018, led to a 1.75% reduction in energy intensity and a 7.37% drop in total energy use in 2024 compared to 2020. The fuel switch reduced heavy fuel oil use by 23.4% from 2023. Key projects included equipment optimization and LED upgrades. Sadara earned the 2024 Clean Energy Ministerial Energy Leadership Award for its Waste Heat Recovery system, which supplies 12% of site steam and cut energy intensity by 4.1% over three years, surpassing the 2025 goal early.

Energy Consumption	Unit	2022	2023	2024
Petrol consumption from vehicles	Liters	573,749	546,133	564,587
Diesel consumption from operations	Liters	1,506,337	3,908,266	1,827,943
Diesel consumption from vehicles	Liters	36,236	12,135	20,999
Electricity consumption (branches, offices, etc.)	GJ	10,260,534	9,832,645	10,226,688
Renewable energy consumption (branches, offices, etc.)	GJ	31.22	31.22	90.19
Total Energy consumption (direct + indirect)	Million GJ	81.665	73.371	81.899
Energy Intensity (total energy consumption in GJ/total products sold in tons)	GJ/ton	27.265	27.220	27.882

WATER MANAGEMENT

GRI 3-3, 303-2, 303-3, 303-4, 303-5, 306-1

Sadara recognizes the regional water scarcity challenges and remains committed to reducing water consumption across steam generation, cooling, domestic use, irrigation, and equipment cleaning. The Marafiq Seawater Reverse Osmosis (SWRO) plant serves as the primary industrial water source. In 2024, Sadara enhanced water efficiency by recycling process condensate and promoting water conservation initiatives within the Sadara Business Complex.

Water	Unit	2022	2023	2024
Water intensity (water consumption/ total products sold)	m³/products sold	11.314	10.655	11.304
Total water consumption	Million m³	33.888	28.969	33.204
Recycled wastewater	m³	6,312.77	6,584.87	0*
Wastewater Total Organic Carbon (TOC) discharged	Thousand metric tons	1.866	1.338	1.488

*Changes in local regulatory policies have shifted the recycling of wastewater from the original recycler to a different industrial wastewater reuse facility. The previously reported numbers were streams recycled by a 3rd party and excludes treated industrial wastewater reused in local wetlands.

CIRCULAR ECONOMY & WASTE MANAGEMENT

GRI 2-4, 306-2, 306-4, 3-3, 301-1, 301-2

Sadara is committed to embedding circular economy principles to optimize resource use, minimize waste, and promote recycling and reuse. In 2024, despite an 11.22% increase in total waste, Sadara reduced waste management costs by 7.7% (₣2,480,000) and achieved a 52.2% recycling rate, safely managing 43,509 metric tons of hazardous and non-hazardous waste, 22,699 metric tons recycled, and 20,810 metric tons properly disposed.

Key initiatives saved ₣19,565,268 in disposal costs and generated ₣1,839,789 in recycling revenue. Efforts included new waste contracts, energy recovery from Toluene Diisocyanate (TDI) tar, and recycling of slop oil, heavy fuel oil, scrap polyol, sulfuric acid, brine filter cake, sludge, and lime sludge.

Sadara also entered into a Waste-to-Energy (WTE) agreement with Veolia Middle East. The facility began operations in Q3 2024, handling up to 19 KTA of incinerable waste and converting it into steam energy for PlasChem Park tenants, reducing GHG emissions and enhancing energy recovery.

Cost Savings	Unit	2022	2023	2024
Total revenue from recycling	₣	931,113	2,234,645	1,839,789
Total saved disposal cost	₣ Million	21,783,382	22,812,225	19,565,268
Percentage of recycled input material used	Percentage	14.22	15.26	17.89

Circular Economy	Unit	2022	2023	2024
Total waste diverted from landfill	Thousand metric tons	20.234	26.553	5.186

Recycled Materials	Unit	2022	2023	2024
Portion of waste generated that was recycled	Percentage	61.44	32.67	52.2

Material Effectiveness

GRI 3-3, 306-1, 306-2, 306-3, 306-5, 301-1

Sadara manages the full lifecycle of its waste, from on-site collection and waste-to-energy generation to third-party disposal, ensuring full compliance with legal requirements. In 2024, continuous improvements in material management led to a 20.43% reduction in material losses/effectiveness intensity compared to the 2020 base year, reflecting Sadara's commitment to optimizing resource efficiency and sharing best practices.

Material Effectiveness	Unit	2022	2023	2024
Total waste generated	Thousand metric tons	43.376	85.801	37.467
Material effectiveness intensity	Metric tons material loss/ metric tons products	0.131	0.152	0.108

BIODIVERSITY

GRI 2-25, 3-3, 304-1, 304-2, 304-3

Sadara prioritizes biodiversity protection due to its proximity to ecologically sensitive areas, adhering to RC 14001 standards and maintaining strict compliance at its plastics manufacturing facilities. Since 2021, Sadara has held the Gulf Petrochemical and Chemical Association's (GPCA) Operation Clean Sweep (OCS) certification the first in the Gulf Cooperation Council (GCC), ensuring spill prevention and environmental protection. In 2024, 48 compliance walk-throughs were conducted, with no spill incidents reported.

