

Shaping the Future with Responsible Chemistry

2025 ESG
EXECUTIVE SUMMARY





IN THE NAME OF ALLAH, THE MOST GRACIOUS, THE MOST MERCIFUL



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

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Report Overview

GRI 2-2, 2-3

In 2025, Sadara Chemical Company continued to advance its sustainability priorities, delivering measurable progress across Environmental, Social and Governance (ESG) areas. This Executive Summary highlights key milestones and performance presented in Sadara’s eighth Sustainability Report and provides an overview of its achievements and ongoing efforts to support responsible operations, transparency and long-term value creation.

The report has been reviewed and validated by Sadara’s Reporting and Disclosure Committee to ensure alignment with leading ESG reporting standards and frameworks. For a more detailed overview of our sustainability strategy, progress, performance and initiatives, please refer to the full [2025 Sustainability Report](#).

Feedback

Sadara values stakeholder feedback as part of its commitment to continuous improvement, stakeholder engagement, and transparent reporting. We welcome your comments and suggestions at sustainability@sadara.com

Alternatively, you may share your feedback by scanning the QR code.



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, they involve both known and unknown risks and uncertainties and do not guarantee 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.

2025 ESG Performance Summary

ENVIRONMENT

Received **five Sustainable Environmental Engagement at Dow (SEED) / Dow Technology Center awards** recognizing emissions reduction and resource efficiency initiatives.

Boilers Fuel Switch project completed, reducing emissions by 138,835 metric tons of CO₂e (~3% of total greenhouse gas (GHG) emissions).

Achieved **12% reduction in GHG intensity vs. 2020 baseline**, exceeding the 5% target.

Delivered **1,750,000 GJ of annual energy savings** through efficiency improvements.

No environmental regulatory fines recorded during the reporting year.

Achieved 2nd place in the Sustainable Environmental Protection Category at the Gulf Petrochemicals and Chemicals Association (GPCA) Responsible Care® Excellence Awards.

Sadara won the **SEEC Energy Efficiency Award** under the "Awareness and Influence" track for the private sector category.

Awarded the **2025 Regional Award in Corporate Energy Management** by the Association of Energy Engineers (AEE) for the Middle East region.

SOCIAL

3.3% increase in Saudi national employees in 2025 compared with 2024, reaching 2,236 employees.

SAR 20.2 million invested in 69 community development programs tailored to meet local needs across the Kingdom.

100% participation in annual employee medical check-ups, outperforming the 2025 target of 95%.

Won the Ministry of Human Resources and Social Development (HRSD) **Gold Award for Corporate Social Responsibility** recognizing leadership in community engagement and social responsibility.

10,907 accumulated volunteering hours by 2025, a **34% increase** in employee engagement over the previous year.

Achieved first place in the Community Awareness Award at the GPCA Responsible Care® Excellence Awards.

SOCIAL

Conducted **163 emergency response and awareness drills**, achieving 100% response time compliance.

Delivered **7,223 safety training sessions** for employees and contractors.

Zero employee and contractor fatalities maintained across operations.

Achieved a **Total Recordable Injury Rate (TRIR) of 0.025**, outperforming the 2025 target of 0.06.

GOVERNANCE

100% validity of company certificates maintained, supporting compliance with international management system standards.

14 internal audits and special reviews completed, with zero overdue management action items.

GHG intensity integrated into employee compensation key performance indicators (KPIs), linking climate performance with organizational incentives.

97% Supplier Code of Conduct acknowledgment, strengthening ethical and responsible supply chain practices.

Anti-corruption training participation increased by 692% in 2025 compared with 2024, reaching 1,172 employees.

Advanced innovation through **Dow Technology Center awards** recognizing process improvements and material efficiency initiatives.

2,759 kilotons of annual supply chain lifting achieved, exceeding the target of 2,662 KT.

74,318 finished customer shipments and 8,227 logistics movements completed.

Transported products across **19.5 million km with zero major transportation incidents**.

Achieved the highest annual production on record across eight plants, reflecting strong operational performance.

Our Sustainability Priorities and Focus Areas

The Next Chapter: Our Corporate Strategy

While Sadara’s Sustainability Strategy defines the company’s ESG priorities and performance framework, its broader direction is guided by its transformation program, The Next Chapter, Sadara’s corporate strategy for long-term growth, resilience and value creation. The strategy outlines Sadara’s strategic direction in response to evolving market conditions and reinforces the integration of ESG as a core element of business performance, risk management and long-term value creation.

The strategy reflects key external and structural factors shaping Sadara’s operating environment, including capital intensity, market conditions, energy and feedstock market volatility and increasing competition for skilled talent. In response, Sadara continues to focus on operational efficiency, disciplined capital allocation, capability development and strategic investment in decarbonization and innovation to support long-term resilience and competitiveness.

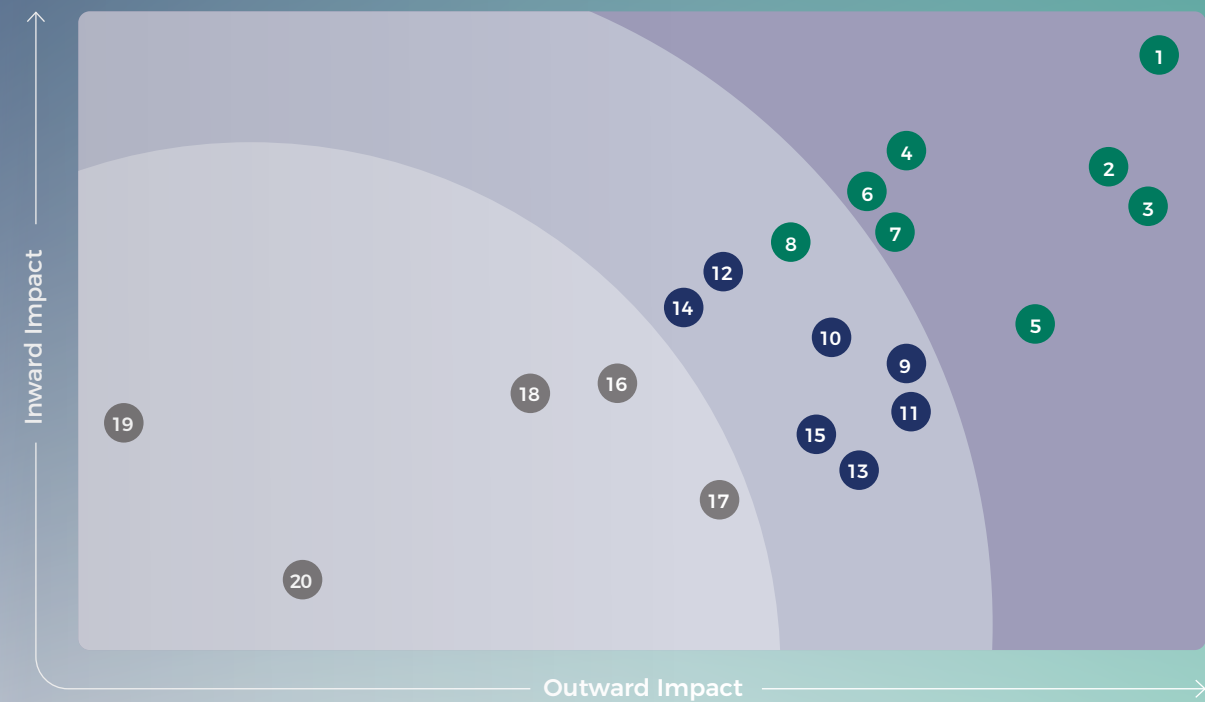
As Sadara completes its first sustainability strategy cycle, future ESG priorities, targets and initiatives will be refreshed to align with the company’s corporate strategy and evolving business priorities, ensuring continued alignment between sustainability, operational excellence and long-term growth.

