

BUSINESS RESILIENCE DURING A TIME OF UNCERTAINTY

—
Sustainability
Report 2020

CREATING VALUE
THROUGH CHEMISTRY





King Salman bin Abdulaziz Al Saud
Custodian of the Two Holy Mosques



**HRH Prince Mohammed bin Salman
bin Abdulaziz Al Saud**
Crown Prince, Deputy Prime Minister and
Minister of Defense

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**PEOPLE AND
COMMUNITY**

ABOUT THIS REPORT

(102-32, 102-46, 102-49, 102-53, 102-54, 102-56)

We are delighted to share with you Sadara's third Sustainability Report, covering our environmental, social and economic performance for the year 2020.

The report's boundaries have been set to include the full facilities of Sadara, incorporating the chemical complex in Jubail Industrial City II and the Sadara Business Complex (SBC), located in Jubail's First Industrial Support Area.

Sadara's 2020 Sustainability Report has been prepared in accordance with the GRI Standards: Core option, and equipped with mapping indexes for the United Nations Sustainability Development Goals (SDGs), Global Compact (UNGC), Saudi Arabia's Vision 2030 and Saudi National Sustainability Reporting standards.

This report has been developed by the Sadara Sustainability Committee and reviewed thoroughly to ensure that all data and information are as accurate as possible. This year, we've chosen to

appoint an independent external assurance party to conduct a quality assurance on this report using the AA1000 Assurance Standards, to give our stakeholders full confidence in the accuracy of the information reported. For details on the assurance statement, methodology and findings, please refer to page (109) in this report.

Sadara issues this report as a transparent practice to share the company's sustainability performance and reflect our commitment to developing a sustainable future for Sadara and our community. Your feedback and comments regarding this report as well as suggestions for improving our future editions are most welcome.

Please feel free to reach us through the following email address: sustainability@sadara.com Or simply, you scan the following QR code and fill out our questionnaires; it will take just a few minutes:





MESSAGE FROM THE CEO

(102-14)

“The year 2020 was extraordinary and challenging. I’m proud to say that Sadara has successfully overcome the pandemic and its challenges with positive results on both social and economic levels, maintaining a high level of quality and performance. Our company’s success was attributed to its determined employees, dedicated customers and supportive partners, all of whom displayed commitment and hard work in the face of the year’s crisis.

The year 2020 was extraordinary and challenging. It was truly an unprecedented time, when all our day-to-day activities changed dramatically. As the COVID-19 coronavirus overran the world, I’m proud to say that Sadara has successfully overcome the pandemic and its challenges with positive results on both social and economic levels, maintaining a high level of quality and performance.

Our company’s success was attributed to its determined employees, dedicated customers and supportive partners, all of whom displayed commitment and hard work in the face of the year’s crisis.

At Sadara, we always consider sustainability the right approach to continuously improve our operational performance, maximize our social impact and minimize our environmental footprints, thereby contributing to the development of our national economy and society.

Sadara’s 2020 sustainability performance reflects four dimensions: Governance, Economy, Environment and Community.

Sadara continued to realize significant milestones and recognitions which demonstrate our excellence and resilience during a year of such uncertainty.

We accepted the Saudi Aramco President’s JV Excellence Award for Sadara’s outstanding asset availability. We achieved the highest score in our sector in the King Khalid Sustainability Award and Sadara was selected as one of the top sustainability performers in Saudi Arabia.

We won Britain’s highly recognized RoSPA Health & Safety Award for the fourth year in a row.

Commercially, Sadara achieved its Project Completion Date (PCD), a very important milestone in relation to the project financing for the company. Our sales for 2020 were at full

capacity and totaled over 3 million tons and we set sales records for the Middle East Zone in the first quarter. We obtained our Local Content and Government Procurement Authority’s certificate in Local Content. Our efforts toward enabling the downstream industries in the Kingdom continued through attracting local and international investment to Jubail’s PlasChem Park.

Environmentally, Sadara received a certificate from the Gulf Petrochemicals and Chemicals Association (GPCA), recognizing it as an Operation Clean Sweep® (OCS) Partner – the first company in the Gulf Cooperation Council (GCC) to implement this program. Also, we’ve noticeably advanced our performance in terms of reducing hazardous industrial wastes and maximized our recycling, which all aim to support the Circular Economy concept.

As for the community, Sadara was very responsive to the COVID-19 pandemic: We partnered with Sipchem to donate high-quality ethanol for local manufacturers of hand sanitizers to be given free of charge to the Saudi Ministry of Health, as well as contributed SAR 5 million to the Health Endowment Fund, in support of the Kingdom’s ongoing efforts to combat the pandemic.

While we were maintaining our operational and business excellence, we made sure that our employees remained engaged during this challenging time. This was reflected in our annual employee engagement survey, and for 2020 we managed to achieve the highest score ever.

Dr. Faisal Al-Faqeer

Chief Executive Officer



SUSTAINABILITY COMMITTEE CHAIRMAN'S MESSAGE

(102-14)

“In 2020, and in line with the rise of COVID-19 coronavirus pandemic challenges, we launched a companywide re-assessment exercise, where all Sadara leaders worked together to refresh and reshape Sadara's 5-year sustainability strategy, and did so in accordance with our stakeholders' assessment. We have set 10 sustainability goals and more than 20 KPI's, which will be monitored closely to ensure that we are moving in the direction we have set for ourselves in our sustainability journey.

Day after day, Sadara's sustainability journey grows towards maturity and becomes more focused through well-designed objectives targeting the significant interests of the company's internal and external stakeholders. Since the Sadara Sustainability Committee was first officially announced at the end of 2019, various important milestones have been accomplished which have sharpened our company's sustainability strategy.

We conducted our first sustainability virtual forum, attended by more than 120 participants, who received insights into Sadara's future sustainability plans. We developed Sadara's sustainability program, which will serve as our sustainability guide as we move forward. This program has also been integrated with Sadara's management system, ODMS.

In 2020, and in line with the rise of COVID-19 coronavirus pandemic challenges, we launched a companywide re-assessment exercise, where all Sadara leaders worked together to refresh and reshape Sadara's 5-year sustainability strategy, and did so in accordance with our stakeholders' assessment. Through this comprehensive exercise, we recognized more than 162 material topics. Using materiality assessment methodology, we filtered, shortlisted and grouped those material topics, in order to transform our pillars of sustainability, which reflect the leading interests of Sadara and its key stakeholders.

Sadara newly introduced Sustainability Pillars are:



In addition to these five pillars, we have set 10 sustainability goals and more than 20 KPI's, which will be monitored closely to ensure that we are moving in the direction we have set for ourselves in our sustainability journey.

With the increased attention to the time of uncertainty and all the changes as well as challenges that might happen in a world as dynamic as ours, we remain committed to making sustainability our most essential approach for improving our performance economically, environmentally and socially.

Dr. Abdullah Alahmari

Vice President, Business & Services
Sustainability Committee Chairman

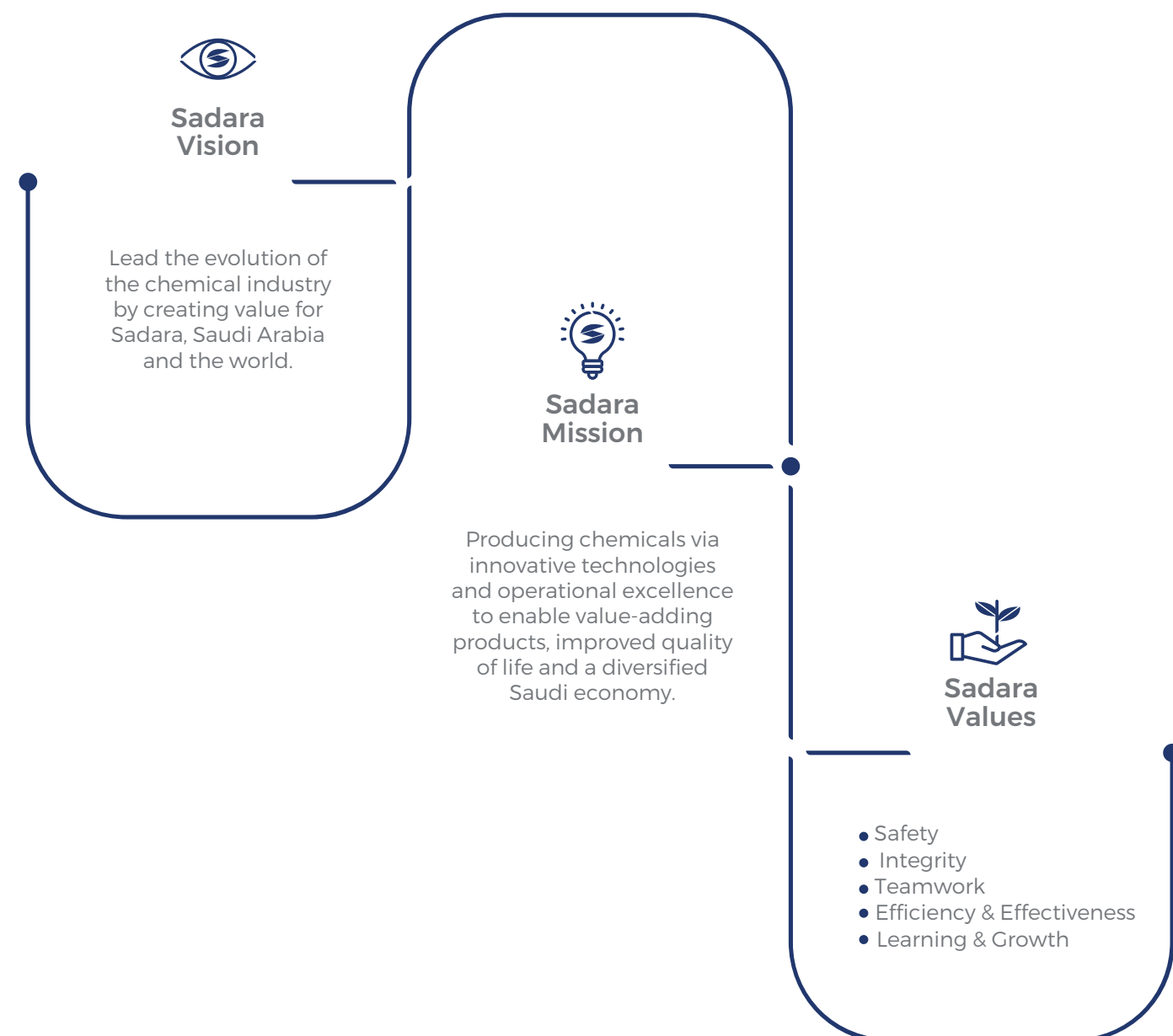
ABOUT SADARA

(102-2, 102-4, 102-7)

Established in 2013, Sadara Chemical Company (Sadara) is a joint venture between Saudi Aramco and The Dow Chemical Company (Dow) bringing together new technologies and other innovative processes to the region in an integrated manufacturing complex.

Sadara consists of 26 manufacturing plants -- 14 of which are completely new to the Kingdom -- producing more than 3 million metric tons of value-adding chemicals and plastics.

For more information about Sadara and its products, please refer to the last two versions of the Sustainability Report on Sadara website.