Spills	Unit	2022	2023	2024
Total recorded significant spills	Number	0	0	0

SOCIAL

Sustainability Strategy KPIs:

SUSTAINABILITY STRATEGY PILLARS	STRATEGIC GOALS	KPIs	UNIT	2024 PERFOR-MANCE	2024 TARGET	2025 TARGET
OCCUPATIONAL HEALTH & SAFETY	3. Achieve World-Class Health and Safety Performance	Maximize employees' Medical Check-up Program.	Percentage	99.9	95	98
		Improve Total Recordable Injury Rate (TRIR).	Rate	0.04	0.09	0.06
		Minimize Process Safety & Containment Event-L1 Rate.	Rate	0	0.04	0.02
	4. Promote Product Stewardship Practices	Maintain Global Harmonization.	Percentage	100	99	100
		Control Transportation Incident L1 rate.	Rate	0	0	0
BUSINESS GROWTH & OPERATIONAL EXCELLENCE	5. Ensure Operational Excellence	Increase Product Supply Reliability (PSR).	Percentage	88.8	95.60	96
		Decrease Defects Per Million Opportunities (DPMO).	Number	211	1,300	3,000
	6. Support Downstream Industry Local Content	Increase number of PlasChem tenants.	Number	9	9	10
		Increase percentage of spending on local suppliers.	Percentage	91	78	90

SUSTAINABILITY STRATEGY PILLARS	STRATEGIC GOALS	KPIs	UNIT	2024 PERFOR-MANCE	2024 TARGET	2025 TARGET
PEOPLE AND COMMUNITY	7. Strengthen the Value of Employee Proposition	Increase employee engagement score.	Out of 10	6.5	7	7.7
		Accelerate Saudization.	Percentage	77.6	80	82
		Increase Employee Training Hours and Developmental Programs.	Hours	137,839	125,000	183,060
		Increase the Reach of Women's Inclusion and Employment.	Percentage	2.6	3	5.0
	8. Support the Local community	Increase Community Engagement Initiatives.	Number	44	20	25
		Raise Employee Volunteering Hours.	Hours	8,115	8,000	10,000

OCCUPATIONAL HEALTH AND SAFETY

HEALTH, SAFETY AND WELL-BEING

GRI 3-3

Sadara prioritizes a safety-first culture that supports the health and well-being of all personnel through a range of supportive programs to maintain an excellent level of physical and mental well-being. In 2024, Sadara Health Services partnered with Imam Abdulrahman bin Faisal University to provide occupational medicine training to 10 postgraduate doctors. The program received strong positive feedback, and plans are in place to continue and evaluate its long-term impact.

HEALTH AND SAFETY PERFORMANCE

GRI 2-8, 2-25, 403-9, 403-10

Sadara maintains a strong safety record, with zero employee or contractor fatalities since 2021, reflecting its commitment to world-class Environment, Health, and Safety (EHS) standards. The company promotes a safety-first culture through employee engagement, regular training, performance reviews, and alignment with Responsible Care® principles. Safety performance is reinforced via internal reporting, supplier evaluations, and continuous improvement initiatives.

OHS-related KPIs	Unit	2022	2023	2024
Total employee manhours	Number	6,826,393	7,280,816	6,531,788
Total contractor manhours	Number	11,801,449	13,918,180	11,354,035
Employee fatalities as a result of work-related injury	Number	0	0	0
Contractor fatalities as a result of work-related injury	Number	0	0	0
Fatalities as a result of work-related ill health	Number	0	0	0
Cases of recordable work-related ill health	Number	0	0	0

HEALTH AND SAFETY COMMITTEE

Sadara treats health and safety as a top priority and shared responsibility. All employees are included in the Health and Safety Management System, supported by a joint safety committee and an agreement with contractors to uphold consistent safety standards.

Health and Safety Management	Unit	2022	2023	2024
Total workers covered by the Health and Safety Management System	Percentage	100	100	100

ENVIRONMENTAL HEALTH AND SAFETY MANAGEMENT

GRI 403-1, 403-2

Sadara is committed to continuous EHS improvement through global benchmarking and adherence to RC 14001, ISO 50001, and ISO 45001 standards. Our EHS practices are integrated into our ODMS, emphasizing risk management, safety observations, and incident prevention. In 2024, Sadara handled approximately 90,000 product shipments and 47,000 port-related trips, achieving over 30 million safe transportation kilometers with zero major incidents, reinforcing our strong commitment to safety and operational excellence.

ENVIRONMENT HEALTH, SAFETY AND SECURITY ASSESSMENT PROGRAM

GRI 403-2

Sadara's EHS&S Assessment and Assurance Program ensures consistent evaluation of compliance with internal ODMS and international EHS&S standards. In 2024, we conducted 10 Integrated Management System (IMS) audits and one IMS Assessment for our Solvay third-party facility, alongside successful management of external audits for ISO 45001, ISO 14001, ISO 50001, and RC 14001:2023 certification. Audit results and updated documents are communicated through internal platforms to reinforce awareness and accountability across the organization.

EHS Training
GRI 403-5

Sadara's EHS training program covers all employees and contractors, delivering job-specific and high-impact safety training. Topics include process and personal safety, chemical handling, and spill management, ensuring comprehensive preparedness and alignment with EHS&S standards.

Health and Safety Training and Management	Unit	2022	2023	2024
Total hours of HSE training provided to employees	Hours	59,166	24,895	10,488
Average hours of HSE training per employee	Hours	19.8*	8.6*	3.8*
Number of workers covered by an occupational health and safety management system	Number	3,851	2,734	2,787

*Figure restated.

PROCESS SAFETY & ASSET INTEGRITY

GRI 2-25, 403-2, 403-7

Sadara applies robust Process Risk Management and Loss Prevention standards across its chemical sites and facilities, including a Reactive Chemicals Standard. The company actively manages process safety risks, with zero Level 1 containment events reported over the past four years.