Identifying Our Material Topics

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

Sadara’s sustainability strategy is guided by the ESG topics that matter most to our business and a wide range of stakeholders. These topics are identified through periodic double materiality assessments that consider both the impacts of our operations on the environment and society and the financial risks and opportunities related to sustainability. The most recent assessment, conducted in 2024 in alignment with Global Reporting Initiative (GRI) Standards and emerging International Financial Reporting Standards (IFRS) Sustainability Disclosure requirements, continues to guide Sadara’s sustainability strategy and disclosures in 2025.

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	More Important	Important
1 Occupational Health, Safety & Well-being	9 Air Quality	16 Social Responsibility
2 Economic Impact	10 Customer Relations	17 Risk Management & Business Continuity
3 Product Quality, Safety, & Stewardship	11 Energy Management	18 Circular Economy & Waste Management
4 Climate Change & GHG Emissions	12 Innovation & Digital Transformation	19 Biodiversity
5 Data Privacy & Cybersecurity	13 Talent Development & Employee Experience	20 Diversity & Inclusion
6 Process Safety & Asset Integrity	14 Water Management	
7 Ethics, Governance, & Compliance	15 Supply Chain Management	
8 Human Rights Management		

Stakeholder Engagement

GRI 2-16, 2-29

Sadara recognizes its stakeholders as key partners in delivering long-term value and sustainable performance. Through ongoing and structured engagement, Sadara gathers stakeholders’ feedback that helps inform strategic priorities, identify emerging risks and opportunities and support continuous improvement in sustainability performance and disclosures. Stakeholders are encouraged to share feedback, including inquiries and complaints, through Sadara’s regular engagement channels or via the [Contact Us](#) section of the company’s website.

Our Sustainability Strategy

Established in 2020, Sadara’s Sustainability Strategy provides a structured approach to integrating ESG priorities across the business. The strategy is built around five strategic pillars, supported by strategic goals and measurable KPIs that address Sadara’s most material sustainability topics. Oversight is provided through Sadara’s Sustainability Council and its specialized committees, which monitor progress and support implementation across the organization.

STRATEGIC PILLAR	STRATEGIC GOAL	KPIS
 Governance and Integrity	Strengthen Corporate Governance	Maintain validity of all company certificates
		Maintain level of implementation for Corporate Operating Discipline Management System (ODMS)
	Ensure Business Ethics and Integrity	Increase Supplier Code of Conduct acknowledgments Reduce number of grievances
 Occupational Health and Safety	Achieve World-Class Health and Safety Performance	Maximize employee participation in the Medical Check-up Program
		Improve TRIR
		Minimize Process Safety & Containment Event-L1 Rate
	Promote Product Stewardship Practices	Maintain Globally Harmonized System (GHS) Control Transportation Incident L1 Rate

STRATEGIC PILLAR	STRATEGIC GOAL	KPIS
 Climate Change and Natural Resources Conservation	Minimize Environmental Impact	Reduce Energy Intensity
		Reduce GHG Emissions Intensity
		Reduce Water Intensity
	Support Circular Economy	Reduce Plastic Pellet Losses Reduce Material Effectiveness Intensity
 Business Growth and Operational Excellence	Operational Excellence	Increase Product Supply Reliability (PSR) Decrease Defects Per Million Opportunities (DPMO)
	Support Downstream Industry Development and Local Content	Increase Number of PlasChem Tenants
		Increase Percentage of Spending on Local Suppliers
 People and Community	Strengthen the Value of Employee Proposition	Increase Employee Engagement Score
		Accelerate Saudization
		Increase Employee Training Hours and Development Programs
	Support the Local Community	Increase of Women’s Inclusion and Employment
		Increase Community Engagement Initiatives Raise Employee Volunteering Hours

Environment

SUSTAINABILITY STRATEGY KPIS:

Climate Change & Natural Resources Conservation	Strategic Goals	KPIs	Unit	2025 Performance	2025 Target
	1. Minimize Environmental Impact	Reduce Energy Intensity	GJ/metric ton of product	28.684	26.50
		Reduce GHG Emissions Intensity	Metric ton of CO ₂ e/ ton of product	1.886	1.700
		Reduce Water Intensity	m ³ / metric ton of product	11.465	9.313
	2. Support Circular Economy	Reduce Plastic Pellet Losses	Percentage of pellets lost	0.05	0
		Reduce Material Effectiveness Intensity	Metric ton of material loss/ metric ton of product	0.114	0.132

While environmental intensity targets were not achieved in 2025, performance remained broadly stable compared to previous years and continued to be supported by ongoing operational efficiency and emissions reduction initiatives.

Environmental Strategy, Management, and Compliance

GRI 2-23, 3-3

Sadara's environmental strategy focuses on climate change, resource efficiency, and environmental compliance, aligned with ESG objectives and national priorities such as Saudi Vision 2030 and the Saudi Green Initiative (SGI). Environmental programs are implemented through certified management systems, including the International Organization for Standardization (ISO) 14001 and ISO 50001, GPCA Operation Clean Sweep® (OCS), and Responsible Care® (RC) 14001. In 2025, Sadara maintained full regulatory compliance and continued initiatives to improve energy efficiency, reduce emissions, and optimize resource use, with these efforts recognized through external awards and recognitions.

Climate Change and GHG Emissions

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

Sadara's decarbonization strategy supports the Kingdom of Saudi Arabia's Net Zero 2060 ambition and the company's target to achieve net zero Scope 1 and Scope 2 emissions by 2050. In 2025, Sadara completed the Boilers Fuel Switch project, replacing Heavy Fuel Oil (HFO) with lower-carbon Natural Gas (NG), contributing to a reduction of approximately 138,835 metric tons of CO₂e emissions. Over the past five years, Sadara reduced total GHG emissions by 493,874 metric tons of CO₂e and achieved a 12% reduction in GHG intensity compared to the 2020 baseline, exceeding its target. These efforts, supported by energy efficiency and process optimization initiatives, form part of Sadara's long-term decarbonization roadmap, with GHG emissions data subject to independent third-party assurance.