OUR BOARD OF DIRECTORS

(102-23)

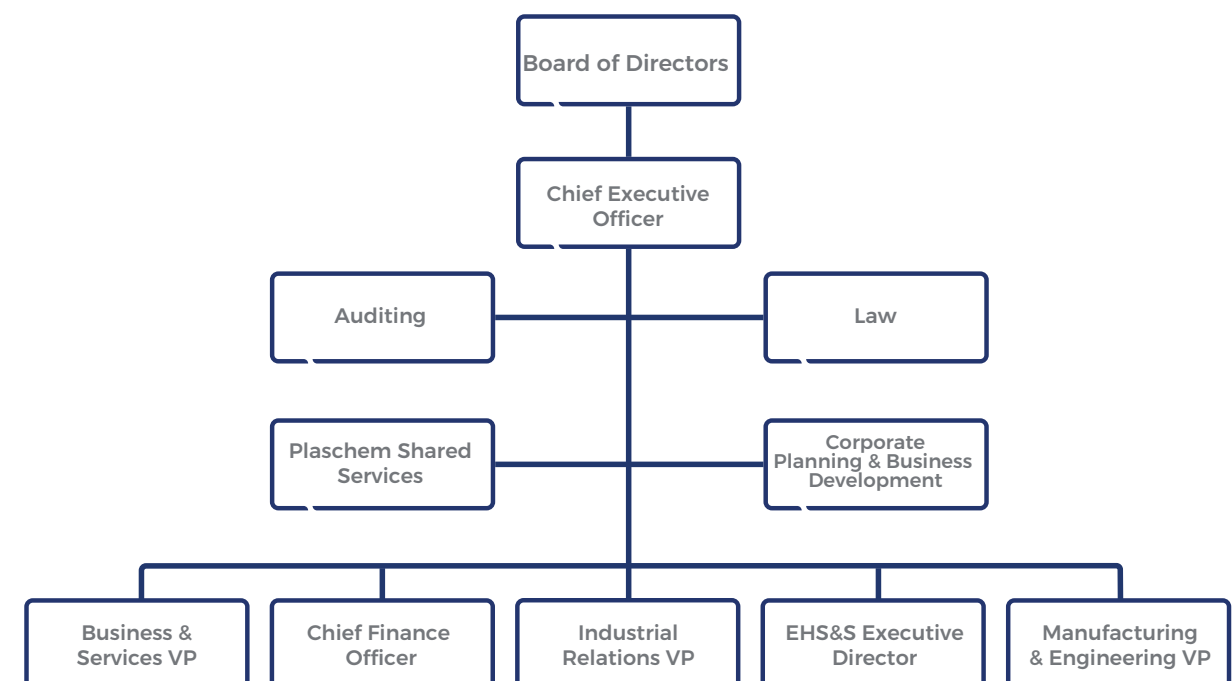
Saudi Aramco

Dow Chemical Company

Ahmad A. Al-Sa'adi	Chairman	Peter Holicki	Co-Chairman
Ashraf A. Al-Ghazzawi	Director	Diego Donoso	Director
Abdulkarim A. Al-Ghamdi	Director	Jane Palmieri	Director
Fayez Al-Sharef	Director	Charles Swartz	Director

OUR ORGANIZATION

(102-7, 102-18)



2020 HIGHLIGHTS



Received Saudi Aramco President's JV Excellence Award for Sadara's outstanding asset availability.

Top
50

Sadara's CEO achieved fourth place in a list of the top 50 industrial leaders in the Middle East, as identified by Refining & Petrochemicals Middle East magazine.



Achieved the highest score in its sector in King Khalid Sustainability Award.



Won the highly regarded British Royal Society for the Prevention of Accidents (RoSPA) award for the fourth year in a row.



Achieved Sadara's official Project Completion Date (PCD).



Obtained the Local Content and Government Procurement Authority's certificate in local content and its role in supporting the national economy and achieving the goals of the Kingdom's Vision 2030.



Recognized as an Operation Clean Sweep® (OCS) Partner by the Gulf Petrochemicals and Chemicals Association (GPCA)—the first company in the Gulf Cooperation Council (GCC) to implement this program.

3 million
tons

Sadara sales were at full capacity and totaled over 3 million tons, setting sales records for the Middle East Zone in the first quarter.



Sadara's Mixed Feed Cracker (MFC) achieved a record Maximum Asset Capacity (MAC) of more than 4,754 metric tons per day.



Received Saudi Aramco President's JV Excellence Award for Sadara's outstanding asset availability.



Signed a Rail Transportation Services Agreement with Saudi Railway Company (SAR).



Signed an MoU with the Saline Water Conversion Corporation (SWCC) to supply concentrated sodium chloride brine solution to Sadara's chemical complex.



Four plants – TDI, Polyols, Aromatics and HPP LDPE – went live with Real-Time Statistical Process Control (SPC), a Quality dashboard monitored round the clock.



Achieved highest employee engagement score ever.



Completed 2/3 construction of the Ethylene Oxide (EO) and Propylene Oxide (PO) pipeline for PlasChem Park with half a million safe manhours.



Sadara held its first Sustainability Seminar.



Partnered with Sipchem to produce high-quality Ethanol for local manufacturers to make hand sanitizers as a donation for the Ministry of Health.



Donating SAR 5 million to the Kingdom's Health Endowment Fund to combat the coronavirus COVID-19 pandemic.



Sadara conducted its first Technical Day event as part of Sadara's Technical Enrichment Program (STEP).

GOVERNANCE AND INTEGRITY

Governing Our Performance Toward Success



“ Sustainability is always the systematic approach that any organization can follow to achieve business growth. Nowadays, businesses are evaluated by how their operations are well governed financially, environmentally and socially.

Most corporations are using their scores for Environmental, Social and Governance (ESG) as a success indicator in their sustainability performance.

At Sadara, we have developed a well-organized sustainability structure which we are confident will advance our excellence.

(102-12)

Sadara Sustainability Objectives

- Strengthen Corporate Governance.
- Ensure Business Ethics & Integrity.

Alignment with Saudi Vision 2030

1. Strengthen Islamic Values and National Identity
3. Grow and Diversify the Economy.
6. Enable Social Responsibility

Contribution to SDGs



Alignment with UN Global Compact

- **Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights.
- **Principle 2:** Make sure that they are not complicit in human rights abuses.
- **Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

SADARA MEMBERSHIP OF ASSOCIATIONS

(102-13)



Gulf Petrochemical and Chemical Association – GPCA
(www.gpca.org.ae)



Jubail Area Mutual Aid Association – JAMAA
(www.jamaa.org.sa)



Operational Clean Sweep (OCS)
(www.opcleansweep.org)



International Association of Business Communicators – IABC
(www.iabc.com)



ASIS International
(www.asisonline.org)



Center for Chemical Process Safety – CCPS
(www.aiche.org/ccps)



European Chemical Industry Council – Cefic
(www.cefic.org)

SADARA CERTIFICATES

Local Content Certification

Sadara's Local Content score was calculated based on the below four areas:

Company investment in technology and capital assets (Assets).

Company paid compensation to employees (Labor).

Company spent on training Saudis and developing local suppliers' capabilities (Capacity Building)

Company spent on procurement from local suppliers versus foreign ones (Goods and Services)

In 2020, Sadara obtained the Local Content (LC) certificate by the government's Local Content & Government Procurement Authority (LCGPA) for its Local Content audited score, based on 2019 financial data. Local Content certification is a measurement of the company's contribution and added value to the local economy. This certification has confirmed Sadara's commitment to support Local Content through all its operations. Local Content certification was carried out by an external auditor approved by the LCGPA.

Quality Certifications

All quality certificates that Sadara obtained are valid and active

- Target for Corporate – Management System implementation:>90%
- Target for self-assessment completion as per plan: >80%
- Target for overdue reviews of documents in Documentation System: <10%

Sadara Management System

Sadara applies a comprehensive management system called the Operating Discipline Management System (ODMS) across all Sadara’s organizations, especially the Manufacturing, Engineering, Quality and EH&S departments. ODMS contains policies, requirements, processes, best practices and procedures associated with related external standards which every employee at Sadara is responsible for knowing and complying with.

Sadara’s ODMS is governed by a dedicated business unit (Center of Excellence) to ensure full compliance and maximum utilization of the system. This unit is responsible of supervising main elements from implementation and self-assessment processes to completion of actions. Sadara believes that the certification process is a strong tool to sustain high-quality products, services and performance through a strong operation and administration system. Hence, it started the process of certifying its Quality.

S/N	Certificate Name	Date of Achievement
1	ISO 9001:2015 certification for the Plastics Businesses (Train 1, 2, 3 and 4)	2018
2	ISO 9001:2015 certification for PMDI	2019
3	ISO 9001:2015 certification for BGE	2019
4	ISO 9001:2015 certification for TDI	2019
5	ISO 9001:2015 certification for PO/PG	2019
6	ISO 9001:2015 certification for Amines	2019
7	ISO 9001:2015 certification for Polyols	2019
8	ISO 900:2015 certification for MFC	2020
9	ISO 900:2015 certification for EO	2020
10	Responsible Care® RC14001 for whole company	2019
11	ISO 14001:2015 for whole company	2019



AWARDS AND RECOGNITION

Saudi Aramco President Excellence Award

Sadara accepted the Saudi Aramco President’s Joint Venture Excellence Award for its outstanding asset availability. Sadara was named the Most Improved Joint Venture in Asset Availability, demonstrating outstanding performance in 2019 over 2018.

Asset availability for Sadara means safe and reliable operations of all 26 integrated plants in our complex.



RoSPA Health and Safety Award

Four years in a row Sadara won RoSPA award

Sadara was awarded a Gold Medal in the Occupational Health and Safety Awards of Great Britain's Royal Society for Prevention of Accidents (RoSPA). This was the fourth year in a row that Sadara won this prestigious award.

Sadara received the Gold Medal between 2017 and 2020.

Winning the Gold Medal showcases Sadara's highest standards and commitment to Occupational Health and Safety for the benefit of its workforce and community.

RoSPA is considered one of the most highly recognized international awards in the Occupational Health and Safety field, which businesses all over the world strive for.

Sadara has proven, with its robust safety management system and leadership safety practices, to be a strong player among Occupational Health and Safety industry leaders.



King Khalid Sustainability Award

Sadara registered an impressive achievement by scoring among the Kingdom's top 10 sustainability performers.

The company was recognized as the Top Scorer in the Primary Industry Sector in the 2020 King Khalid Sustainability Award competition.

The achievement showcases Sadara's dedication, commitment and efforts toward being a thought leader in sustainability.



جائزة الملك خالد KING KHALID AWARD



جائزة الملك خالد KING KHALID AWARD

شهادة مشاركة Certificate of Participation

فُحِنت هذه الشهادة إلى This certificate is presented to

شركة صدارة للكيميائيات Sadara Chemical Company

For their participation in the King Khalid Sustainability Award, and for being identified one of the top performer in 2020.

The Award aims to honor and support private sector organizations that adopt and integrate sustainability and social responsibility practices at the core of their business to enhance their competitive capabilities.

In 2020, companies from across the Kingdom were tested for their resiliency and stability – both essential aspects of a sustainable organization. In this year of uncertainty and unprecedented instability, King Khalid Award applicants have remained resilient and committed to sustainability.

Thank you for your continued participation in this important initiative and your unwavering commitment to a more sustainable future for the Kingdom of Saudi Arabia and our global community.

على مشاركتهم في جائزة الملك خالد للاستدامة، ووصولهم ضمن قائمة المنشآت الأعلى أداءً للعام 2020.

حيث تهدف الجائزة إلى تكريم ودعم منشآت القطاع الخاص التي تتبنى ممارسات ومبادرات التنمية المستدامة والمسؤولية الاجتماعية، ووضعها في صميم استراتيجيات أعمالها لتعزيز قدرتها التنافسية.

في العام الحالي 2020، تم اختبار المنشآت في جميع أنحاء المملكة في جانب المرونة والاستقرار والقدرة على الصمود في الجوانب الأساسية في الاستدامة. وفي هذا العام الذي يتسم بعدم الاستقرار على نحو غير مسبوق، ظل المشاركون في جائزة الملك خالد ملتزمين بالاستدامة.

شكراً لكم على مشاركتكم المستمرة في جائزة الملك خالد وعلى التزامكم لمستقبل أكثر استدامة للمملكة العربية السعودية والمجتمع العالمي.