Loss of Primary Containment	Unit	2022	2023	2024
Process Safety and Containment Event- L1	Percentage	0	0	0
Process Safety and Containment Event- L2	Percentage	0.02	0.01	0.01

INDUSTRIAL SECURITY SYSTEM

GRI 418-1

Sadara's Industrial Security strategy is centered on protecting people, assets, neighboring industries, and local communities through qualified personnel, advanced technologies, and strict compliance with security procedures. In 2024, the company conducted over 96 emergency preparedness drills and more than 20 emergency exercises, while maintaining an Integrated Security System availability above 98%. Regular awareness sessions further strengthened safety and maintenance excellence.

BUSINESS GROWTH AND OPERATIONAL EXCELLENCE

ECONOMIC IMPACT

GRI 2-23, 3-3, 201-1

Sadara drives economic impact through strategic planning, asset management, and targeted capital investments, focusing on a five-year project plan, asset renewal, and maintenance, with energy efficiency and decarbonization integrated. In 2024, spending was 3% below budget, continuing four years of strong cost control.

Total capitalization reached $127 million, with a $243 million cash position improvement from project postponements, spending cuts, and supplier negotiations. This supported sustainability investments and narrowed the funding gap. The Finance team also advised on the Cogeneration Project for low-emission power and helped reduce interim power tariffs with Saudi regulators.

Sadara is implementing a rail system connecting to local ports, reducing road emissions and supporting infrastructure goals. Future plans include using digital and Artificial Intelligence (AI) tools to enhance financial forecasting, efficiency, and sustainability integration.

Direct Economic Value Generated and Distributed	Unit	2022	2023	2024
Revenues	﷼ Million	14,484	10,699	11,586
Operating Costs	﷼ Million	-13,773	-12,275	-12,610

Tax Strategy
GRI 207

Sadara's tax strategy, reviewed quarterly, follows the latest Zakat, Tax, and Customs Authority (ZATCA) regulations. The Tax team manages Value Added Tax (VAT), Withholding, Income Tax returns, and Transfer Pricing, ensuring accuracy and compliance. All returns are regularly audited. Strong governance ensures transparency and timely reporting. Sadara Chemical and Basic Services report to ZATCA, while five Sukuk entities report under the Netherlands jurisdiction.

Tax Strategy	Unit	2022	2023	2024
Prime controllable cost	(Actual/Plan) %	71%	99%	97%

PRODUCT QUALITY, SAFETY, & STEWARDSHIP

GRI 2-23, 2-25, 403-2, 403-7, 416-1, 416-2, 3-3, 417-1, 417-2

As one of the leading petrochemical and plastics producers, Sadara is committed to responsible product stewardship, prioritizing quality, safety, and environmental protection. This commitment is supported by strong EHS&S governance and continuous improvement, with ISO 14001 certification reinforcing risk-based incident prevention. In 2024, no significant chemical spills were recorded, and an emergency response plan is in place to manage any incidents.

Globally Harmonized System

In 2024, Sadara advanced its product stewardship by aligning all products with the UN's Globally Harmonized System of Classification and Labelling (GHS), alongside full compliance with local labeling regulations. The company adheres to Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) and Royal Commission Environmental Regulations. No incidents of non-compliance affecting product health, safety, handling, transport, or storage were reported during the year.

Sadara ensures transparency by communicating product hazards and handling requirements through Material Safety Data Sheets (MSDS), Emergency Response Guides (ERGs), labeling, and training. It also engages stakeholders regularly through site walk-throughs, risk assessments, and performance reviews to continuously improve product stewardship.

No incidents of non-compliance with regulations, voluntary codes, or supplier standards that could affect the health and safety of our products, services, handling, transport, or storage occurred in 2024.

Product Transportation

Sadara transports products through its internal railway and qualified third parties, emphasizing safe chemical handling and environmental protection. Contractors undergo strict assessments, and monthly Distribution Risk Reviews track all transportation events. With thorough incident investigations and continuous driver training, Sadara has maintained zero transportation incidents for four consecutive years. Additionally, under a 25-year agreement with Saudi Railway Company, Sadara is implementing the Sadara Railway program, the first rail transport of liquid and solid products in Jubail Industrial City. Set for completion in mid-2025, this program will replace approximately 200,000 annual truckloads, reducing transportation emissions by 73%.

Sadara has recorded zero transportation incidents for four consecutive years.

PRODUCT DEVELOPMENT

GRI 3-3,

Sadara promotes innovation to improve products and meet customer needs. The Hydrocarbons Optimization Program is a prominent example for targeting the Mixed Feed Cracker (MFC) Feedslate, generating over $20 million by optimizing operations and market value. In 2024, further enhancements are occurring to improve throughput, efficiency, and effectiveness.

MANUFACTURING OPERATIONAL PERFORMANCE

GRI 403-2, 403-8

Sadara operates 26 integrated plants with complex supply chains and strict regulatory requirements, focusing on seamless operations while prioritizing employee health and safety to maintain high EHS&S and production standards. In 2024, the company achieved its lowest DPMO on record, indicating strong customer satisfaction. By tracking Product Supply Reliability and continuously monitoring operational KPIs and EHS performance, Sadara ensures consistent quality, cost-efficiency, and timely delivery. Notably, in December 2024, Sadara reached a record prime production rate of 92.8% for elastomers, the highest since startup.