GHG EMISSIONS	UNIT	2023	2024	2025
Total GHG Emissions (Scope 1 and 2)	Million metric tons of CO ₂ e	4.916	5.394	5.116
GHG emissions intensity	Metric ton of CO ₂ e/ ton of product	1.895*	1.895*	1.886

*GHG intensity has been recalculated to align with the new calculation methodology i.e., using market facing production instead of total products sold

Ambient Air Quality

Protecting ambient air quality remains a key priority within Sadara’s environmental management framework. In 2025, Sadara strengthened control of key non-GHG emissions, achieving a 2.7% reduction in Nitrogen Oxides (NOx) emissions and a 70.4% reduction in Sulfur Oxides (SOx) emissions compared to 2024, while Volatile Organic Compounds (VOCs), Carbon Monoxide (CO) and particulate matter remained within established operational ranges. Emissions performance is supported through structured monitoring and prevention programs, including the Leak Detection and Repair (LDAR) Program and Continuous Emissions Monitoring Systems (CEMS), in alignment with the Royal Commission Environmental Regulations (RCER). In 2025, Sadara maintained a leak rate of less than 1%, with repair success rates exceeding 90%, and no significant air quality violations were recorded. Air quality performance is monitored against Sadara’s Environmental Action Limit (EAL) targets, as presented in the table below.

YEAR	EAL ACTUAL	EAL TARGET
2023	507	1,054
2024	256	877
2025	314	702
2026	-	667



Energy Management

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

Energy efficiency remains a key component of Sadara’s decarbonization strategy. In 2025, Sadara achieved an 11% reduction in energy intensity compared to the 2020 baseline and reduced absolute energy consumption by approximately 5.7 million GJ. The company also eliminated HFO imports and maintained ISO 50001 certification and full compliance with Saudi Energy Efficiency Center (SEEC) as well as the High Intensity Electricity Tariff (HIET) requirements. Sadara’s energy management efforts were recognized through several awards in 2025, including the Association of Energy Engineers (AEE) Regional Award for Corporate Energy Management and recognition from GPCA and SEEC for energy efficiency, sustainability and awareness initiatives.

ENERGY CONSUMPTION	UNIT	2023	2024	2025
Petrol consumption from vehicles	Liters	546,133	564,587	476,818
Diesel consumption from operations	Liters	3,908,266	1,827,943	1,263,146
Diesel consumption from vehicles	Liters	12,135	20,999	9,575
Electricity consumption (branches, offices, etc.)	GJ	9,832,645	10,226,688	10,054,953
Renewable energy consumption (branches, offices, etc.)	GJ	31.22	90.19	90.19
Total Energy consumption (direct + indirect)	Million GJ	73.37	81.90	77.82
Energy Intensity (total energy consumption in GJ total products sold in tons)	GJ/ ton	28.29*	28.77*	28.68

* Energy intensity has been recalculated to align with the new calculation methodology i.e., using market facing production instead of total products sold



Water Management

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

Operating in a water-scarce region, Sadara places strong emphasis on responsible water stewardship and efficiency across its operations. Industrial water is primarily sourced from the Marafiq Seawater Reverse Osmosis (SWRO) plant, while water efficiency initiatives focus on recycling process condensate and promoting water conservation across facilities. Over the past five years, Sadara achieved a 0.6% reduction in water intensity, supporting reduced freshwater demand and improved operational efficiency.

WATER	UNIT	2023	2024	2025
Total water consumption	Million m ³	27.61*	32.09*	31.11
Water intensity (water consumption/ total products sold)	m ³ / product sold	10.64**	11.27**	11.46
Recycled wastewater	m ³	6,584.87	0	744.78
Wastewater Total Organic Carbon (TOC) discharged	Thousand metric tons	1.34	1.49	1.40

*Water consumption data has been restated to reflect an updated calculation methodology.

**Water intensity has been recalculated to align with the new calculation methodology i.e., using market facing production instead of total products sold.



Circular Economy and Waste Management

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

Sadara continues to advance circular economy principles by reducing waste, increasing recycling and maximizing material recovery across its operations. In 2025, Sadara safely managed 33,285.76 metric tons of hazardous and non-hazardous waste, of which 17,028.67 metric tons were recycled, achieving a recycling rate of 51.16% and maintaining recycling performance above 50% for the second consecutive year. In addition, 78.34% of total waste was diverted from landfill through recycling and recovery pathways.

Circular economy initiatives delivered significant financial and environmental value, including approximately ₪15.5 million in avoided waste disposal costs, record recycling revenue of ₪4.13 million and a 38.88% reduction in total waste management expenditure compared to 2024. Sadara also continued its Waste-to-Energy partnership with Veolia, converting industrial waste into energy and reducing landfill dependency. Looking ahead, Sadara aims to further expand recycling and recovery initiatives, targeting up to 90% recycling across total waste streams.

COST SAVINGS	UNIT	2023	2024	2025
Total revenue from recycling	₪	2,234,645	1,839,789	4,129,904
Total saved disposal cost	₪	22,812,225	19,565,268	15,503,823
Percentage of recycled input material used	Percentage	15.26	17.89	14.45

CIRCULAR ECONOMY	UNIT	2023	2024	2025
Total waste diverted from landfill	Thousand metric tons	26.553	5.186	26.070

RECYCLED MATERIALS	UNIT	2023	2024	2025
Portion of waste generated that was recycled	Percentage	32.67	52.20	51.16

Material Effectiveness

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

Sadara manages materials throughout its operations to improve resource efficiency and reduce material losses. In 2025, a methanol optimization project reduced waste generation by approximately 16.6 million pounds per year and delivered estimated annual cost savings of USD 2.8 million, receiving a Dow SEED Award for climate protection. Overall, material effectiveness intensity improved by 25% compared to the 2020 baseline, supporting Sadara’s circular economy and resource efficiency objectives.

MATERIAL EFFECTIVENESS	UNIT	2023	2024	2025
Total waste generated	Thousand metric tons	85.801	37.467	33.285
Material effectiveness intensity	Metric ton of material loss/ metric ton of product	0.158*	0.111*	0.114

*Figures have been restated due to improved calculation methodologies.

Biodiversity

GRI 2-25, 3-3, 101-1, 101-6

Operating near environmentally sensitive areas, Sadara prioritizes biodiversity protection and the prevention of adverse ecological impacts across its operations. As the first company in the Gulf Cooperation Council (GCC) to adopt OCS principles in 2021 following the program's introduction by GPCA in 2020, the company achieved a significant milestone in 2025 by successfully completing the OCS Certification Audit and obtaining official certification for a three-year period. Supported by strong operational controls and preventive practices, Sadara recorded zero significant environmental spills or releases during the reporting year.

SPILLS	UNIT	2023	2024	2025
Total recorded significant spills	Number	0	0	0

Social

SUSTAINABILITY STRATEGY KPIS:

	Strategic Goals	KPIs	Unit	2025 Performance	2025 Target
Occupational Health and Safety	3. Achieve World-Class Health and Safety Performance	Maximize employee participation in the Medical Check-up Program	Percentage	100	95*
		Improve TRIR	Rate	0.025	0.06
		Minimize Process Safety & Containment Event-L1 Rate	Rate	0.01	0*
	4. Promote Product Stewardship Practices	Maintain GHS	Percentage	100	100
		Control Transportation Incident L1 Rate	Rate	0	0
Business Growth and Operational Excellence	5. Ensure Operational Excellence	Increase PSR	Percentage	87.2	93.4*
		Decrease DPMO	Number	490	800*
	6. Support Downstream Industry Development and Local Content	Increase Number of PlasChem Tenants	Number	11	11*
		Increase Percentage of Spending on Local Suppliers	Percentage	92	90
People and Community	7. Strengthen the Value of Employee Proposition	Increase Employee Engagement Score	Out of 10	7.8	7*
		Accelerate Saudization	Percentage	78.2	80*
		Increase Employee Training Hours and Developmental Programs	Hours	170,881	100,000*
		Increase Women's Inclusion and Employment	Percentage	3.6	3*
	8. Support the Local Community	Increase Community Engagement Initiatives	Number	69	25
		Raise Employee Volunteering Hours	Hours	10,907	10,000

*Target has been revised.