نوف بنت محمد بن عبدالله آل سعود
الرئيس التنفيذي

SADARA SUSTAINABILITY STRATEGY

(102-49)

☞ Sadara’s sustainability strategy includes 5 pillars, 10 goals and 24 KPI’s

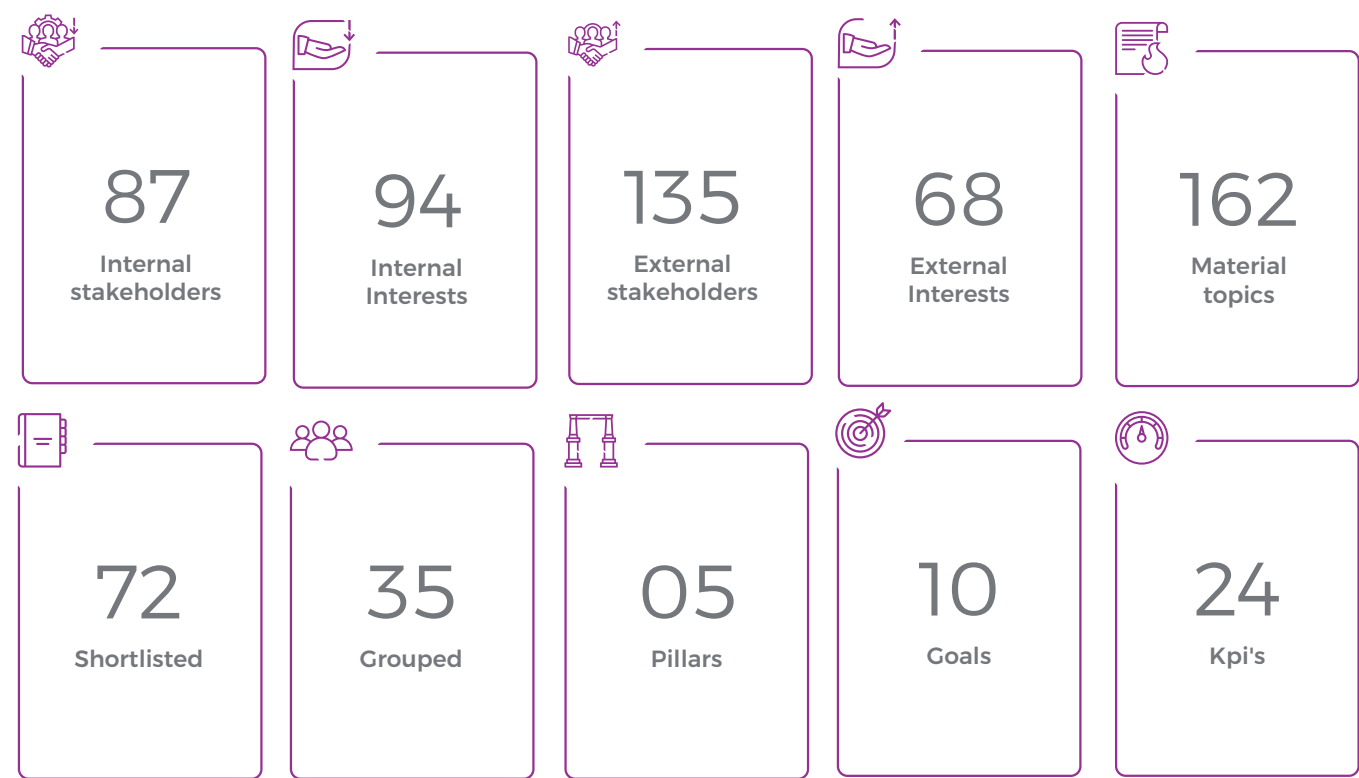
In 2020, Sadara Sustainability Committee began evaluating the company’s previous sustainability performance as well as reviewing its sustainability vision and goals in a systematic way and within in the context of local, regional and global challenges, especially the global COVID-19 coronavirus pandemic. Hence, Sadara reshaped its 5-year

sustainability strategy with a new set of 5 pillars associated with 10 strategic goals and 25 KPI’s. This strategy came as a result of comprehensive revisions in our stakeholder engagement assessment, conducted thoroughly to identify key stakeholders for Sadara and their main interests. We also reviewed our baseline and set the year 2019 as our reference point in measuring sustainability performance for the next 5 years (2020-2024).

Stakeholders Engagement

(102-29, 102-40, 102-42, 102-43, 102-44)

Outcome Summary



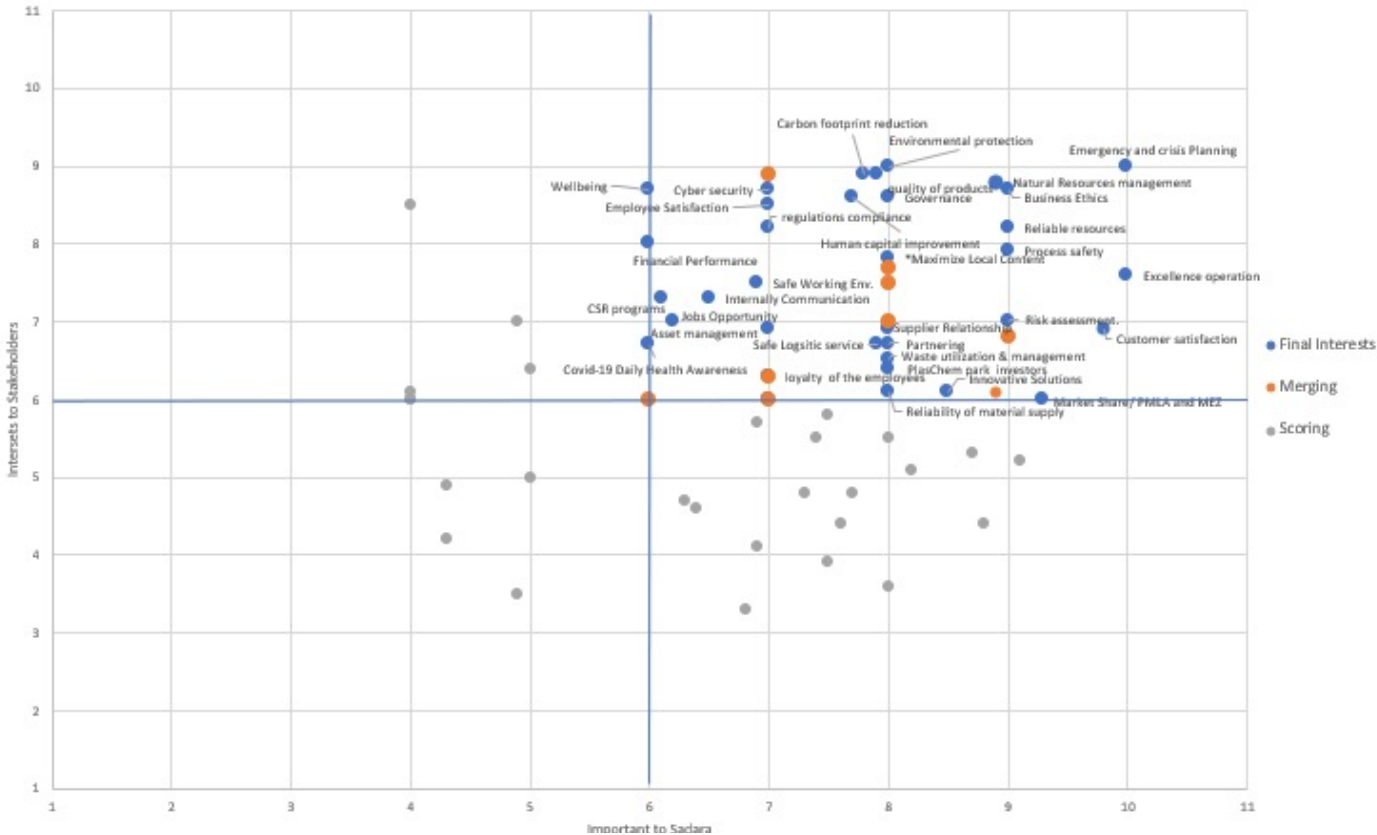
Key Stakeholders

Stakeholder Group	Stakeholder’s Main Interest	Engagement Mechanism
Owners	Financial performance Business growth	Quarterly meeting
Regulators & Governmental Entities	Compliance Risk management Process safety Cybersecurity	Weekly, monthly, quarterly and yearly meetings Official communications
Employees & Families	Health & safety Human capital improvement Job opportunities	Town hall meetings Engagement surveys Social programs
Community	Responsible care Social engagement Environmental Impact reduction Natural resources conservation	Market disclosures Social programs Events & campaigns
Media	Business ethics Transparency Engagement	Official contacts Disclosures Media conferences
Lenders & Insurance Auditors	Financial performance Business growth Regulatory compliance Cybersecurity Risk management	Weekly, monthly, quarterly and yearly meetings
Licensors	Intellectual property protection	Official communication channels
Customers	High quality product Customer services	Monthly, quarterly and yearly meetings Marketing campaigns Business analysis and surveys
Suppliers	Stable supply chain Process safety On time payment Trustworthy relationship Cooperation & development	Weekly, monthly, quarterly and yearly meetings Constant support Development frequent meetings

Stakeholder Group	Stakeholder's Main Interest	Engagement Mechanism
Neighboring Industry	Process safety Reliable communications Services & support exchange	Periodical meetings Best practice exchange meetings Emergency response support
Associations	Networking Regulatory compliance Professional experience partnership	Emails Meetings Conferences
3rd Parties Contractors	Collaboration Process safety Reliable supply & demand	Memberships Development meetings Annual surveys
Competitors	Market share & fair competition	Professional meetings Forums and conferences Associations meetings

Materiality Assessment

(102-46, 102-47)



SADARA SUSTAINABILITY PILLARS, GOALS AND KPI'S

(102-15, 102-48)

5 Pillars	10 Goals	2025 Targets
Governance and Integrity	Strengthen corporate governance	<ul style="list-style-type: none">Maintain level of implementation for corporate ODMS as 90% or aboveEnsure 100% Validity of all Company certificates
	Ensure business ethics & integrity	<ul style="list-style-type: none">Achieve 100% Supplier acknowledgment for code of conductMaintain number of grievances less than 75
Occupational Health & Safety	Achieve world - class health & safety performance.	<ul style="list-style-type: none">Achieve Total Recordable Injury (TRIR) rate as of 0.08Minimize Process Safety & Containment Event-L1 Rate to 0.05Achieve 98% coverage for employee's Medical Check-up
	Promote product stewardship practices	<ul style="list-style-type: none">Reduce Transportation Incident L1 Rate to 0.02Maintain 100% implementation for Global Harmonization System Implementation
Climate Change and Natural Resources Conservation	Minimize environmental impact	<ul style="list-style-type: none">Reduce Energy Intensity by 2.5%Reduce GHG Intensity by 5%Reduce Water Intensity by 5%
	Support circular economy	<ul style="list-style-type: none">Reduce Material Effectiveness Intensity by 2.5%Achieve ZERO Plastic Pellet losses
Business Growth & Operational Excellence	Ensure operational excellence	<ul style="list-style-type: none">Increase Product Supply Reliability - PSR to 94.9%Decrease Defects Per Million Opportunities to 9000
	Support downstream industry & local content	<ul style="list-style-type: none">Increase numbers of PlasChem Tenants to 8Increase % of Local Procurement spends to 80%
People & Community	Strengthen the value of employee proposition	<ul style="list-style-type: none">Increase Employee Engagement by 0.5%Increase Job Nationalization "Saudization" to 82%Increase Women Inclusion and Employment to 5%Increase Training hours and Development Programs by 5%
	Creating value for Saudi Arabia's communities through Social Impact.	<ul style="list-style-type: none">Increase Community Engagement by 2.5%Achieve 10,000 accumulated Volunteering hours

RISK ASSESSMENT

(102-11, 102-15, 102-30)

“ EHS&S, Finance, Operations, Human Capital and Reputation are the main focus areas for conducting a risk assessment for Sadara’s business

Sadara’s Enterprise Risk Management (ERM) unit acts as a safeguarding body and ensures that the organization operates in compliance with regulations, agreements and the highest standards of operations. The ERM unit investigates and assesses threats to Safety, Security, Health,

Environment, Operations, Finance, Strategy, Reputation and Business Continuity. This process is conducted through comprehensive engagement among all departments to minimize the exposure to potential threats to the extent possible.

Main Areas of Focus

EHS&S	The way Sadara has set its security strategies against potential security threats, and the adequacy of the process safety framework
Finance	Compliance with regulatory bodies and ability to meet obligations
Operations	Business continuity, technical knowledge, experience and ability to maintain healthy supply chain and operations.
Human Capital	The ability to sustain personal and technical growth, job security and talent acquisition to ensure the readiness of a fit-for-purpose staff in all areas
Reputation	Controls and governance of communication channels and disseminated messages

CODE OF CONDUCT

(102-17)

“ Every employee in Sadara must sign the Code of Conduct Acknowledgment document upon hiring, and our target is to have all registered suppliers sign the code as well.

Integrity is one of Sadara’s core values, which is aligned with Sadara’s Code of Conduct. It demonstrates the ability of both company employees and outside entities to report potential violations of the Code that guides our behavior

both within and outside of our work environment. It is our responsibility to reflect the best examples of a corporate citizen to not only as a business, but also to our families and friends; and in that way, Sadara will help lead the way to positive change.

Sadara Suppliers

Sadara’s procurement team ensures through a robust system that its employees and suppliers are holding themselves to the highest levels of honesty, fairness and personal integrity when they are conducting business.

Sadara’s suppliers code is well designed to ensure ethical conduct by all suppliers and is monitored through periodical reviews, audits and surveys.

Grievances

(102-17)

“ Sadara’s target is to monitor and act on all received grievances, and to less than 15 per year.

At Sadara, everyone is passionate about his/ her goals and role in creating value for our shareholders. However, our mission will not be accomplished unless we are equally focused on how we run our business.

In Sadara, we consider grievances (quantitatively and qualitatively) as an indicator to measure how sustainable we are as a corporation. We investigate complaints, analyze them and build action plans to improve our performance and maintain our excellence.

OCCUPATIONAL HEALTH AND SAFETY

Our First Priority



“ Health and Safety is our number one priority.
Sadara’s 2020 Occupational Health and Safety performance showcases the big effort and commitment by our employees to ensure that we operate our company responsibly and safely. We firmly believe in caring for our employees, contractors and community and aim to create a positive impact.