In 2024, Sadara's Quality department enhanced manufacturing performance by optimizing sample analysis across all 26 units, achieving an 11% reduction in consumables and waste. The Central Analytical Laboratories (CAL) expanded capabilities with 52 new or improved methods and advanced technologies. New in-house software automated reactive chemical data analysis, improving accuracy and efficiency. Additionally, sustainable disposal alternatives for slop oil were evaluated, and phenol analysis in brine water was upgraded to a faster, reagent-less gas chromatography method, reducing chemical use and waste.

TRANSPORTATION AND LOGISTICS

In 2024, Sadara advanced its rail transportation program with Saudi Railways, successfully trialing container and tank wagon shipments to Jubail ports without incidents and commissioning key rail security infrastructure ahead of full deployment in 2025. The company also earned solid handling certification for 12-layer packaging, enhancing logistics flexibility. The Logistics Services team improved operational efficiency through cross-training and partnerships, setting a new 24-hour loading record of 217 units and achieving approximately $1 million in cost savings. Additionally, Sadara broke multiple throughput records in palletized drumming, TDI drumming, and solid packaging shipments, reflecting ongoing improvements in logistics efficiency, reliability, and service excellence.

Production Data	Unit	2022	2023	2024
Total products sold to the market	Million metric tons	2.995	2.697	2.937

SUPPLY CHAIN MANAGEMENT

GRI 2-6, 3-3

In 2024, Sadara's Supply Chain ensured safe, timely, and cost-effective raw material supply, achieving $33.12 million in savings and expanding market reach through partnerships. The company prioritized local suppliers in line with Saudi Vision 2030, maintained high safety and quality standards through audits, finalized long-term contracts, and upheld an eight-year flawless inventory record. Automation of the Track and Trace system improved inventory transparency and control.

Trade Compliance

In 2024, Sadara managed exports of spent catalysts and other shipments valued at approximately $19.2 million. The company also achieved a strong delivery performance, with 92% of PE1 orders and 96% of TDI orders successfully fulfilled.

SUPPLIER QUALIFICATION AND AUDITING

All new suppliers undergo an eligibility assessment by a Prequalification Committee, which includes suitability and EHS assessments covering policies, objectives, training, audits, and certifications. Regular audits ensure supplier performance and ESG compliance. In 2024, the number of audited suppliers rose to 641 from 610 in 2023, and 2,474 local suppliers were qualified.

SUPPLIER SUSTAINABILITY ASSESSMENT

Sadara requires all key suppliers to undergo sustainability assessments aligned with GRI and Saudi National Sustainability Reporting Standards, ensuring visibility of environmental and social impacts across the supply chain. Logistics providers are additionally subject to GULF Sustainability and Quality Assessment System (SQAS) evaluations, covering EHSS&Q performance. These measures uphold high operational standards, drive continuous improvement, and reinforce Responsible Care® principles through transparent and collaborative supplier partnerships.

SUPPLIER SATISFACTION

GRI 204-1, 308-1

In 2024, Sadara achieved a 94% supplier satisfaction rate with no complaints. Annual supplier surveys inform improvements in engagement and procurement, while regular meetings between the Chief Executive Officer (CEO) and strategic suppliers further enhance customer experience.

LOCAL CONTENT

GRI 204-1, 308-1

In 2024, Sadara launched its "Wattenha" Local Content Program to support Saudi Vision 2030, focusing on localizing the industrial supply chain, fostering innovation, and attracting downstream investment. The initiative was recognized by the Local Content and Government Procurement Authority (LCGPA) at its annual forum.

Sadara expanded local procurement by contracting 2,523 local suppliers and 308 factories, increasing local spending from 87% in 2023 to 91% in 2024. A new supplier registration office was established with the Dammam Chamber of Commerce, leading to the registration of 183 local suppliers, including 29 factories, through the Jadeer platform in partnership with Monsha'at.

Procurement practices were aligned with LCGPA mandates, supported by a formal Memorandum of Understanding (MoU) and regular reporting to the Ministry of Energy. Sadara also recorded a Local Content score of 50.25% in 2023 (60% with export revenue), exceeding the petrochemical sector average.

In workforce development, 3,687 Saudi nationals were trained in leadership, engineering, and safety. Additionally, Sadara became the first oil and gas company to localize its server infrastructure, partnering with Hewlett Packard Enterprise and AlFanar to deploy locally manufactured servers.

Spending	Unit	2022	2023	2024
Procurement spending on all suppliers	﷼ Million	8,172	6,708	8,240
Percentage of spending on local suppliers	Percentage	92%	87%	91%

Local Content	2020	2021	2022	2023	2024
Sadara's Local Content Score %	45.71%	47.13%	47.36%	50.25%	53% *

*2024 Local Content Score under auditing and expected to be finalized in August 2025.

CUSTOMER RELATIONS

Sadara ensures timely delivery and high product quality through quarterly marketer meetings, automation improvements, and Six Sigma-based DPMO tracking to enhance customer experience and drive continuous improvement.

Product Quality	Unit	2022	2023	2024
DPMO	Number	856	312	211

CUSTOMER SURVEY

GRI 3-3

In 2024, Sadara achieved 100% overall customer satisfaction, with 87% of customers reporting they were very satisfied and 13% satisfied. This outcome reflects the company's strong focus on quality and service, supported by regular customer surveys and a Corrective Action Management Process (CAMP) to address any quality or supply chain concerns.