Occupational Health and Safety

Health, Safety and Well-Being

GRI 3-3

Health, safety, and well-being are core to Sadara’s operations, anchored in a strong safety-driven culture and a comprehensive Environmental Health Safety & Security (EHS&S) framework that systematically identifies risks and embeds preventive controls across all activities. The company applies a holistic approach to safeguarding employees and contractors, supported by structured processes and alignment with applicable regulatory requirements, industry best practices, and internationally recognized standards, ensuring safe, reliable, and responsible operations across its entire operational footprint.

Health and Safety Committee

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

Health and safety governance at Sadara is overseen by the EHS&S and Sustainability Central Committee and the EHS&S Steering Committee, ensuring structured oversight, performance monitoring and clear accountability across the organization. Worker consultation and participation are supported through formal reporting processes that enable employees and contractors to report hazards, unsafe conditions and incidents, reinforcing a proactive safety culture and continuous improvement. Occupational health and well-being are supported through on-site health services, routine medical care and employee well-being programs addressing both physical and mental health, while health and safety requirements are extended to contractors, suppliers, and project activities to ensure consistent standards across all operations.



Health and Safety Performance

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

Health and safety performance at Sadara is driven by strong employee and contractor engagement and a culture focused on prevention, training and continuous improvement. This commitment is reflected in Sadara maintaining zero employee and contractor fatalities since 2021 and achieving a TRIR of 0.025 in 2025. During the year, Sadara delivered 7,223 safety training sessions and implemented targeted initiatives such as the Safe Step campaign to reduce slips, trips and falls, reinforcing safe behaviors across operations.

Sadara’s efforts are supported by internationally recognized certifications and RC credentials, and in 2025 the company received the GPCA RC Excellence Award and the National Council for Occupational Safety and Health (NCOSH) Certificate in recognition of its safety performance and programs. Occupational health and medical readiness also remained a key priority, with 100% completion of annual occupational medical examinations, approximately 90% participation in preventive health screening programs, more than 100 emergency preparedness drills conducted and 100% medical emergency response within five minutes across facilities. Together, these efforts reflect Sadara’s ongoing commitment to protecting its workforce, strengthening its safety culture and ensuring safe and reliable operations.

OCCUPATIONAL HEALTH & SAFETY (OHS)- RELATED KPIS	UNIT	2023	2024	2025
Total employee manhours	Number	7,280,816	6,531,788	5,652,948
Total contractor manhours	Number	13,918,180	11,354,035	13,988,147
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



Environmental Health and Safety Management

GRI 403-1, 403-2

Sadara continues to strengthen its Environmental Health and Safety (EHS) performance through alignment with recognized international standards, including ISO 45001, ISO 50001 and RC 14001, supported by an Integrated Management System (IMS) across operations. In 2025, Sadara completed 74,318 finished customer shipments and 8,227 logistics movements covering more than 19.5 million kilometers with zero major transportation incidents, reflecting strong safety performance across logistics operations.

HEALTH AND SAFETY MANAGEMENT	UNIT	2023	2024	2025
Workers covered by the Occupational Health and Safety Management System	Percentage	100	100	100

Environment Health, Safety and Security Assessment Program

GRI 403-2

Sadara maintains a structured EHS&S assessment and assurance program based on a risk-based IMS to verify compliance and performance. In 2025, Sadara conducted nine internal audits and one independent third-party assessment, alongside external audits and recertifications for ISO 45001, ISO 14001, ISO 50001 and RC 14001, as well as GPCA OCS verification. Assessment findings are tracked to support continuous improvement and sustain EHS&S performance.

EHS Training

GRI 403-5

Sadara provides role-based EHS training to employees and contractors covering key operational risks. In 2025, training hours increased following the introduction of Life Critical Standards (LCS) training and expanded emergency response and First Aid programs, strengthening workforce capability and emergency preparedness.

HEALTH AND SAFETY TRAINING AND MANAGEMENT	UNIT	2023	2024	2025
Total hours of EHS training provided to employees	Hours	24,895	10,488	18,752
Average hours of EHS training per employee	Hours/employee	8.6	3.8	6.6
Number of workers covered by an occupational health and safety management system	Number	2,734	2,787	2,841

Process Safety and Asset Integrity

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

Sadara applies a comprehensive Process Risk Management and Loss Prevention framework to manage process safety risks across its operations. In 2025, one Level 1 and one Level 2 process safety event were recorded, investigated, and managed within established control frameworks, with findings used to strengthen preventive barriers and operational discipline. Performance is monitored through leading and lagging indicators to support continuous improvement in asset integrity and operational safety.

LOSS OF PRIMARY CONTAINMENT	UNIT	2023	2024	2025
Process safety and containment event- L1	Percentage	0	0	0.01
Process safety and containment event- L2	Percentage	0.01	0.01	0.01

Industrial Security System

GRI 418-1

Sadara's Industrial Security system protects employees, assets and surrounding communities through trained personnel, advanced technologies and structured procedures. In 2025, Sadara enhanced security governance and digital systems, conducted 163 emergency drills with 100% response time compliance, and maintained Integrated Security System (ISS) availability above 91%, supporting safe and reliable operations.



Business Growth and Operational Excellence

Economic Impact

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

Sadara generates long-term economic value through disciplined strategic planning, robust financial governance and structured asset management focused on operational performance, reliability, and sustainable value creation. Financial reporting is prepared in accordance with IFRS and United States Generally Accepted Accounting Principles (US GAAP), ensuring transparency and reliable disclosure to stakeholders.

Capital allocation is governed through a structured investment framework that includes a Board-approved five-year capital plan, turnaround investments to sustain asset reliability, together with recurring maintenance programs to support safe and efficient operations. Energy efficiency and decarbonization initiatives are integrated across capital planning and investment decisions, ensuring climate and sustainability considerations are embedded into long-term business planning.

Sadara continues to invest in initiatives that improve both economic and environmental performance, including infrastructure projects such as rail transportation to reduce logistics costs and emissions. Looking ahead, Sadara's Next Chapter strategy focuses on value creation, operational excellence and digital transformation, with a holistic transformation program target of USD 480 million in recurring Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA), supporting long-term financial resilience and competitiveness.

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED	UNIT	2023	2024	2025
Revenue	₹ million	10,699	11,586	9,872
Operating Costs	₹ million	-12,275	-12,610	-12,428

Tax Strategy

GRI 207

Sadara's tax strategy focuses on compliance, transparency and accuracy, aligned with Zakat, Tax, and Customs Authority (ZATCA) regulations and international tax requirements. Tax governance is embedded within the company's corporate governance framework and supported by internal oversight and engagement with tax authorities, reflecting Sadara's commitment to responsible tax practices, regulatory compliance, and financial transparency.