(102-12)

Sadara Sustainability Objectives

- Achieve world-class health & safety performance
- Promote product stewardship practices

Alignment with Saudi Vision 2030

2. Offer a fulfilling & healthy life

Contribution to SDGs



Alignment with UN Global Compact

- **Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights.
- **Principle 2:** Make sure that they are not complicit in human rights abuses.

OCCUPATIONAL HEALTH AND INDUSTRIAL HYGIENE

(103-1, 103-2, 103-3, 403-1, 403-2, 403-3, 403-6, 403-7, 403-8)

Sadara vs. COVID-19

The COVID-19 coronavirus pandemic in 2020 was a major challenge unprecedented in our modern history – locally, regionally and globally. Sadara has stepped up to respond to the COVID-19 outbreak. The company's Crisis Management Team (CMT) laid out all the necessary procedures, instructions and measures to fight the spread of the virus and ensured that Sadara remained safe and healthy.

Our Industrial Security Department has worked around the clock to ensure that whoever enters our sites is healthy, by applying all the necessary tools and best practices recommended by the Ministry of Health and World Health Organization (WHO), including measuring all entrants' temperature.

Meanwhile, the Health Services Department remains in full readiness mode to deal with any scenario and all possibilities when it comes to any case or situation raised. The department has been

equipped with a dedicated team to educate and provide awareness to employees on the latest updates, whether from the government or from the Ministry of Health.

Moreover, the Environment, Health and Safety (EHS) team supports operations to ensure that the plants are running and operating in a safe manner, without any interruption, as well as providing all kinds of support, from risk assessments to training contractors. When it comes to communication and organizational awareness, EHS, in partnership with Sadara's Corporate Communications Department, is continuously sending awareness messages to the whole company on a daily basis about the COVID-19 situation, especially the status of reported cases within the company, locally and globally, in addition to data ranging from educational materials to myth-busters' messages.



Key Highlights:



Developing Sadara's COVID-19 Protective Measures Guidelines.



Applies active temperature screening for employees and contractors at all facilities and office entries.



Frequently sanitizes office facilities and work stations.



Activating Sadara's remote working procedure.



Optimizing manpower to reduce their numbers on sites.



Holds meetings, events and gatherings virtually.



Complies with all instructions coming from the Ministry of Health and the government.



Publishing **+100** COVID-19-related awareness messages since the pandemic started.

Employee Health and Wellbeing

(103-1, 103-2, 103-3, 403-4)

The health and wellbeing of employees is of paramount importance to Sadara. The Health Service Department works tirelessly 24/7 to ensure that there is improvement year-on-year in the health and wellbeing of employees.

The Health Service Department works collaboratively with the Kingdom’s Ministry of Health to provide annual flu vaccinations to all employees. The department is currently at the forefront of preventing the spread of COVID-19 among Sadara employees.

Health Surveillance Programs	2017	2018	2019	2020
Annual Medical Check-up (Number of employees)	3,129	3,344	3,215	2,267
Influenza Vaccination (Number of employees)	1,347	600	489	555
Diabetes Campaign (Number of employees)	-	250	-	-
Primary Health Care (Number of employees)	3,424	2,163	2,983	3,214

Employee Yearly Flu Vaccination Campaign

Sadara launched its yearly vaccination campaign against seasonal influenza for all employees and contractors, coordinating with Saudi German Hospital, to limit the spread of winter flu infections – while maintaining precautions and social distancing to counter the coronavirus.

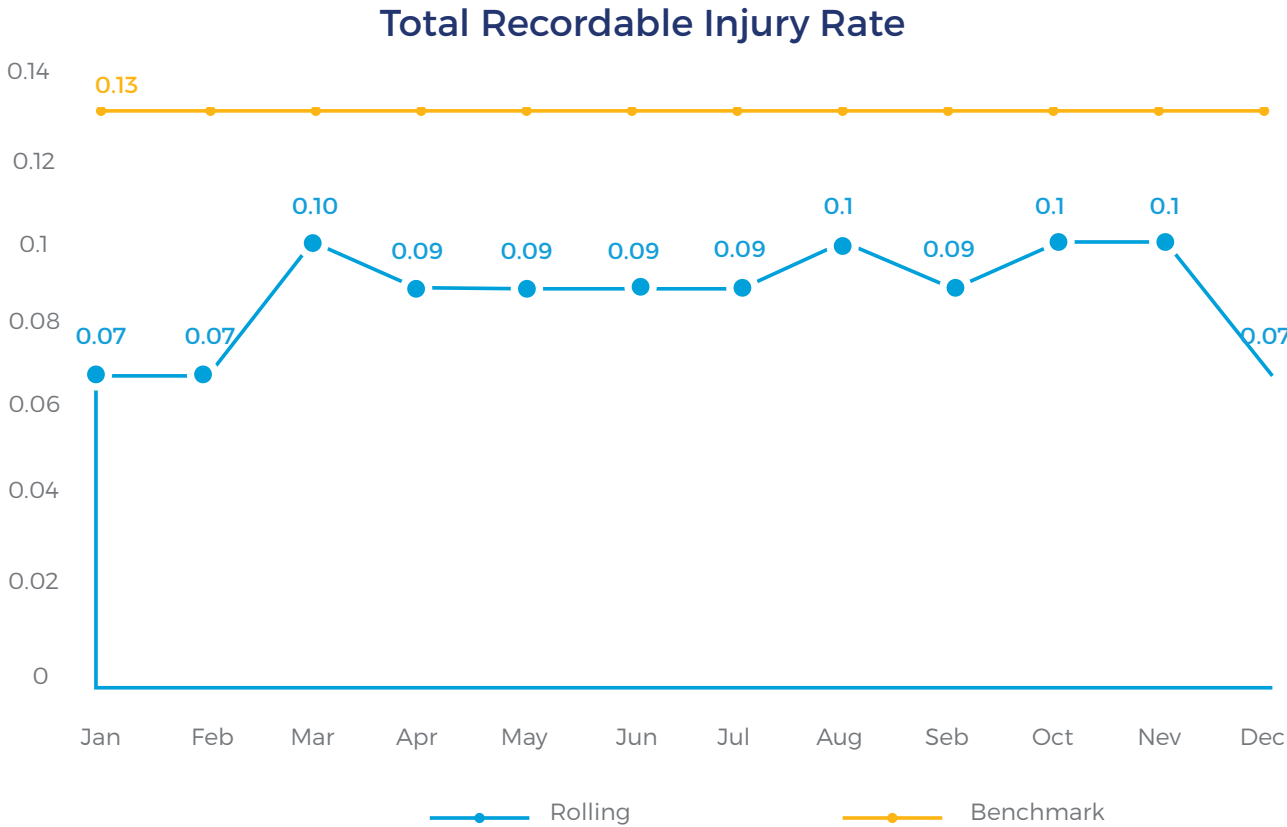


OCCUPATIONAL SAFETY

(103-1, 103-2, 103-3, 403-1, 403-2, 403-3, 403-4, 403-6, 403-7, 403-8, 403-9)

Sadara focuses on three key pillars to drive its strategy and improve EHS culture. The first pillar is Management Engagement, a key factor in driving culture, from the Monthly Management Committee EH&S Walkthrough to the Facility Management weekly EH&S Walkthrough, where leadership is demonstrated at its best. The second pillar is the EHS Management System that was put in place, including EHS audits, incident investigations and wake-up calls, as well

as near-miss reporting and improvements in contractors’ safety performance. Lastly, people’s Commitment and sense of ownership are playing a big role in improving our EHS performance, from EHS awards and recognition to promotion and campaigns that motivated the workforce and raised their awareness about safety. Sadara will keep striving to move forward and achieve milestones in the EHS field to reach safety excellence year-by-year.



Injury Prevention Program (IPP)

The main goal for the Injury Prevention Program (IPP) is to have zero injuries. The program aims to develop and implement a management framework for reducing any types of workplace injury, with effective control measures and promotion of safety as a core value.

Program Pillars:



Safety Indicators	2017	2018	2019	2020
Employee Fatalities	0	0	0	0
Total Recordable Injury Rate	0.14	0.05	0.05	0.07
Contractor Employee Fatalities	0	0	0	1
PSCE Level 1 Rate	NA	0.04	0.03	0.07
PSCE Level 2 Rate	NA	0.05	0.04	0.03
Severe Motor Vehicle Accidents on Job	0	0	1	0
Severe Motor Vehicle Accidents off Job	7	8	2	0

Management Walkthrough

As a standard Sadara practice, the CEO and his management team conduct a regular safety walkthrough of Sadara facilities every month.

Sadara considers the safety of its people, assets and equipment to be a high business priority.

To demonstrate and ensure that this is well understood at every level of the organization, the main objective of this program is to directly contact field employees and listen to their perspectives on the challenges and obstacles surrounding safety that give them concern.

The management walkthrough is a half-day program consisting of safety discussions, field observations and team meetings.



Transportation Safety Stand-Down

Sadara's EHS Corporate Department teamed with Logistics Services' provider Globe Logistics to conduct a successful transportation safety stand-down, focusing on avoiding unsafe behaviors while making deliveries of Sadara's materiel.

The main objectives of the transportation safety stand-down include: preventing trailer coupling/uncoupling incidents, loading and unloading activities, and the importance of safety in our day-to-day work.

The stand-down refreshed the "Four Goals of Safe Trailer Coupling/Uncoupling" at the Globe Terminal in Jubail on October 29, 2020.

Previously, Globe recorded four cases of disconnected trailers and noted that the risks of improperly coupled trailers would be more serious if they occurred on public roads.



SECURITY

(103-1,103-2, 103-3, 410-1)

Sadara's Industrial Security Department (ISD) is equipped with highly technical, efficient and role-model security systems and staff, with a focus on protecting lives and company assets.

ISD contributes in helping the preservation of the environment within the company and neighboring industries and communities.

To ensure only authorized personnel are able to enter their respective approved areas, Sadara ISD has an active security Access Control System (ACS) for certain buildings within Sadara, including plants control rooms, labs, telecommunication room, data centers and security critical room.

During the pandemic, ISD took all the necessary measures to ensure business continuity and prevent the spread of COVID-19 coronavirus among Sadara's employees, contractors and others,

including:

- Establishing temperature checkpoints at all external gates, utilizing non-contact thermometers.
- Setting hand sanitizers at all the company's gates (pedestrian & drivers).
- Installing and operating thermal cameras in crowded buildings.
- Reducing appointments for issuing the company's ID and/or vehicle access stickers by 50%.
- Equipping all security personnel with adequate Personal Protective Equipment (PPE) and enhancing the inspection process to prevent any infection.
- Restricting the access of any COVID-19 positive case.
- Enforcing Sadara's health and social distancing measurements.



PRODUCT STEWARDSHIP

(103-1,103-2, 103-3, 416-1, 417-1)

For Sadara, product stewardship means that our products satisfy the highest quality standards and are safe for the people and environment when properly used throughout the whole life cycle of products from designing until recycling processes.

Sadara Product Stewardship Process



The Globally Harmonized System of Classification and Labelling of Chemicals (GHS)

GHS is an internationally agreed-upon system, created by the United Nations beginning in 1992, and as of 2015 it has been implemented in many key countries.

Sadara had fully implemented GHS by providing EHS hazardous information for our products to assist in their safe handling, including products'

Safety Data Sheet (SDS), Emergency Response Guide (ERG), and Product Labelling System. Also, Dangerous Goods Regulations are followed for all Sadara products, where we identify the mode of transport (i.e., road, rail, air and ocean) based on the global regulations and Transportation of Dangerous Goods (TDG) standards.

CLIMATE CHANGE AND NATURAL RESOURCES CONSERVATION

Balancing Environmental Performance and Business

“ Sadara, as a “Responsible Care®” company, has put substantial effort into protecting the environment, complying to regulatory requirements, and contributing to global actions to counter climate change. Optimizing natural resources in our manufacturing process is also at the top of our agenda. The company has set a footprint targets to monitor its performance in climate change & natural resource conservation.

(102-12)



Sadara Sustainability Objectives

- Minimize environmental impact
- Support Circular Economy



Alignment with Saudi Vision 2030

2. Offer a fulfilling & healthy life
3. Grow and diversify the economy
5. Enhance government effectiveness



TCFD Alignment with the TCFD*

Section d. Metrics and Targets:

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.



Contribution to SDGs



Alignment with UN Global Compact

- **Principle 7:** Businesses should support a precautionary approach to environmental challenges.
- **Principle 8:** Undertake initiatives to promote greater environmental responsibility.
- **Principle 9:** Encourage the development and diffusion of environmentally friendly technologies

EMISSIONS AND GREENHOUSE GASES

(103-1, 103-2, 103-3, 305-1, 305-2, 305-4, 305-5, 305-6)

Sadara continuously monitors Greenhouse Gases (GHG) and non-GHG emissions, using on-site analyzers and third-party testing (such as stack test and fugitive emissions) through which it consolidates the emissions data across the company.