Customer Satisfaction	Unit	2022	2023	2024
Number of customer complaints received	Number	335	237	238
Number of customer complaints resolved	Number	335	237	238
Customer Satisfaction Score (0 to 10)	Number	10	10	10

INNOVATION & DIGITAL TRANSFORMATION

GRI 3-3

In 2024, Sadara made significant strides in innovation and digital transformation, aligned with its commitment to Saudi Vision 2030. Through its Transformation Pathway and strong leadership engagement, the company achieved $359 million in realized impact by enhancing efficiency and resilience across core functions such as Manufacturing, Engineering, Finance, Supply Chain, and IT.

Led by the Corporate Innovation Committee, Sadara's Technology Center drove R&D and innovation with a ﷼ 4.3 million annual budget. Key developments included the introduction of rigid polyols, a crude Methylene diphenyl Diisocyanate (MDI) product, and reactor enhancements that reduced TDI tar waste. The successful switch to a Hydrogen Peroxide to Propylene Oxide (HPPO) additive extended catalyst life, reduced downtime, and improved energy efficiency.

Operational highlights included a record TDI production of 166 KT, a 5% yield increase and reduced maintenance in the HPPO plant, and a 60% cut in methanol use in the Propylene Oxide (PO) plant. Debottlenecking efforts boosted capacity by 1% in the brine system, Ethylene Oxide Adducts (EOA), and Butyl Glycol Ethers (BGE) plants. These achievements reflect Sadara's ongoing focus on innovation, production reliability, and value creation.

Sustainable and Innovative Products

In 2024, Sadara's Corporate Innovation Committee focused on advancing sustainable and circular product development, while ensuring accurate measurement of carbon footprint and circularity.

Investment in R&D	Unit	2022	2023	2024
Amount spent on research and development of sustainable products and services	﷼ Million	2,082,625	4,000,000	4,300,000

DIGITAL TRANSFORMATION

GRI 203-1, 203-2, 3-3

In 2024, Sadara advanced its Digital Transformation Strategy, moving closer to its goal of becoming a World Economic Forum Lighthouse. Key initiatives included adopting Cloud, Robotic Process Automation, Low Code-No Code platforms, AI, and mobile technologies, supported by collaboration with Saudi Aramco and Dow Chemicals. These efforts are expected to deliver around $27 million in value over five years. Sadara won the Saudi Aramco Downstream President Digital Horizon Award for implementing Adaptive Process Control (APC) with Real-Time Optimization (RTO) at the MFC plant, boosting yield and generating multimillion-dollar annual benefits. The company also explored blockchain for custody metering, AI for inventory and yield optimization, and developed an in-house Digital Twins Framework for predictive analytics. A Smart Industry Readiness Index (SIRI) assessment was completed in late 2024, with results due in 2025.

Downstream Investment Opportunities in PlasChem Park

Sadara supports downstream investment by supplying feedstock to PlasChem Park tenants for producing diverse specialty products. Further details are available in Sadara's **2022** and **2023 Sustainability Reports**.

PlasChem Park	Unit	2022	2023	2024
Number of PlasChem Park accumulative tenants who have direct contracts with Sadara	Number	8	9	9

PEOPLE AND COMMUNITY

OUR PEOPLE

GRI 2-4, 2-7, 3-3, 401-1, 405-1

Our people are central to our success, and we are proud to attract top talent locally and globally. We invest heavily in resources, support, and benefits including training, housing, and career development to ensure our employees thrive throughout their professional journey at Sadara.

Workforce

Sadara's workforce has remained relatively stable over the past three years, with a slight decrease from 2,987 employees in 2022 to 2,787 in 2024. Women represent 2.58% of the workforce, while men comprise 97.42%. The company upholds transparent and fair recruitment through comprehensive policies covering external hiring, internal transfers, and supplemental manpower, all aligned with Sadara's values and standards.

Workforce	Unit	2022	2023	2024
Full-time employees	Number	2,987	2,892	2,787
Female full-time employees	Number	89	80	72
Male full-time employees	Number	2,898	2,812	2,715

Turnover	Unit	2022	2023	2024
Total number of employees who left the organization	Number	217	219	180
Turnover rate	Percentage	7.1%	7.4%	6.4%
Total number of missed workdays	Number	24,122.73	18,687.84	24,680.00

DIVERSITY & INCLUSION

DIVERSITY

GRI 3-3, 405-1

Sadara is committed to providing a fair, inclusive, and welcoming work environment that values every individual's contribution, promotes equal opportunities for men and women per Saudi Labor Law, and fosters a culture of diversity across the company.

HUMAN RIGHTS MANAGEMENT

GRI 2-15, 2-16, 2-23, 2-24, 2-26, 3-3, 408-1, 409-1, 410-1

Sadara's Human Rights Policy aligns with international standards and Saudi Vision 2030, promoting equal opportunity and fair working conditions across its workforce and entire supply chain. Employees are trained on their rights, with access to a confidential grievance mechanism. For more, refer to Sadara's **2022** and **2023 Sustainability Reports**.

SAUDIZATION

GRI 202-2

Sadara's Ethics and Compliance program includes a Human Rights Policy that upholds internationally recognized standards for equal opportunity and fair working conditions. Aligned with local laws and Saudi Vision 2030, the policy covers both employees and the supply chain. All employees receive training on their rights and obligations, with access to relevant materials. In 2024, Saudi employees constituted 77.65% of total full-time workforce. A formal grievance mechanism ensures confidential reporting and timely resolution of any concerns.

Workforce by Nationality	Unit	2022	2023	2024
Number of full-time national employees	Number	2,267	2,249	2,164
Number of employees of other nationalities	Number	720	643	623

WOMEN'S EMPOWERMENT

GRI 3-3, 405-1

In 2024, Sadara advanced its goal to increase female representation through a targeted employment strategy and a Women's Empowerment Program offering development and recognition. Annual International Women's Day events, featuring CEO acknowledgments, celebrate women's key contributions to the company's success.