TAX STRATEGY	UNIT	2023	2024	2025
Prime Controllable Cost	(Actual/Plan) %	99	97	99

Product Quality, Safety, and Stewardship

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

Sadara maintains high standards of product quality, safety and stewardship across the product lifecycle, supported by certified management systems and regulatory compliance processes. In 2025, Sadara maintained European Union Registration, Evaluation, Authorization, and Restriction of Chemicals (EU REACH) compliance for 22 registered products, renewed a Bureau of Indian Standards (BIS) certification and updated product Safety Data Sheets (SDS) and product labels, with no significant chemical spills recorded during the year.

Globally Harmonized System

Sadara aligns its product classification and labeling with the United Nations GHS and applicable local regulations. In 2025, 100% of Sadara's products were compliant with GHS requirements, with 13% of the product portfolio classified within GHS Categories 1 and 2, reflecting rigorous hazard identification and control. No incidents of non-compliance related to product health and safety regulations were recorded during the year, marking five consecutive years without product health and safety compliance incidents. Product hazards and safe handling requirements are communicated through SDS, Emergency Response Guides (ERGs), labeling and targeted training programs to support safe use across the value chain.

Quality Performance and Continuous Improvement

In 2025, Sadara strengthened quality performance and promoted a proactive quality culture through process optimization, laboratory modernization and capability development initiatives. Sampling optimization reduced laboratory resource use and waste, while new analytical methods and digital tools improved efficiency and quality control. Supply chain resilience was strengthened through new raw material supplier qualifications, and approximately 300 employees participated in specialized quality training programs, supporting a shift toward proactive, prevention-based quality management and operational excellence.

Product Development

GRI 3-3

Sadara's product development approach is driven by innovation, sustainability and customer needs, supporting long-term value creation and competitive advantage. The company maintains ISO 9001 quality standards and continues investing in laboratory capabilities and digital tools to accelerate product development and support high-quality, compliant, sustainable, and innovative product solutions.

Manufacturing Operational Performance

GRI 403-2, 403-8

Sadara operates an integrated manufacturing platform of 26 interconnected plants supported by advanced monitoring and control systems that enable real-time performance management and operational efficiency. In 2025, Sadara improved product quality and service reliability, achieved its DPMO target of 490, and implemented optimization initiatives that reduced resource use and waste. Several operational improvement projects were recognized through Dow SEED awards, reflecting a culture of continuous improvement and innovation across manufacturing operations.

Transportation and Logistics

Sadara manages product transportation through a combination of in-house capabilities and qualified logistics partners, supported by rigorous safety, compliance, and risk management processes. In 2025, Sadara maintained zero transportation incidents for the fifth consecutive year. The company is advancing rail transport as a safer, lower-emission, and efficient alternative to road transport, with the new rail system expected to replace approximately 200,000 truck movements annually and reduce transportation emissions by approximately 73%, while improving logistics efficiency and reliability.

PRODUCTION	UNIT	2023	2024	2025
Total market facing products manufactured	Million metric tons	2.594	2.847	2.713
Total products sold to the market	Million metric tons	2.697	2.937	2.755

Supply Chain Management

GRI 2-6, 3-3

Sadara’s supply chain ensures reliable raw material supply, production planning and product distribution through integrated planning systems and close coordination across the value chain. In 2025, the Supply Chain function generated USD 52.13 million in cost savings, maintained eight consecutive years of zero inventory variances and safely completed 19.5 million kilometers of product transportation. These results reflect strong planning, inventory management and logistics performance supporting reliable operations, customer service, and business continuity.

Supplier Qualification and Auditing

GRI 2-23, 408-1, 409-1, 308-2, 414-1, 414-2

Sadara applies a risk-based supplier qualification and auditing process to ensure suppliers meet safety, environmental, ethical and social responsibility standards. In 2025, Sadara audited 731 suppliers and qualified 2,636 local suppliers, supporting responsible sourcing and local content development. In addition, 97% of suppliers acknowledged compliance with Sadara’s Supplier Code of Conduct, reinforcing ESG standards across the supply chain.

Supplier Sustainability Assessment

GRI 2-25, 308-1, 308-2, 414-1, 414-2

Sadara conducts sustainability assessments for key suppliers to evaluate environmental, social and governance risks and promote responsible sourcing practices. Logistics providers are required to undergo the Gulf Sustainability and Quality Assessment System (Gulf SQAS) assessments, supporting high Environment, Health, Safety and Quality (EHSS&Q) standards across the supply chain and reinforcing RC principles.

Supplier Satisfaction

GRI 204-1, 308-1

Sadara engages its suppliers through regular communication, annual satisfaction surveys and executive-level meetings to strengthen long-term partnerships. In 2025, Sadara achieved a supplier satisfaction rate of 96% with zero complaints. During the year, 731 suppliers were audited, with improvement actions agreed where necessary, supporting continuous improvement across the supplier base.

Local Content

GRI 204-1, 308-1

Sadara supports Saudi Vision 2030 by strengthening local supply chains, increasing in-Kingdom value creation, and supporting national industrial development. In 2025, 89.4% of procurement spending was directed to local suppliers and Sadara’s Local Content score reached 56.09%. The company continues to expand and develop local suppliers through its well-established Local Content Program qualification program, “Wattenha,” which advances localization, provides tailored support and training, and maintains close collaboration with government entities, while investing in national workforce development and industrial capability building.

SPENDING	UNIT	2023	2024	2025
Total spending on all suppliers and contractors	₭ Million	7,699*	8,594*	7,823
Percentage of spending on local suppliers	Percentage	87	92	89.4

* Figures have been restated and are based on Cost of Goods Sold (COGS), which provides a more representative measure of spending within the local market than procurement expenditure.

LOCAL CONTENT	2023	2024	2025
Sadara’s Local Content Score %	50.25	54.46	56.09

Customer Relations

Delivering consistent product quality, reliable supply, and responsive customer service remains a key priority for Sadara. The company works closely with marketers and customers through regular engagement and performance reviews, supported by ongoing enhancements to process automation and order management systems to improve service reliability and responsiveness.

Quality performance is tracked through the Six Sigma DPMO metric. In 2025, the DPMO indicator increased compared to 2024 primarily due to the closure of 29 historical spillage-related Quality Notifications (QNs) linked to Sadara operations. Root cause investigations were completed, and corrective actions were implemented to prevent recurrence, improve handling and logistics practices, and further strengthen product quality assurance across the supply chain.

PRODUCT QUALITY	UNIT	2023	2024	2025
DPMO	Number	312	211	490*
* DPMO figures are subject to updates based on QN closure status. QNs under investigation may be closed in the following year due to the 25-working-day QN closure period.				

Customer Survey

GRI 3-3

Sadara conducts regular customer satisfaction surveys to evaluate product quality, service performance, and overall customer experience, as well as to identify opportunities for continuous improvement. Customer feedback and complaints are managed through a structured Corrective Action Management Process (CAMP), ensuring timely investigation, resolution, and implementation of preventive actions.