Sadara uses a web-based environmental monitoring software and reporting system, configured to address all emissions monitoring and reporting.

This environmental system assures the accuracy of the data and makes all required air emissions information instantly available to all internal and external stakeholders.

The system is designed to provide a continuous real-time flow of information and alerts on potential issues, in addition to the standard periodic reports.

NO_x and SO₂ Emissions

Non-GHG Emissions	2019	2020
NO _x emissions (Thousand Tonnes)	1.423	1.606
Emissions SO ₂ (Thousand Tonnes)	0.538	0.389

Greenhouse Gas (GHG) Emissions

Amid the COVID-19 pandemic, Sadara continued to engage with the Kingdom's governmental GHG programs, such as the Circular Carbon Economy (CCE) – a national framework data collection initiative – that is led by the Ministry of Energy through the King Abdullah Petroleum Studies and Research Center (KAPSARC). This exercise is part of the CCE's national program.

In addition, Sadara participates in GHG programs hosted by the Royal Commission for Jubail and Yanbu (RCJY) in Jubail Industrial City.

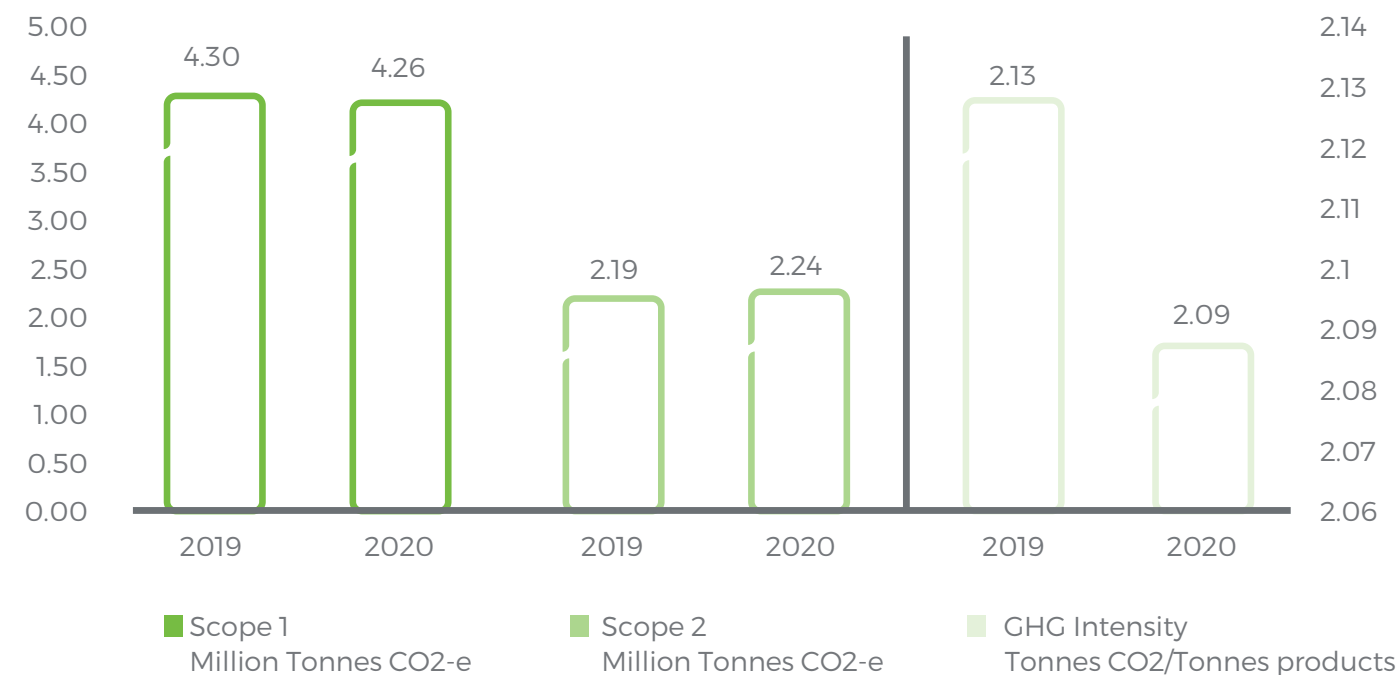
Sadara's GHG calculation scope includes: (1) Direct Emissions - "Scope 1," and (2) Energy Indirect Emissions - "Scope 2." The standard GHG calculation and reporting methodology is embedded in the company's Footprint Protocol and is employed across its plant site.

GHG Performance

GHG Emissions	2019	2020
Scope 1 (Million Tonnes CO ₂ -equivalent)	4.300	4.264
Scope 2 (Million Tonnes CO ₂ -equivalent)	2.190	2.238
GHG Intensity* (Tonnes CO ₂ -equivalent/Tonnes product)	2.129	2.087

*The intensity factor is calculated on final products sold

The base year has been changed from 2018 to 2020. This change is in alignment with Sadara Sustainability Strategy.



ENERGY CONSUMPTION

(103-1, 103-2, 103-3, 302-1, 302-3, 302-4, 302-5)

As the Kingdom sets forth its energy reduction goals, Sadara is committed to finding solutions to optimize the use of energy in all its manufacturing facilities and in its headquarters, the Sadara Business Complex (SBC).

In 2020, Sadara began submitting its energy data to the Saudi Energy Efficiency Center (SEEC).

Compliance with this regulatory requirement is part of the company's continuous effort to work

with authorities and accordingly monitor its energy performance during SEEC's 2nd cycle.

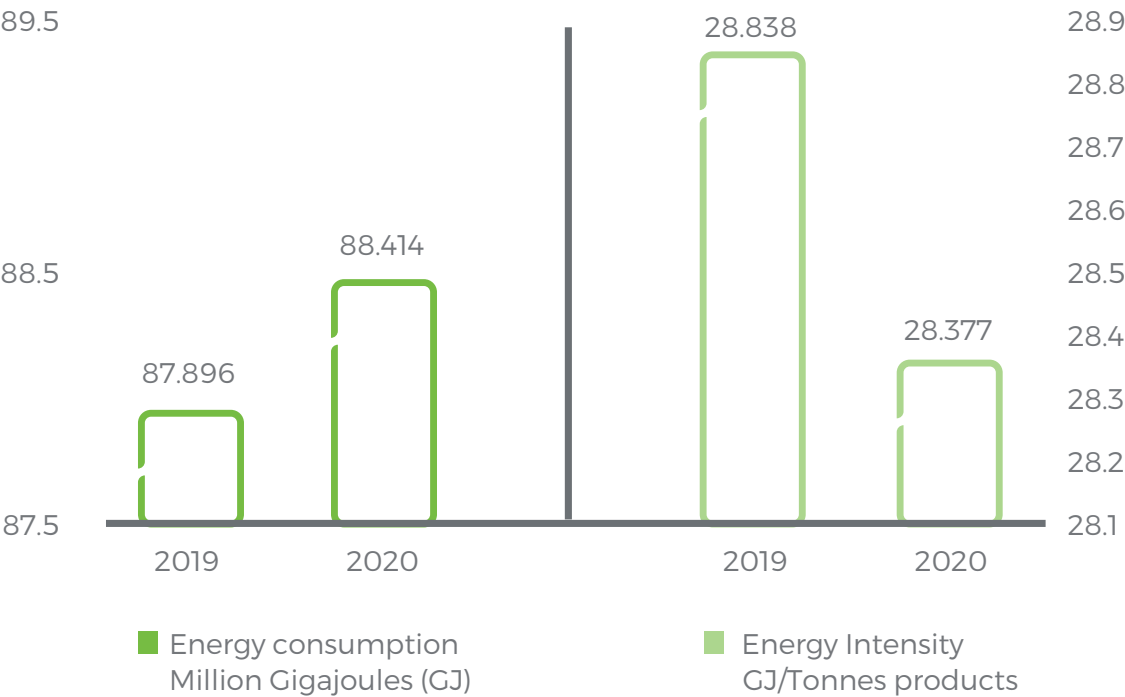
Apart from the mandatory regulatory energy reduction targets, Sadara is committed to improve its energy performance, and follow-up plans are being developed to meet the targets.

At Sadara, there is an energy policy in place, which applies to all areas in Sadara wherever energy is utilized.

Energy Performance

Energy	2019	2020
Energy Consumption (Million Gigajoule GJ)	87.896	88.414
Energy Intensity* (GJ/Tonnes product)	28.838	28.377

*The intensity factor is calculated on final products sold. The base year has been changed from 2018 to 2020. This change is in alignment with Sadara Sustainability Strategy.



Main Initiatives for GHG & Energy

The following initiatives have been achieved in 2020 and performance is compared to 2019.

1	Switching of fuels for more efficient operations achieved 17% GHG & Energy reduction
2	Minimized unnecessary steam venting, resulting to 56% reduction of GHG & Energy
3	Applied steam usage reduction practices that led to a GHG & Energy reduction by 14%
4	Replaced existing light bulbs with more efficient, energy-conserving models.

WATER & EFFLUENTS

(103-1, 103-2, 103-3, 303-1, 303-2, 303-3, 303-4, 303-5)

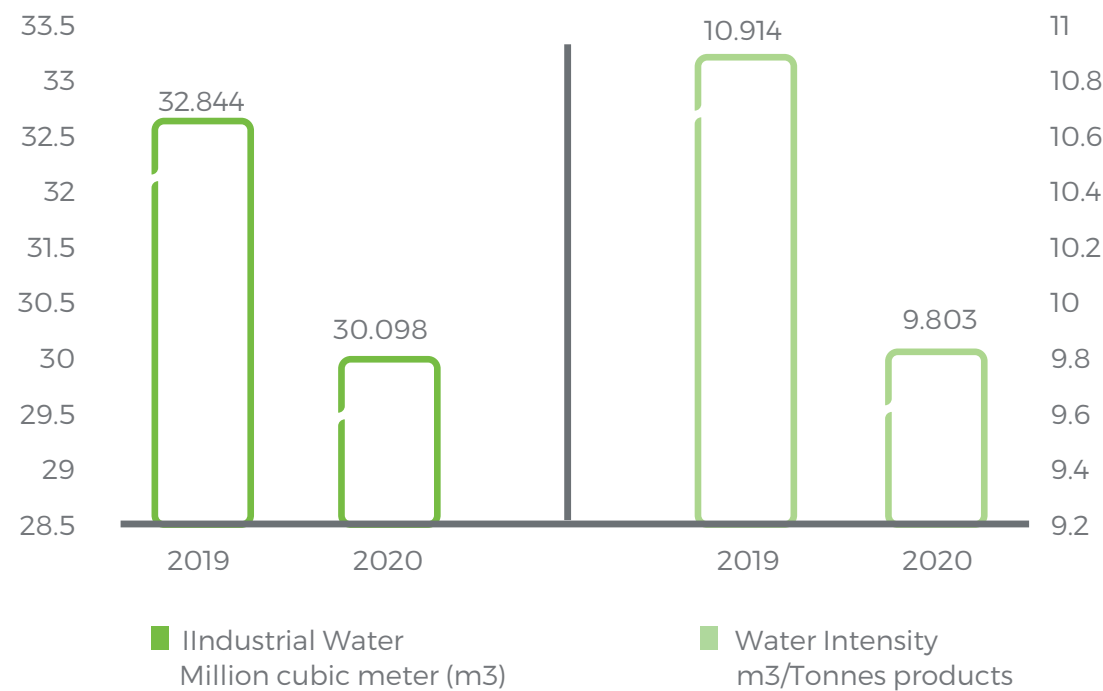
Marafiq Seawater Reverse Osmosis (SWRO) facility is located within the Sadara chemical complex.

It supplies Sadara with the necessary industrial water needed to sustain the manufacturing process.

Water Consumption

Parameter	2019*	2020
Industrial Water (Million m³)	32.844	30.098
Potable Water (Thousand m³)	111.685	53.987
Water Intensity* (m³/Tonnes product)	10.914	9.803
Wastewater TOC discharged (Thousand Tonnes)	1.086	1.565

*The intensity factor is calculated on final products sold.
 **The base year has been changed from 2018 to 2020. This change is in alignment with Sadara Sustainability Strategy.



Water Reduction Main Initiatives

The following initiatives have been achieved in 2020 and performance is compared to 2019.

1	Applying cooling water reduction practices led to reduction in water consumption by 8.2%.
2	Saving boiler's feed water through improving the recovery of return condensate.