Workforce by Category and Gender	Unit	2022	2023	2024
Senior Management	Number	108	116*	175
Male employees	Number	108	116*	175
Female employees	Number	0	0	0
Middle Management	Number	344	221	250
Female employees	Number	4	5	4
Male employees	Number	340	216	246

* Figure restated.

TALENT DEVELOPMENT & EMPLOYEE EXPERIENCE

GRI 2-17, 404-1, 404-2, 404-3

Sadara prioritizes talent development and employee experience to attract and retain top talent. Employees undergo biannual performance reviews and access leadership, technical, and business training through a centralized Learning Management System (LMS), overseen by the Human Capital Development (HCD) team to align with strategic goals. Since 2022, the Sadara Leadership Development Program (SLDP) has built company-wide leadership skills, while the SPOT Automation program certifies operators and technicians for technical roles. The Sadara Professional Development Program (SPDP) supports new graduates with foundational and experiential learning. In 2024, Sadara delivered 56 technical training sessions focused on analytical thinking, achieved 100% completion in Control Performance Management, and promoted employee-driven growth through the Success Factors e-IDP program.

Training and Development	Unit	2022	2023	2024
Total number of training for females	Number	69	141	356
Total number of training for males	Number	2,728	4,562	4,980
Total number of training for total workforce	Number	2,797	4,703	5,336

WAGES AND BENEFITS

GRI 2-19, 2-20, 2-21, 401-1, 201-3, 405-1

Sadara offers competitive compensation and benefits that reward performance, support employee well-being, and promote work-life balance within a culture of fairness and equal opportunity. Salaries are linked to individual achievements, with additional government-mandated benefits like a 9.75% salary match and housing allowance for General Organization for Social Insurance (GOSI). Other benefits include financial support for professional certifications and education, a Thrift Plan (Amaan) for Saudi employees, an over-base allowance, annual benefits supplement, and guaranteed bonus, a Home Loan Program (HLP) and a Home Owners Program (HOP) to assist with home ownership, and retirement packages in line with government regulations.

Wages and Benefits	Unit	2022	2023	2024
Salaries paid (includes standard elements basic pay and consolidated allowances etc.)	﷼ Million	789,542	765,130	765,645
Benefits paid (includes elements such as Pension, Gratuity, Medical Insurance, Annual Passage, Education etc.)	﷼ Million	367,635	432,614	452,025

PARENTAL LEAVE

GRI 401-3

Sadara offers parental leave as per Saudi Labor Law, with extra support for women during late pregnancy and extended unpaid maternity leave. In 2024, 248 employees took leave, all returning to work, demonstrating high retention.

Parental Leave	Unit	2022	2023	2024
Total number of employees that took parental leave (female)	Number	8	7	3
Total number of employees that took parental leave (male)	Number	288	237	245

EMPLOYEE ENGAGEMENT AND WELL-BEING

GRI 2-23, 2-25, 403-3, 403-6

Sadara prioritizes work-life balance by fostering a positive, engaging work environment supported by regular employee engagement surveys focused on growth, inclusion, and culture. To promote well-being, Sadara offers recreational facilities, a family-friendly resort, extracurricular programs, and discounts on gyms, travel, and health services.

Employee Engagement	Unit	2022	2023	2024
Employee Engagement	Out of 10	6.7	6.7	6.5

Employee Relations

Sadara's Employee Relations Unit (ERU) ensures a fair, compliant workplace by managing employee rights, conflicts, and safety. In 2024, it strengthened anti-harassment policies, updated key regulations, completed conflict of interest declarations, introduced a new confidentiality agreement, and conducted 135 safety observations.

Grievances

Sadara strictly prohibits workplace harassment and discrimination, with its Grievance Policy ensuring secure, confidential reporting handled by the ERU. Employees can file informal or formal grievances, with investigations conducted promptly. Violations of policies result in corrective actions, including counseling or termination. In 2024, ERU resolved over 308 cases, continuously reviewing and improving grievance processes to promote employee well-being and effective issue resolution.

Employee Grievances	Unit	2022	2023	2024
Number of employee grievances filed in the reporting period	Number	20	19	11
Number of these employee grievances addressed or resolved	Number	20	19	11

SOCIAL RESPONSIBILITY

GRI 3-3, 413-1, 413-2

In 2024, Sadara increased community investments by 11.5% and expanded local programs by 76%, aligning its Corporate Social Responsibility (CSR) efforts with the Ministry of Human Resources and Social Development's (MHRSD) strategy. The company strengthened partnerships with government and non-profits organizations to enhance impact and compliance. Sadara plans to improve CSR evaluation for better transparency and effectiveness, with no significant negative impacts on local communities reported.

Community Engagement	Unit	2022	2023	2024
Total value of community investments	﷼ Million	10,310,931	13,080,778	18,853,344
Total number of local community development programs based on local community needs	Number	19	25	44
Donations and sponsorships	﷼ Million	1,444,995	1,823,023	1,507,726

COMMUNITY OUTREACH

GRI 413-1, 413-2

Sadara's community development focuses on education and charitable efforts within five pillars: Education, Environment, Health & Safety (EHS), Culture, and Charity & Volunteerism. The company partners with government, non-profits, and community groups to support education, healthcare, and vulnerable populations. In 2024, Sadara backed a two-year diploma program for visually impaired women through Noor Almarefa Co. and runs development programs for Saudi students, collaborating with academic institutions to advance knowledge and align with Saudi Vision 2030 and its Human Resources (HR) objectives.