In 2025, Sadara achieved an overall customer satisfaction rating of 100%, reflecting strong product quality, reliable delivery performance, and effective customer engagement.

CUSTOMER SATISFACTION	UNIT	2023	2024	2025
Number of customer complaints received	Number	237	238	230
Number of customer complaints resolved	Number	237	238	200*
Customer Satisfaction Score (0 to 10)	Number	10	10	10
* In 2025, 100% of customer feedback cases were resolved, excluding cases received from SABIC that remained at year-end. In addition to this, 12 QNs are currently under investigation within the agreed timeline.				

Enterprise Transformation Program

Sadara’s Enterprise Transformation Program focuses on automation, digitalization, and process optimization to improve operational efficiency, resilience, and long-term competitiveness. In 2025, the program included 456 initiatives, including digital and sustainability projects. Going forward, Sadara will continue expanding digital and Artificial Intelligence (AI) solutions to improve process efficiency, product quality, and cost performance.

Innovation and Digital Transformation

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

Innovation and digital transformation support Sadara’s operational excellence and long-term competitiveness. In 2025, Sadara advanced its digital maturity through internal digital solutions, advanced process technologies, and collaborative platforms that enhanced productivity and operational performance. The company continues to expand the use of cloud computing, automation, and data analytics in collaboration with Saudi Aramco and Dow to accelerate its digital transformation journey and maximize the value of high-impact solutions.

Digital Transformation Journey

Sadara continues to advance its digital transformation through the deployment of AI tools, Enterprise Resource Planning (ERP) modernization initiatives, and the adoption of advanced technologies such as cloud computing, automation, and advanced process control. These initiatives support operational efficiency, data-driven decision-making, and process optimization across the organization.

Sustainable and Advanced Products

Sadara continues to develop sustainable, circular, and high-value products that support evolving market needs, resource efficiency, and decarbonization objectives. Research and Development (R&D) activities are overseen by the Corporate Innovation Committee (CIC) which provides a structured innovation framework that aligns product development with business strategy, sustainability priorities, and customer requirements.

Innovation is managed through structured ideation and evaluation programs that support cross-functional collaboration, manufacturing innovation, and intellectual property development. Product innovation is further informed by customer feedback and market research to ensure alignment with market demand and application requirements.

In 2025, Sadara increased its investment in R&D to ₪ 4.5 million, supporting innovation, sustainable product development, and long-term business growth.

INVESTMENT IN R&D	UNIT	2023	2024	2025
Amount spent on R&D of sustainable products and services	₪ million	4.0	4.3	4.5

Downstream Investment Opportunities in PlasChem Park

Sadara supports downstream industry development at Jubail’s PlasChem Park through feedstock supply agreements and strategic partnerships that enable specialty chemical manufacturing, value chain development, and localization. In 2025, the number of PlasChem Park tenants with direct contracts with Sadara increased to 11, supporting downstream industrial development, economic diversification, localization, and circular economy initiatives.

PLASCHEM PARK TENANTS	UNIT	2023	2024	2025
Cumulative number of Plaschem Park tenants with direct contracts with Sadara	Number	9	9	11



People and Community

Our People and Culture

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

Sadara believes that its people are central to long-term success. The company invests heavily in attracting, developing, and retaining talent by providing multi-level development opportunities, competitive benefits, and a supportive work environment.

Workforce Profile

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

In 2025, Sadara employed 2,859 full-time employees, compared to 2,787 in 2024. Structured recruitment, hiring, and internal mobility processes support workforce planning, fairness, and equal opportunity across the organization.

WORKFORCE	UNIT	2023	2024	2025
Full-time employees	Number	2,892	2,787	2,859
Female employees	Number	80	72	102
Male employees	Number	2,812	2,715	2,757

TURNOVER	UNIT	2023	2024	2025
Total number of employees who left the organization	Number	219	180	90
Turnover rate	Percentage	7.4%	6.4%	3.2%
Total number of missed workdays	Number	18,687.84	24,680.00	25,726.85

Diversity and Inclusion

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

Diversity Across Our Workforce

GRI 3-3, 405-1

Sadara is committed to providing equal employment opportunities and maintaining a workplace that values diversity, inclusion, and equal opportunity across all areas of the organization. Employment practices are based on merit, qualifications, and business needs, ensuring fair and transparent recruitment, development, and career progression opportunities for all employees.

Respecting Human Rights

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

Respect for human rights is embedded in Sadara’s Ethics and Compliance framework and supported through relevant policies and procedures applicable to employees and the supply chain. The company’s Human Rights Policy is aligned with internationally recognized standards and applicable local regulations. Employees receive training and guidance on their rights and responsibilities, and Sadara maintains formal grievance mechanisms that enable employees to raise concerns confidentially and ensure timely review, investigation, and resolution.

Saudization

GRI 202-2

Supporting workforce localization is an important part of Sadara’s contribution to Saudi Vision 2030. Through targeted recruitment, training programs, and structured career development pathways, Sadara continues to support the development of national talent and long-term career opportunities for Saudi nationals.

In 2025, Saudi nationals represented 78.2% of Sadara’s total workforce, reflecting the company’s ongoing commitment to localization, talent development, and national workforce participation.

WORKFORCE BY NATIONALITY	UNIT	2023	2024	2025
Number of full-time national employees	Number	2,249	2,164	2,236
Number of employees of other nationalities	Number	643	623	623

Female Inclusion

GRI 3-3, 405-1

Sadara continues to support female workforce participation by expanding opportunities, fostering career development, and promoting an inclusive work environment. Programs such as the Women’s Empowerment Program support leadership development, professional growth, and recognition of women’s contributions across the organization. These efforts reflect Sadara’s commitment to strengthening female participation and advancing a diverse and inclusive workplace.

WORKFORCE BY CATEGORY AND GENDER	UNIT	2023	2024	2025
Senior management	Number	116	175	160
Female employees	Number	0	0	1
Male employees	Number	116	175	159
Middle management	Number	221	250	211
Female employees	Number	5	4	7
Male employees	Number	216	246	204



Talent Development and Employee Experience

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

Sadara is committed to developing its workforce and providing positive employee experience by investing in training, leadership development, and knowledge transfer programs that support continuous professional growth across all career stages. Structured performance and development reviews, leadership programs, technical training, and early-career development initiatives support succession planning, capability building, leadership development, and long-term talent growth. In addition, Sadara provides sustainability and ESG training to strengthen employee awareness and support the company's sustainability objectives. Through these efforts, Sadara continues to build internal capabilities, support employee career progression, and maintain a skilled and future-ready workforce.

TRAINING AND DEVELOPMENT	UNIT	2023	2024	2025
Total number of trainings for females	Number	141	356	321
Total number of trainings for males	Number	4,562	4,980	7,484
Total number of trainings for total workforce	Number	4,703	5,336	7,805

Wages and Benefits

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

Sadara provides competitive compensation and benefits to support employee well-being, financial security, and work-life balance. Employee benefits include retirement and social security contributions, medical insurance, education support, housing programs, and structured allowances and bonuses, supporting long-term financial stability, and employee well-being.