MATERIAL EFFECTIVENESS

(103-1, 103-2, 103-3, 306-1, 306-2, 306-3, 306-4, 306-5)

Sadara is committed to apply the best Material Effectiveness management practices and continuously comply with the relative regulatory environmental requirements.

A dedicated team is assigned to serve all waste management programs and activities as well as collaborates with other support functions to ensure they meet site requirements.

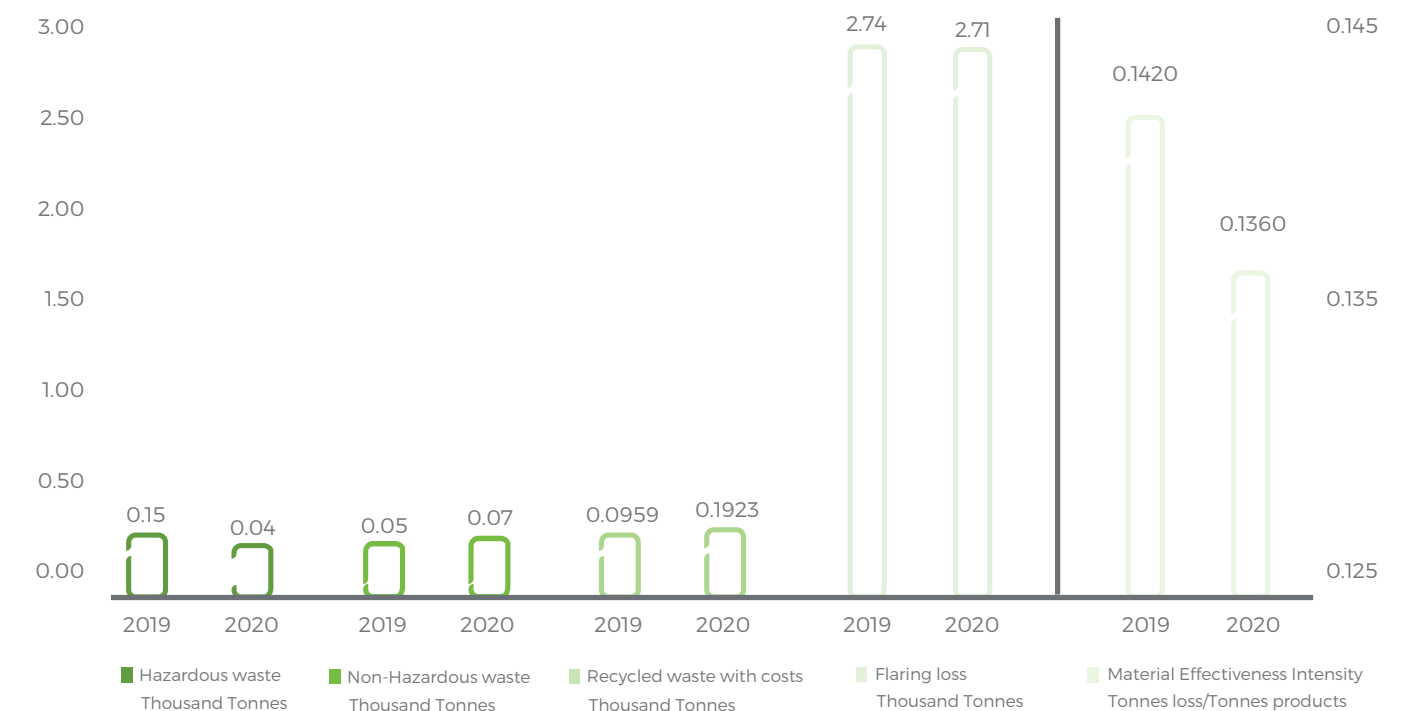
Material Effectiveness mainly accounts for material losses in the manufacturing plants.

This includes data of industrial waste disposed and recycled offsite with treatment costs, incinerable wastes on-site that lack waste heat recovery, flaring losses, vent losses, non-GHG fugitive emissions, spills to land and organic losses (as Total Organic Carbon) in wastewater.

Parameter	2019	2020
Hazardous Industrial Waste (Thousand Tonnes)	15.083	4.198
Non-Hazardous Industrial Waste (Thousand Tonnes)	5.349	7.206
Recycled waste with treatment costs (Thousand Tonnes)	9.592	19.226
Flaring Loss (Thousand Tonnes)	273.945	271.074
Material Effectiveness Intensity* (Tonnes waste/Tonnes prod-ucts)	0.142	0.136

*The intensity factor is calculated on final products sold.

The base year has been changed from 2018 to 2020. This change is in alignment with Sadara Sustainability Strategy.



Material Effectiveness Main Initiatives

The following initiatives have been achieved in 2020 and performance is compared to 2019.

1	Reducing off-prime plastics by cutting products' transition time to 64% than usual.
2	Converting waste generated from KOH-MagSil filtering process into product, reducing the specific plant waste by 44%.

SUPPORTING THE CIRCULAR ECONOMY

(103-1, 103-2, 103-3, 306-4, 306-5)

The Circular Economy (CE) has become a strategic and central business objective for many industries, with its promise of unlocking sustainable growth and great economic gains throughout the industrial value chain.

Sadara conducted an overview of CE adoption, reviewing case studies, new business models and projects being implemented.

The company will continue to develop goals and programs that reflect its responsibilities toward closing the loop of waste as well as preserving the Kingdom's national resources and protecting the environment. Our team has set a target rate for site waste recycling for the next 5 years that involves all

departments as well as collectively establish programs and find opportunities for recycling.

Sadara creates value from wastes in terms of revenue generation by recycling by-products and recyclable materials.

This is all done safely with Sadara's operators, transporters and third-party disposal agencies

Recycle and Reuse Main Achievements

Sadara has introduced various recycling programs throughout its facilities which have resulted in a substantial reduction of wastes going to landfills or incinerators and generated considerable revenues in return.

These programs are led and managed by Sadara's Off Site Material Management Unit (OSMMU):

Sadara Cost Savings Sustainable Management Approaches for Wastes/ Recyclables

5181.03 MT Recycled Hydrocarbons /Oil
SAR 8,802,529 Saved Disposal Cost
SAR 30,051 Revenue of Recycling

1264.95 MT Recycled Mixed Materials (Plastic, paper, Metal etc)
SAR 825,615 Total Generated Revenue

13,033.80 MT Recycled TDI Tar
SAR 15,640,560 Saved Disposal Cost

452.31 MT Recycled Off-spec Waste Water
SAR 805,111 Saved Disposal Cost

10,615 Wooden Pallets Re-used
SAR 615,670 Total Savings

01 Cost Savings

SAR 26,719,537.61

Saving Costs of Waste Management & Recycling

16,344.35 MTs

Hazardous & Non-Hazardous Waste Safely Disposed

20,701.45 MTs

Hydrocarbons, Mixed Recyclables, TDI Tar, Off-spec WW, etc Safely Recycled

958,000.00Kg

Municipal waste to Landfills were Moved through 935 shipments.

10,615 Pallets

Circulated inside Sadara through OSMMU Re-use Program

4,187 Safe Shipments in 2020
22,009 Safe Shipments

ince operation started in 2015

02 Cost Reduction

By recycling 55.89% of total waste generated, for the first time since the beginning of Sadara's operations. Also, waste management costs were reduced by 33% compared with 2019

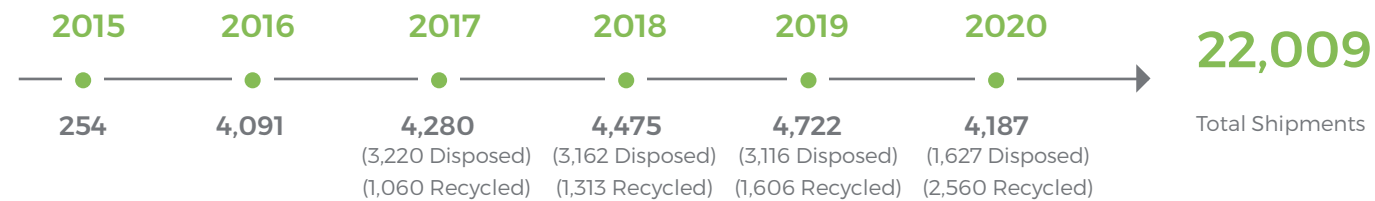
2020 Recycling Highlights

Waste Disposed (MT)	16,344.35
Waste Recycled (MT)	20,708.72
2020 Total Waste (MT)	37,053.07
Recycling %	55.89%

2020 Waste Management

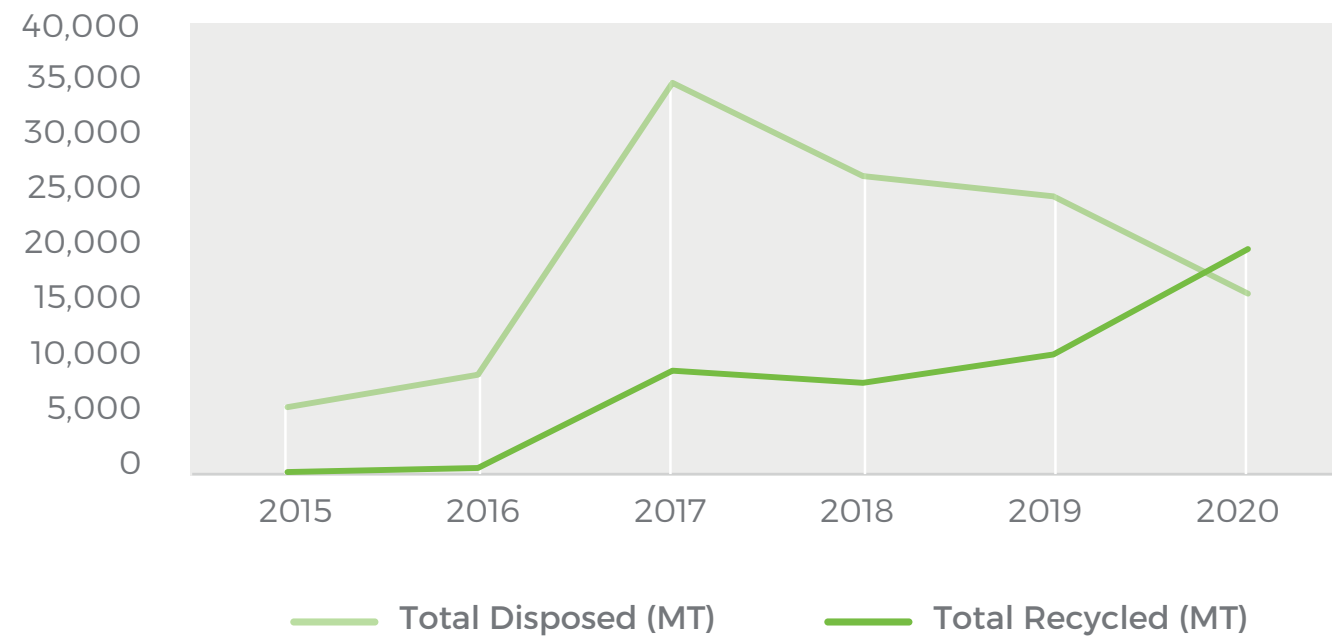
2019	47,472,386.69
2020	31,857,756.59
Cost Reduction	15,614,630.10
Cost Reduction %	32.89%

03 Safe and Secure Waste Management Logistics



- 1 Recorded incidents
- RC-Environmental Non-compliance Violations
- Spillage
- Recorded MVA

Industrial Waste Disposal & Recycling Profile



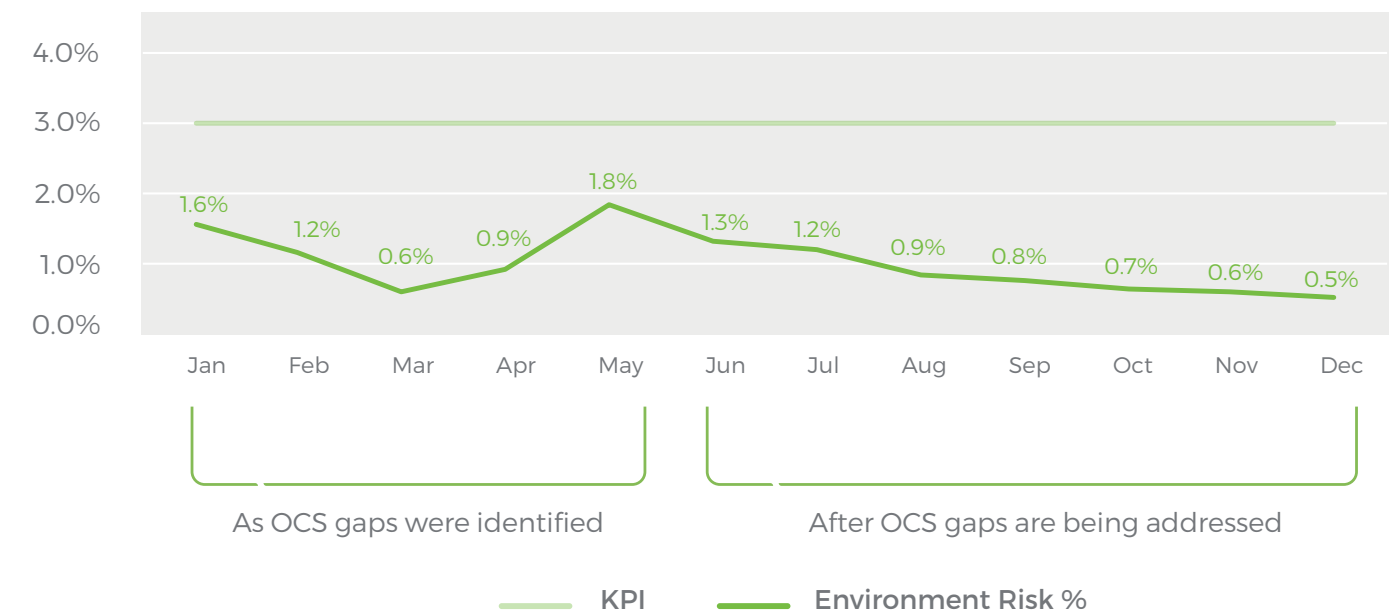
It is designed to help plastics industry operations reduce the accidental loss into the environment of pellets, flakes and powder throughout processing facilities and across the entire supply chain.