2024 Community Sponsorships & Investment

Our sponsorships and donations are focused on supporting the communities in which Sadara operates, as well as broader initiatives across the Kingdom. These contributions are overseen by a dedicated cross-functional committee which operates under a structured team charter and established guidelines.

EDUCATION

GRI 413-1, 413-2

Sadara won the Saudi Aramco 2023 Downstream President Digital Horizons Award for Real Time Optimization (RTO) of the MFC Plant. The company was a gold sponsor at JUBCOR 2024, focusing on corrosion solutions. In October 2024, Sadara celebrated 14 interns—supporting national talent aligned with Saudi Vision 2030. Sadara also received two gold CSR awards at the HRSD Global CSR Forum 2024 for excellence in industrial sector sustainability and best practices. Additionally, Sadara sponsored Misbar 8, a science camp empowering youth with advanced skills.

ENVIRONMENT, HEALTH & SAFETY

GRI 413-1, 413-2

Sadara's 14-week Weight Loss Race in 2024 engaged 109 employees to promote health. In October, a breast cancer awareness event focused on early detection. The November flu vaccination campaign immunized 400 staff. Sadara also partnered on the "Be the Change" campaign with local schools to promote environmental awareness through clean-ups, recycling, and mangrove planting.

CHARITABLE WORK

GRI 413-1, 413-2

Sadara's Volunteers Club (SVC) supported the "Children of Vision 2030" festival in July 2024, promoting AI education and creativity for children in Jubail. Additionally, Sadara donated over 3,000 refurbished IT devices to Ertiqa, a non-profit that distributes technology to educational and social institutions across Saudi Arabia.

EMPLOYEE VOLUNTEERISM

GRI 413-1, 413-2

Volunteerism is key to Sadara's community outreach, with employees encouraged to give back through the Sadara Volunteers Club. In 2024, employees contributed a total of 8,115 volunteer hours supporting local communities.

Volunteerism	Unit	2022	2023	2024
Employee volunteer hours	Hours	3,035	5,948	8,115

GOVERNANCE

Sustainability Strategy KPIs:

SUSTAINABILITY STRATEGY PILLARS	STRATEGIC GOALS	KPIs	UNIT	2024 PERFOR-MANCE	2024 TARGET	2025 TARGET
GOVERNANCE & INTEGRITY	9. Strengthen Corporate Governance	Ensure validity of all company certificates.	Percentage	100	100	100
		Maintain level of implementation for Corporate ODMS.	Percentage	90	90	> 90
	10. Ensure Business Ethics and Integrity	Increase Supplier Code of Conduct acknowledgment.	Percentage	90.5	90	100
		Reduce number of grievances.	Number	11	15	14

GOVERNANCE AND INTEGRITY

ORGANIZATIONAL STRUCTURE

GRI 2-9

Sadara is jointly owned by Saudi Aramco (65%) and Dow Chemical Company (35%). Guided by its Board of Directors and executive team, the company upholds top standards of integrity, ethics, and compliance through strong corporate governance.

BOARD OF DIRECTORS

GRI 2-10, 2-11, 2-12, 2-14, 2-17, 2-18, 405-1

Sadara's Board of Directors, appointed by Saudi Aramco and Dow, meets quarterly to review the company's performance, strategy, and progress, including assessments of sustainability, ESG achievements, challenges, and opportunities.

Board of Directors	Unit	2022	2023	2024
Percentage of Board seats occupied by independent directors	Number	0	0	0
Executive members of the Board	Number	0	0	0
Non-executive members of the Board	Number	8	8	8

For more information on our organizational structure and Board of managers, please refer to **Sadara's 2024 Sustainability Report**.

SADARA'S COMMITTEES

GRI 2-9, 2-12, 2-13, 2-17

The Board of Directors is supported by leadership committees—Finance, Environmental Health, Safety & Security, Audit, and Ethics & Compliance—that oversee corporate strategy execution and guide progress on sustainability objectives.

Sustainability Council

Sadara's Sustainability Council oversees initiatives across the five pillars of its sustainability strategy through dedicated committees. Each initiative focuses on key areas such as governance, safety, climate change, operational excellence, and community, while also enhancing stakeholder engagement.

INTERNAL AUDIT

Sadara's Internal Audit Department, led by the General Auditor, provides assurance and advisory services to assess risk management, controls, and governance. In 2024, the department completed its audit plan with 13 audits across key areas including Governance, Risk and Compliance (GRC) and ESG. All audits were delivered on time and within budget, following international internal auditing standards. The team continues to enhance efficiency and expertise in modern audit practices.

ETHICS, GOVERNANCE, & COMPLIANCE

OPERATING DISCIPLINE MANAGEMENT SYSTEM

GRI 2-25, 2-27, 3-3, 205-1, 205-2

Sadara's ODMS overseen by the Site Integration and Operations Excellence department, governs key business functions through standardized policies and best practices. Departments conduct regular self-assessments and internal audits to ensure compliance. ISO and RC® certifications support continuous improvement in quality, safety, and operational performance.

SADARA'S CODE OF ETHICS AND BUSINESS CONDUCT

GRI 2-15, 2-16, 2-23, 2-24, 2-25, 2-26, 2-27, 3-3, 205-1, 205-2, 205-3, 206-1, 408-1, 409-1

Sadara's Code of Ethics and Business Conduct outlines core values like integrity, respect, and environmental protection, applying to employees, contractors, vendors, and affiliates. It sets clear expectations for ethical behavior, reporting misconduct, and protecting whistleblowers. Reports can be made anonymously via hotline or email, with zero tolerance for retaliation. In 2024, 148 employees completed anti-corruption and fraud awareness training, and no legal or regulatory violations were reported.