WAGES AND BENEFITS	UNIT	2023	2024	2025
Salaries paid (including standard elements, basic pay and consolidated allowances etc.)	ﷲ million	765.1	765.6	792.0
Benefits paid (including elements such as Pension, Gratuity, Medical Insurance, Annual Passage, Education etc.)	ﷲ million	432.6	452.1	559.0

Parental Leave

GRI 401-3

Sadara provides parental leave for male and female employees in line with Saudi Labor Law and supports flexible work arrangements for expecting mothers. These practices support work-life balance, employee well-being, and workforce retention. In 2025, all employees who took parental leave returned to work, reflecting strong employee retention outcomes.

PARENTAL LEAVE	UNIT	2023	2024	2025
Female employees that took parental leave	Number	7	3	8
Male employees that took parental leave	Number	237	245	234

Employee Relations

Sadara's Employee Relations Unit (ERU) supports a respectful, inclusive, and fair workplace by promoting awareness of employee rights and responsibilities, supporting conflict resolution, and ensuring compliance with internal policies and labor regulations. Employee relations matters are managed through structured processes to ensure fairness, transparency, and timely resolution, contributing to a positive and productive, and collaborative work environment.

Grievance

Sadara maintains a formal grievance mechanism that allows employees to raise concerns confidentially and without fear of retaliation or adverse consequences. All grievances are reviewed, investigated where necessary, and resolved through structured processes in line with internal policies and the Code of Conduct. In 2025, 13 employee grievances were reported, and all were resolved.

GRIEVANCE	UNIT	2023	2024	2025
Number of employee grievances filed in the reporting period	Number	19	11	13
Number of these employee grievances addressed or resolved	Number	19	11	13

Employee Engagement and Well-being

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

Sadara promotes employee engagement and well-being by maintaining open communication, gathering employee feedback, and supporting a positive work environment. Employee engagement surveys are conducted regularly to understand employee needs and improve workplace culture, development opportunities, and communication. Employee well-being is also supported through social, recreational, and wellness programs that encourage work-life balance and employee interaction. In 2025, Sadara’s employee engagement score improved to 7.8 out of 10.

EMPLOYEE ENGAGEMENT	UNIT	2023	2024	2025
Employee Engagement	Out of 10	6.7	6.5	7.8

Social Responsibility

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

Sadara contributes to community development through partnerships with charities, government entities, and educational institutions, supporting programs focused on education, social development, environmental awareness, and community well-being. In 2025, Sadara expanded its community outreach programs by 56.8% and increased community investments by 7.2%, supporting local initiatives aligned with national priorities and community needs.

COMMUNITY ENGAGEMENT	UNIT	2023	2024	2025
Total value of community investments	ﷲ	13,080,778	18,853,344	20,216,434
Total number of local community outreach based on local community needs	Number	25	44	69
Donations and sponsorships	ﷲ	1,823,023	1,507,726	1,306,018



Community Outreach

GRI 413-1, 413-2

Sadara’s community outreach programs are developed and guided by outreach strategies that focus on Education, Environment, Health and Safety, Culture, and Volunteerism. Through partnerships with charitable organizations, government entities, and educational institutions. Sadara supports programs that contribute and provide profound value to community development, education, and social well-being.

2025 Community Sponsorships and Investment

Selected initiatives in 2025 demonstrate Sadara’s commitment to supporting education, youth development, community health, social support, and environmental awareness through strategic partnerships and community programs that create long-term social value.

Education and Youth Development

Sadara supported educational and youth-focused initiatives aimed at strengthening innovation, technical capabilities, and future-ready skills. Key initiatives included the Misbar Scientific Camp, which engaged more than 500 students in programming, artificial intelligence, and robotics training, and the Al-Ula Royal Commission School Program, which enhanced students’ capabilities in innovation and artificial intelligence. Additional support was provided through tuition sponsorships, technical training programs, and knowledge-sharing initiatives in partnership with schools, charitable associations, and educational organizations across Saudi Arabia.

Environmental Awareness and Engagement

Sadara continued to promote environmental awareness through community and employee engagement initiatives focused on sustainability and responsible environmental practices. Activities include the Environmental Stewardship through Employee Engagement campaign, which mobilized employees to collect recyclable materials and promote responsible waste management, as well as the “Drawing a Brighter Future” environmental awareness through art initiative, which engaged children and families in sustainability awareness through creative expression and environmental education.

Health, Safety and Well-Being

Sadara implemented health and safety initiatives to support preventive healthcare, emergency response awareness, and community well-being. These included the Medical Equipment Assistance Program, which provided essential medical and respiratory equipment to vulnerable patients, and the building safer communities through First Aid Training initiative, delivered in partnership with the Saudi Red Crescent Authority. Additional programs included vaccination campaigns, blood donation drives, smoking cessation campaigns, and health screening initiatives for employees, families, and vulnerable groups.

Cultural Awareness and Charitable Support

Sadara supported charitable and social responsibility initiatives aimed at strengthening community solidarity and supporting vulnerable groups. These initiatives included the Ramadan Donation Campaign – “Pathway to Blessings”, which provided essential assistance to families in need, as well as partnerships with HRSD to support orphaned children, rehabilitation programs, and skills development initiatives. These efforts demonstrate Sadara’s commitment to community welfare, social inclusion, and improving quality of life.

Employee Volunteerism

GRI 413-1, 413-2

Employee volunteerism, sponsorships, and community investments are key components of Sadara’s social impact approach, supporting communities through volunteer programs, charitable initiatives, and strategic partnerships. In 2025, through the Sadara Volunteer Club (SVC), employees contributed 10,907 volunteer hours across various community initiatives, reflecting Sadara’s culture of social responsibility and community engagement. All contributions are governed by a structured framework to ensure transparency, ethical practices, and alignment with Sadara’s sustainability objectives, while accessible grievance channels support transparency, accountability, and responsible stakeholder engagement.

VOLUNTEERISM	UNIT	2023	2024	2025
Employee volunteer hours	Hours	5,948	8,115	10,907



Governance

SUSTAINABILITY STRATEGY KPIS:

Governance & Integrity	Strategic Goals	KPIs	Unit	2025 Performance	2025 Target
	9. Strengthen Corporate Governance	Maintain validity of all company certificates	Percentage	100	100
		Maintain level of implementation for corporate ODMS	Percentage	90	90*
	10. Ensure Business Ethics and Integrity	Increase supplier code of conduct acknowledgment	Percentage	97	100
		Reduce number of grievances	Number	13	14

*Target has been revised

Organizational Structure

GRI 2-9

Sadara operates under a joint ownership structure, with Saudi Aramco holding 65% and The Dow Chemical Company holding 35%. The company is governed by its Board of Directors and executive leadership through a structured governance framework that supports integrity, regulatory compliance, accountable decision-making and long-term sustainable performance.

Board of Directors

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

Strategic oversight and accountability at Sadara are provided by the Board of Directors, appointed by Saudi Aramco and The Dow Chemical Company. The Board meets quarterly to guide corporate strategy, review performance and oversee risk management, sustainability matters, ESG performance, and long-term value creation.

BOARD OF DIRECTORS	UNIT	2023	2024	2025
Percentage of Board seats occupied by independent directors	Percentage	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 Sadara’s organizational structure and Board of Directors, please refer to Sadara’s [2025 Sustainability Report](#).