Sadara was the first company in the countries of the Gulf Cooperation Council (GCC) to receive Operation Clean Sweep® (OCS) certification from the Gulf Petrochemical & Chemical Association (GPCA), which has adopted this initiative in the Arabian Gulf in September 2020.

The certificate recognizes Sadara as an Operation Clean Sweep® Partner, pledged to implement the OCS program for achieving zero plastic resin loss. The OCS program is an initiative of the American Chemistry Council (ACC) and Plastics Industry Association (PLASTICS), involving the participation of more than 60 countries around the world.



Sadara OCS Performance



FOOTPRINT DATA SUMMARY

Metric	Unit	2019	2020
Products sold	Million Tonnes	3.048	3.116
GHG emissions			
Scope 1 emissions	Million Tonnes CO ₂ -equivalent	4.300	4.264
Scope 2 emissions	Million Tonnes CO ₂ -equivalent	2.190	2.238
GHG Intensity ¹	Tonnes product CO ₂ -equivalent/Tonnes	2.129	2.087
Non-GHG emissions			
NO _x emissions	Thousand Tonnes	1.423	1.606
SO ₂ emissions	Thousand Tonnes	0.538	0.389
Energy			
Energy consumption	Million Gigajoules (GJ)	87.896	88.414
Energy Intensity*	GJ/Tonnes product	28.838	28.377
Water consumption			
Industrial water	Million m ³	32.844	30.098
Potable water	Thousand m ³	111.685	53.987
Water Intensity	m ³ /Tonnes product	10.914	9.803
Wastewater TOC discharged	Thousand Tonnes	1.086	1.565
Waste Management			
Hazardous Industrial Waste	Thousand Tonnes	15.083	4.198
Non-Hazardous Industrial Waste	Thousand Tonnes	5.349	7.206
Recycled waste with treatment costs	Thousand Tonnes	9.592	19.226
Flaring Loss	Thousand Tonnes	273.945	271.074
Material Effectiveness Intensity	Tonnes waste/Tonnes products	0.142	0.136

* The intensity factors are calculated on final products sold.
** The base year has been changed from 2018 to 2020. This change has been aligned with the Sadara Sustainability Strategy.

BIODIVERSITY CONSERVATION

(103-1, 103-2, 103-3, 304-1)

Sadara has considered biodiversity since the company’s start, as initially outlined in its 2012 Environmental Impact Assessment.

In the Assessment report, the Sadara team considered potential impacts on biodiversity receptors at both the production complex and the shipping/receiving areas, including King Fahd Industrial Port and Jubail Commercial Port. The potential impacts were concluded to be low.

Currently, Sadara’s RC14001® standards include biodiversity considerations as part of the periodic assessments.

Sadara’s regulatory environmental permits and associated management system include air and wastewater emission limits and compliant processes to minimize the potential biodiversity impacts of our production activities.

BUSINESS GROWTH AND OPERATIONAL EXCELLENCE

Enabling A Sustainable National Economy



(102-12)

Sadara Sustainability Objectives

- Ensure operational excellence
- Support downstream industry & local content

Alignment with Saudi Vision 2030

3. Grow and diversify the economy
6. Enable Social Responsibility

Contribution to SDGs



FINANCIAL PERFORMANCE SUMMARY

(103-1, 103-2, 103-3, 201-1)

In 2020, the company's sales total reached SAR 10.5 billion, which was 3.9% higher than in 2019.

The decrease in net loss was attributable to a lower cost of sales supported by a slight increase in product prices, in addition to the fact that in 2019, the cost of sales included an asset impairment provision in the amount of SAR 9.2 billion.



Financial Performance Summary

Metric	2018	2019	2020
	x1000 SAR		
Sales / Revenue	13,115,351	10,108,354	10,503,379
Total Profit (Loss)	(909,874)	(11,474,895)	(360,045)
Profit (Loss) Operational	(1,478,326)	(11,962,463)	(826,042)
Net Profit (Loss) after Zakat & Tax	(3,860,030)	(14,486,100)	(3,220,230)
Total Comprehensive Income	(3,765,815)	(15,226,931)	(4,091,408)

Project Completion Date (PCD)

On November 23, 2020, Sadara declared its Project Completion Date (PCD), yet another very important milestone achieved in relation to the Project Financing. This is a confirmation that the project is fully operational in alignment with the requirements of the financing agreements.

MARKETING OVERVIEW

(102-2, 102-10, 102-48)

Sadara is uniquely positioned to contribute to the Kingdom's move toward downstream industry and enrich economic diversification by creating brand-new value chains and helping to transform the industrial landscape of Saudi Arabia.

Sadara was the first facility in the Kingdom to produce specialty items such as High Alpha Olefin Polyethylene Resin, Elastomer Resin, Polyol, Co-Polymer Polyol, Isocyanate and Glycol products.

CUSTOMER RELATIONSHIP

(103-1, 103-2, 103-3, 416-1)

Sadara provides dedicated service to each client and is committed to meeting customer demand proactively, as well as adjusting its product service offering on a timely basis, to assure competitive service standards based on acquired market and customer information.

The company ensures timely delivery with the required quality through all the above activities and through proper planning and a scheduling process that utilizes a corporate-wide Extended



These high-value polymers and chemicals enable higher-value applications and allow customers to diversify their production.

In 2020, Sadara introduced polyols blends to its polyurethane offerings, which enabled local foam producers to purchase a full package from Sadara and compete in the market, thereby reducing their imports.

Sales and Operations Planning (ES&OP) structure. Our overall customer satisfaction is measured through a combination of surveys and logged customer complaints.

Surveys are conducted to obtain direct customer feedback from all direct customers and regional distributors. Sadara also employs the Six Sigma methodology of tracking Defects Per Million Opportunity (DPMO) for any customer complaints received after services provided.

Latest 2020 overall survey results



The DPMO metric is based on the percentage of complaints versus count of shipping units (e.g., flat beds, MPC containers, bulk shipments, etc.); then the percentage is multiplied by 1,000,000 to increase the sensitivity.

Sadara achieved 7,109 DPMO for year-end 2020, a world-class performance within the petrochemical industry.

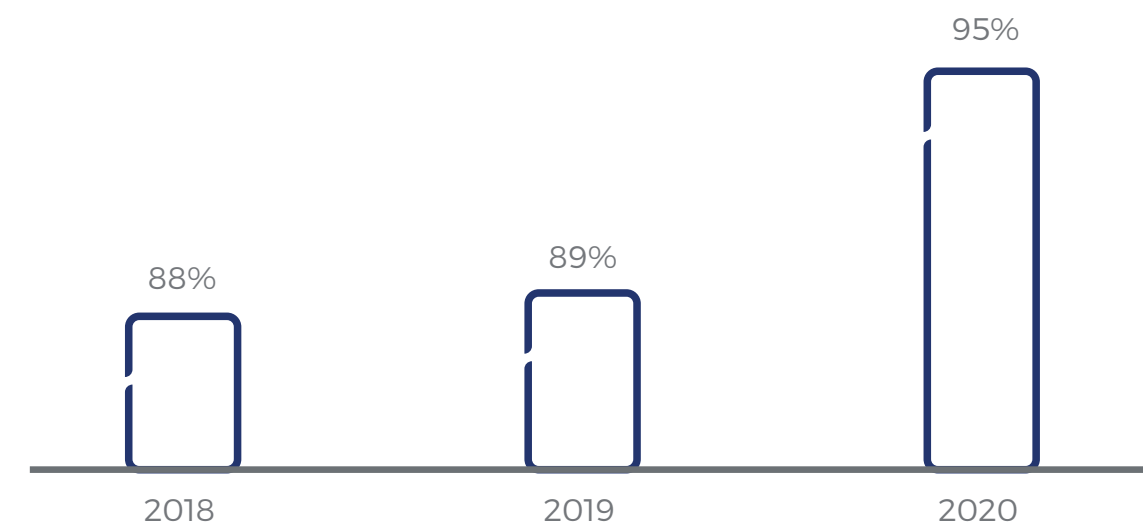


Customer Satisfaction and Feedback

Sadara began a customer satisfaction survey in the third quarter of 2020, and in time it will represent customer views and therefore may affect the feedback process.

The customer feedback survey covers the following areas:

- | | | |
|------------------|------------------------|------------------|
| 01 | 02 | 03 |
| Customer Service | Communication | Material Quality |
| 04 | 05 | 06 |
| On-Time Delivery | Documentation Handling | Overall Service |



OPERATIONAL PERFORMANCE

(103-1, 103-2, 103-3, 203-1, 203-2)

Leading manufacturing companies track their production losses in order to understand the causes of these losses and eliminate or reduce them. Sadara uses Asset Utilization (AU), which measures how well we are utilizing our assets capabilities.

The accurate AU data help in identifying improvement opportunities and can provide a basis for prioritization and allocation of Sadara's resources.

The identification of types, quantities and categories of production losses enables us to generate different metrics that help us understand the reasons behind those losses.

One of the most important metrics that Sadara has adopted is Product Supply Reliability (PSR). It is a key measure being used to demonstrate the

tangible and measurable impact of improving reliability in the production value chain.

Product Supply Reliability (PSR) is an indicator of how well an asset is capable of delivering its sales and operations' plans.

PSR measurement takes into consideration many factors, including unplanned losses of raw material and utilities availability, integration, operating discipline, process technology, product transfer limitations and logistics upon asset production. PSR includes ISBL (Inside Battery Limits) and OSBL (Outside Battery Limits) unplanned losses.

Planned losses such as planned turnarounds, lack of demand and product mix impact losses are not included and do not restrict PSR.

In 2020, Sadara's Mixed Feed Cracker (MFC) achieved a milestone by reaching its Maximum Asset Capacity (MAC) of more than 4,754 metric tons per day.

For more details about Sadara's operational history and timeline, please refer to the 2018 and 2019 Sustainability Reports.

Value Creation Through Innovation (Innovate@)

(103-1,103-2, 103-3, 203-1, 203-2)

Sadara has initiated the Innovate@ Program as part of the Sadara New Future Program.

This program's objective is to drive innovation across the enterprise toward operational improvement and general ideation, supporting long-term profitability.

The scope of Innovate@ is to automate the Idea Management and Innovation System, covering various areas such as Operational Improvement (TICA); General Ideation (Open Ended and Campaign Driven); and IP Innovation (IP Generation and Commercialization).

In addition, the program seeks to enable management and reporting tools including dashboard-based inputs. Furthermore, it aims to design governance and a paired Reward System, including team-based incentives & feedback.

As per the graph below, the timeline was initialized in Q2 2019, moving successfully through 2020, despite the COVID-19 challenges.

Innovation success factors are People, Market and Products.



People = 50-60% of the innovation success factor



Market = 20% of the innovation success factor



Product = 20% of the innovation success factor

PRODUCT HANDLING

(102-9)

Product Shipment and Transfer

Despite the raging COVID-19 pandemic during 2020, which took the world by surprise, Sadara demonstrated agility and high operational flexibility, which enabled the Supply Chain Department to achieve its operational targets.