For more information on our Code of Ethics, please visit our **2022** and **2023 Sustainability Reports**.

Anti-Corruption Training	Unit	2022	2023	2024
Total number of employees that the organization's anti-corruption policies have been communicated to	Number	62	438	148

RISK MANAGEMENT & BUSINESS CONTINUITY

GRI 2-25, 201-2, 3-3

Sadara's Enterprise Risk Management (ERM) unit identifies and manages strategic and operational risks across the company using a structured risk matrix. It works with leadership to address risks in areas like safety, environment, operations, finance, and reputation, supporting informed decisions and business continuity. The ERM team also began to integrate ESG considerations to enhance resilience and long-term sustainability.

Risk and Opportunities Register

Sadara's Risk and Opportunities Register tracks and reviews all identified risks, including Operational, Compliance, and Environmental Health and Safety risks, with severity, likelihood, and mitigation measures aligned to compliance standards.

BUSINESS CONTINUITY

GRI 2-23

Sadara integrates business continuity into its sustainability strategy through a robust Business Continuity Management (BCM) process aligned with Saudi Aramco's standards. The BCM framework uses a Plan-Do-Check-Act cycle, including risk assessments, staff training, and resilient infrastructure to ensure crisis preparedness and service reliability. In 2024, all business lines achieved full compliance, and two major drills were conducted to test response readiness.

DATA PRIVACY & CYBERSECURITY

GRI 3-3, 418-1

Sadara's Information Security (IS) division prioritizes cybersecurity by protecting digital assets and managing risks per government and international standards. It conducts regular risk assessments, training, awareness campaigns, and maturity evaluations based on National Institute of Standards and Technology (NIST), Capability Maturity Model Integration (CMMI), and Cybersecurity Capability Maturity Model (C2M2) frameworks. In 2024, Sadara enhanced industry collaboration, improved compliance with national cybersecurity controls, and strengthened its security posture through ongoing assessments and campaigns.

APPENDIX: **ACRONYMS**

APC	Adaptive Process Control	**GPCA**	Gulf Petrochemical and Chemical Association	**PO**	Propylene Oxide
AI	Artificial Intelligence			**RTO**	Real Time Optimization
BC	Business Continuity	**GRC**	Governance, Risk and Compliance	**REACH**	Registration, Evaluation, Authorization, and Restriction of Chemicals
BCM	Business Continuity Management	**GRI**	Global Reporting Initiative		
BGE	Butyl Glycol Ethers	**HAP**	Hazardous Air Pollutants		
CAL	Central Analytical Laboratories	**HOP**	Home Loan Program	**RC**	Responsible Care®
CAMP	Corrective Action Management Process	**HCD**	Human Capital Development	**R&D**	Research and Development
		HPPO	Hydrogen Peroxide to Propylene Oxide	**SLDP**	Sadara Leadership Development Program
CEMS	Continuous Emissions Monitoring Systems			**SPDP**	Sadara Professional Development Program
		HSE	Health, Safety and Environment		
CEO	Chief Executive Officer	**HR**	Human Resource	**SVC**	Sadara's Volunteers Club
CISO	Chief Information Security Officers	**IMS**	Integrated Management System	**SGI**	Saudi Green Initiative
CMMI	Capability Maturity Model Integration	**ISO**	International Organization of Standardization	**SAR**	Saudi Riyal
C2M2	Cybersecurity Capability Maturity Model			**SWRO**	Seawater Reverse Osmosis
		IS	Information Security	**SIRI**	Smart Industry Readiness Index
CO2e	Carbon Dioxide Equivalent	**ISS**	Industrial Security System	**SOx**	Sulfur Oxides
CSR	Corporate Social Responsibility	**IT**	Informational Technology	**SQAS**	Sustainability and Quality Assessment System
DPMO	Defects Per Million Opportunities	**KPIs**	Key Performance Indicators		
ERG	Emergency Response Guides	**LDAR**	Leak Detection and Repair	**TDI**	Toluene Diisocyanate
EAL	Emission Action Limit	**LMS**	Learning Management System	**TOC**	Total Organic Carbon
ERU	Employee Relations Unit	**LCGPA**	Local Content and Government Procurement Authority	**TRIR**	Total Recordable Injury Rate
ERM	Enterprise Risk Management			**UN**	United Nations
EHS&S	Environment Health, Safety and Security	**MDI**	Methylene diphenyl Diisocyanate	**VAT**	Value Added Tax
		MFC	Mixed Feed Cracker	**VOC**	Volatile Organic Compound
EHS	Environment, Health, and Safety	**MHRSD**	Ministry of Human Resources and Social Development	**WTE**	Waste-to-Energy
ESG	Environmental, Social, and Governance			**ZATCA**	Zakat, Tax, and Customs Authority
		MoE	Ministry of Energy		
EOA	Ethylene Oxide Adducts	**MoU**	Memorandum of Understanding		
GOSI	General Organization for Social Insurance	**MSDS**	Material Safety Data Sheets		
		NIST	National Institute of Standards and Technology		
GJ	Giga Joules				
GHG	Greenhouse Gas	**NOx**	Nitrogen Oxides		
GHS	Globally Harmonized System	**OCS**	Operation Clean Sweep		
GCC	Gulf Cooperation Council	**PSR**	Product Supply Reliability		

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