Management Committee and Sustainability Governance

Sadara’s Management Committee (MC) oversees day-to-day executive management, supports strategic decision-making and ensures alignment with the company’s operational, financial and sustainability objectives. Sustainability governance at the management level is led by the EHS&S and Sustainability Central Committee, chaired by the Chief Executive Officer (CEO) and composed of executive leadership members, ensuring integration of sustainability across business operations and decision-making.

The Committee oversees specialized sub-committees covering Energy, Decarbonization and Circular Economy, in addition to established committees such as Local Content and Corporate Social Responsibility (CSR). This governance structure strengthens accountability, supports the implementation of sustainability programs, monitors progress, ensures alignment between sustainability priorities and Sadara’s overall corporate strategy.

Internal Audit

Led by the General Auditor, Sadara’s Internal Audit function provides independent assurance and advisory services to strengthen governance, risk management and internal controls, in alignment with the International Standards for the Professional Practice of Internal Auditing. In 2025, the department successfully delivered its annual audit plan, completing 14 audits and special reviews across critical areas, including Governance, Risk, Compliance (GRC) and ESG integration. The function maintained zero overdue management action items during the year, reinforcing accountability and timely closure of agreed improvements. Internal Audit also continued enhancing risk-based audit planning and the use of data analytics and digital tools to strengthen assurance effectiveness and support continuous improvement in governance and operational performance.

Ethics, Governance, and Compliance

Operating Discipline Management System

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

Sadara’s ODMS provides a unified governance framework across operations, EHS, sustainability and corporate functions, supported by internal audits and aligned with ISO standards and RC requirements. Legal oversight is integrated into this framework to support contract governance, regulatory compliance and the protection of confidential information. Sadara applies a zero-tolerance approach to anti-competitive behavior and conducts its commercial activities in compliance with applicable competition and antitrust laws.

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

Ethical conduct and responsible business practices are formalized through Sadara’s Code of Ethics and Business Conduct, which applies to employees and, where applicable, contractors, vendors and partners. Sadara maintains multiple confidential reporting channels, including an anonymous reporting form on its website, a dedicated ethics email and an independently hosted hotline, supported by a strict non-retaliation policy. In 2025, 1,172 employees completed anti-corruption training, and no incidents of non-compliance with laws or regulations were reported. Additional information is available on Sadara’s [website](#).

ANTI-CORRUPTION TRAINING	UNIT	2023	2024	2025
Total number of employees that the organization’s anti-corruption policies have been communicated to	Number	438	148	1,172

Compensation Linkage to Sustainability Performance

In 2025, Sadara linked sustainability performance to compensation by including GHG intensity as a KPI within employee annual bonus structures. This approach reinforces accountability for decarbonization and aligns financial performance with environmental performance to support long-term value creation.

Risk Management and Business Continuity

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

Sadara’s Enterprise Risk Management (ERM) program provides a structured framework for identifying and managing risks that may affect strategic objectives and business continuity. Aligned with ISO 31000, the framework is embedded across governance and operational processes, covering key risk areas including safety, operations, finance, environment and reputational risks. Sadara continues to enhance risk management through advanced analytics and the integration of ESG-related risks, opportunities, and emerging sustainability considerations to strengthen resilience and support long-term value creation.

Business Continuity

GRI 2-23

Business continuity is integrated into Sadara’s risk management framework and aligned with Saudi Aramco’s Business Continuity Management (BCM) lifecycle to ensure operational resilience. In 2025, all business lines achieved full compliance with business continuity management requirements, and two major business continuity drills were conducted to strengthen preparedness and response capabilities.

Data Privacy and Cybersecurity

GRI 3-3, 418-1

Sadara maintains a dedicated cybersecurity function aligned with the National Institute of Standards and Technology (NIST) Cybersecurity Framework to manage cyber risks and protect information assets. In 2025, Sadara strengthened cybersecurity compliance, enhanced coordination across Information Technology (IT) and operational technology systems, and continued employee awareness training and cybersecurity simulations to strengthen incident readiness. Sadara received the Best Cybersecurity Practice Award at CYSEC MENA 2025 and continues to enhance cybersecurity governance and digital resilience.



Appendix: Acronyms

AEE	Association of Energy Engineers	ERGs	Emergency Response Guides
AI	Artificial Intelligence	ERM	Enterprise Risk Management
BCM	Business Continuity Management	ERP	Enterprise Resource Planning
BIS	Bureau of Indian Standards	ERU	Employee Relations Unit
CAMP	Corrective Action Management Process	ESG	Environmental, Social and Governance
CEMS	Continuous Emissions Monitoring Systems	EU REACH	European Union Registration, Evaluation, Authorization and Restriction of Chemicals
CEO	Chief Executive Officer	GCC	Gulf Cooperation Council
CIC	Corporate Innovation Committee	GHG	Greenhouse Gas
CO	Carbon Monoxide	GHS	Globally Harmonized System
CO ₂ e	Carbon Dioxide Equivalent	GPCA	Gulf Petrochemicals and Chemicals Association
COGS	Cost of Goods Sold	GRC	Governance, Risk, Compliance
CSR	Corporate Social Responsibility	GRI	Global Reporting Initiative
CYSEC MENA	Cybersecurity Middle East and North Africa	HFO	Heavy Fuel Oil
DPMO	Defects Per Million Opportunities	HIET	High Intensity Electricity Tariff
EAL	Environmental Action Limit	HRSD	Ministry of Human Resources and Social Development
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization	IFRS	International Financial Reporting Standards
EHS	Environmental Health and Safety	IMS	Integrated Management System
EHS&S	Environmental, Health, Safety and Security	ISO	International Organization for Standardization
EHSS&Q	Environment, Health, Safety, Security and Quality	ISS	Integrated Security System

IT	Information Technology
KPI	Key Performance Indicator
LCS	Life Critical Standards
LDAR	Leak Detection and Repair
L1	Level 1 Process Safety and Containment Event
L2	Level 2 Process Safety and Containment Event
MC	Management Committee
NCOSH	National Council for Occupational Safety and Health
NG	Natural Gas
NIST	National Institute of Standards and Technology
NOx	Nitrogen Oxides
OCS	Operation Clean Sweep
ODMS	Operating Discipline Management System
OHS	Occupational Health and Safety
PSR	Product Supply Reliability
QA/QC	Quality Assurance and Quality Control
QN	Quality Notification
RCER	Royal Commission Environmental Regulations
R&D	Research And Development

RC	Responsible Care®
SAR	Saudi Riyals
SDS	Safety Data Sheets
SEEC	Saudi Energy Efficiency Center
SEED	Sustainable Environmental Engagement at Dow
SGI	Saudi Green Initiative
SOx	Sulfur Oxides
Gulf SQAS	The Gulf Sustainability and Quality Assessment System (Gulf SQAS)
SVC	Sadara Volunteer Club
SWRO	Seawater Reverse Osmosis
TRIR	Total Recordable Injury Rate
USD	United States Dollar
US GAAP	United States Generally Accepted Accounting Principles
VOCs	Volatile Organic Compounds
ZATCA	Zakat, Tax and Customs Authority