Sadara achieved planned operational targets by exporting 1.27 million metric tons through Jubail Commercial Port (JCP) and approximately 1 million metric tons of bulk liquid shuttling to and from King Fahad Industrial Port (KFIP). Above all, both targets were achieved in a safe manner, without any major incident.

Sadara's Middle East Zone (MEZ) operation team continued to demonstrate strong operational capabilities to expand the company's footprint in the MEZ market. Total customers' shipments in 2020 grew by 50% compared to 2019.

The MEZ team concluded the year with a total shipped volume of 442,000 metric tons delivered to customers in and outside the Kingdom. In July 2020, Sadara set a record for the highest monthly ship handling, with total 19 ships served during the month and a volume of 292 KT.



In addition, Sadara chartered its first-ever CIF vessel for its regional customers in Egypt, and successfully added new transporters to its fleet to support the continuous growth in regional demand.

Moreover, the MEZ operation team supported the MEZ solid warehouse operator, Sadara contractor, in the preparation and certification of the Operation Clean Sweep (OCS) initiative, which is aimed at preserving and protecting the environment from plastics waste.

Sadara Signs Rail Transportation Services Agreement with Saudi Railway Company

“ Sadara products’ railway transportation will replace approximately 200,000 truckloads annually to and from Jubail’s ports and protect the environment by reducing harmful emissions by 73%.

Sadara signed a 25-year Rail Transportation Services Agreement (RTSA) with the Saudi Railway Company (SAR).

The agreement reflects Sadara’s commitment to transfer its products from the chemical complex in Jubail Industrial City to export facilities in King Fahd Industrial Port and Jubail Commercial Port, and SAR’s commitment to provide services through the running of locomotives and freight vehicles to transport those products.

The initiative was in line with the Kingdom's Vision 2030, as it is compatible with the objectives of the National Industrial Development and Logistics Program (NIDLP).

This unique agreement is the first of its kind in the region involving rail transportation of liquid chemicals and similar products.

It signifies a new milestone for Sadara and highlights its commitment to embracing new and more efficient ways of doing business as well as provides faster, safer, environmentally friendly and cheaper transportation solutions that are efficient and reliable compared with trucks.



PROCUREMENT AND LOCAL CONTENT

(103-1,103-2,103-3, 204-1, 308-1, 414-1)

Procurement Policies and Saudi Businesses



Environmental Impact

Sadara suppliers agree to use their best efforts to prevent, and take all reasonable precautions to avoid, pollution or contamination of the land, air or water arising from them or their subcontractors' activities.

Also, Sadara’s Procurement Department obligates the suppliers to comply with regulations issued under or by international environmental conventions and regulatory bodies that Saudi Arabia adopts.



Suppliers' Workforce Rights

It is a condition in Sadara’s standard contracting template that suppliers must promptly pay their personnel their salaries and benefits and that those suppliers shall submit a letter with each invoice to Sadara’s representative in an acceptable format certifying that all the suppliers’ personnel have been paid their full salaries and benefits under the terms of their agreements with the suppliers for the preceding month.



Anti-Corruption

Sadara has developed its Suppliers’ Code of Conduct (or “Suppliers’ Code”) which specifically addresses areas where the company requires complete and continuous compliance and for which it will exhibit no tolerance of violations.

The Sadara Supplier’s Code is intended and designed to provide the company’s suppliers

with guidelines on what the company requires as appropriate ethical conduct in the marketplace and in dealing with other business entities and government agencies.

The Supplier’s Code does not replace the supplier’s contractual agreements with Sadara, or company policies or applicable laws, but rather augments those obligations and provides suppliers with a focus on key areas where Sadara requires full compliance.

Compliance with the provisions of the Supplier’s Code is a contractual obligation that suppliers are required to enter when being considered for doing business with Sadara.

Supporting Local Suppliers

Sadara’s Local Content team has driven the embedding of Local Content in the company’s procurement process and supported the Procurement Department in redefining Sadara’s sourcing steps, from registration to contract monitoring, in order to ensure higher levels of participation by local suppliers in the company’s tenders as well as ensure that fair opportunities are given to local suppliers toward winning the company’s contracts and projects.

Sadara’s total procurement spending stood at 72%, with more than 530 local suppliers (excluding feedstocks).If Sadara procurement from feedstocks is included, the spend percentage increases to 89% from the local market.This percentage of local spending was achieved by undertaking various measures to support the development of local content and qualification of more local manufacturers.

Supplier Registration, Pre-Qualification and Assessment

Supplier registration covers supplier social assessment by reviewing: company profile, Nitaqat certificate, industrial license and General Organization for Social Insurance (GOSI) certificate.

Sadara verifies and monitors the supplier through formal assessment and audit programs. Assessments administered through the Pre-qualification Committee consisted of a cross-functional team that can holistically assess a supplier's suitability to be approved as pre-qualified for a goods/service grouping

The EHS assessment program is one of the main assessment tools for the pre-qualification committee, focusing on: HSE Policy Statement, HSE SMART Objectives, HSE Training Matrix, HSE Audit Procedure, and Copies of ISO 9001, ISO 14001 or OHSAS 18001 relevant to the company.

Supplier Satisfaction:

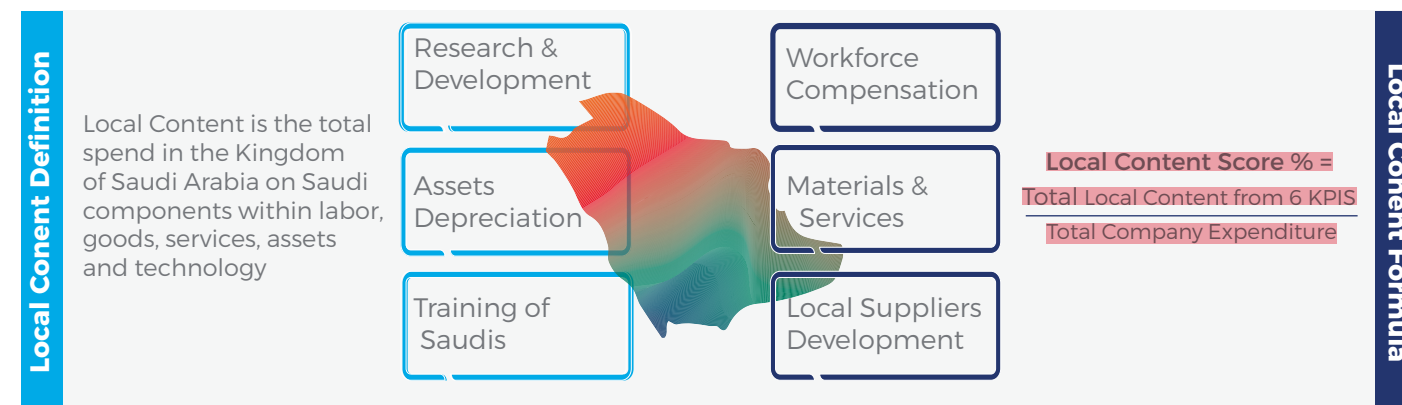
The Procurement Department at Sadara considers supplier satisfaction to be a key element in allowing the supplier to be engaged in the overall improvement journey of the procurement processes and cost optimization opportunities.

Additionally, supplier satisfaction is a way of contribution beyond the transactional relationship of purchasing and selling, especially with major suppliers of Sadara.

Therefore, as part of Sadara's continuous procurement improvement and engagement with suppliers, the Procurement Department offers a supplier satisfaction survey on an annual basis, aimed at collecting feedback from active key suppliers that will help in the overall business relationship and achieve better results.

Responsible and Sustainable Local Content Development

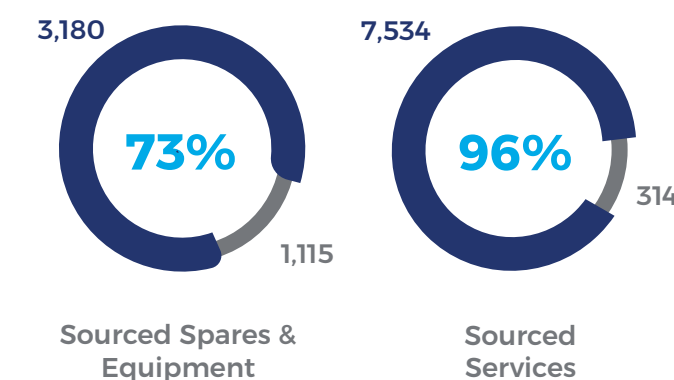
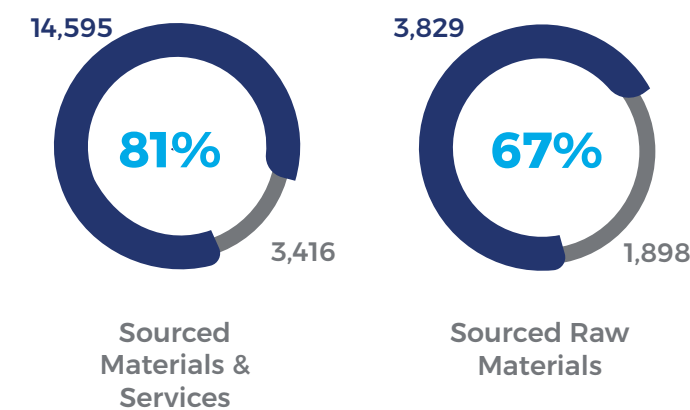
Sadara adopts six KPIs to measure and report its local content Contribution:



Since the creation of a dedicated function to develop Local Content in Sadara in early 2019, a roadmap was formulated to increase emphasis on building and sustaining the local supply chain through embedding Local Content in the company's daily practices and business strategies.

This was a key enabler to support the sustainable development of Local Content for Sadara over the past five years as shown below:

5 Years of Local Content Highlights (2016-2020):*



■ Foreign Spend
■ Local Spend

* Sadara Procurement in Million SAR, Figures are not inclusive of feedstock procured.

Local Content Certification and Responsible Buying Practices

In 2020, Sadara was certified by the Local Content & Government Procurement Authority (LCGPA) for its Local Content audited score based on 2019 financial data. Sadara Local Content score increased by 2% since baseline of year 2018 to reach 53.8% in 2019 as result for Sadara Local Content and Exports Revenues retained in KSA. This certification confirmed Sadara commitment to advocate Local Content through all its operations, from supporting local suppliers by giving preference to local goods and services to hiring and training Saudis.

The certification process was led by Sadara's Local Content Development team, which involved several internal stakeholders across Sadara, Finance, Procurement, Human Resources (HR) and Human Capital Development (HCD). Many contributions made the certification possible. Stakeholders provided spend data for the year 2018, and the auditor calculated Sadara's Local Content score in the following four areas:

- **Capital Assets:** measures company investment in technology and capital assets by calculating reported depreciation value.
- **Labor:** measures company paid compensation and benefits to Saudi and foreign employees.
- **Capacity Building:** measures company investment in Human Resources and spend on training Saudis, developing local suppliers' capabilities, and Research & Development.
- **Goods and Services:** measures company spend on procurement from local suppliers versus foreign ones and calculates how much of that remains in the Kingdom.

Sadara measures Local Content on a yearly basis following the certification process agreed upon by LCGPA, which proved Sadara's commitment to localize as much of its spend as possible through maximizing sourced local materials and services and employing Saudis in our workforce.

In addition, Sadara began cooperating with the Ministry of Energy to develop Local Content for the energy sector through sharing future demand of materials and services and identifying investment opportunities that would help localization efforts in the Kingdom.

Efforts are being made by Sadara to improve local suppliers' capabilities by conducting technical qualification so that they meet Sadara and global standards, and add reciprocal benefits to both Sadara and suppliers by reducing costs, improving local businesses' competitiveness and contributing to the growth of the Saudi economy. We also engage actively with our strategic partners and our suppliers to conduct awareness sessions and encourage them to measure and improve their own Local Content contributions.

local content and develop its industrial capabilities, as well as to optimally invest in and enable Saudi human resources.

The MoU was signed by H.E. The Governor of SWCC Eng. Abdullah Al-Abdulkarim and Sadara CEO Dr. Faisal Al-Faqeer at SWCC headquarters in Riyadh.

Sadara seeks with this MoU to take advantage of local content by effectively and reliably localizing primary and secondary raw materials used in its operations and production.

The MoU aims to provide Sadara with another more effective and reliable alternative for the supply of sodium chloride brine to its chemical complex. Using pipelines for the supply, rather than trucks, will contribute more to maintaining road safety as well as reducing costs and challenging the logistics currently in use.

Sadara Signs MoU with Saline Water Conversion Corporation (SWCC)

Sadara signed an MoU with the Saline Water Conversion Corporation (SWCC) to supply concentrated sodium chloride (salt) brine to Sadara plants. The initiative comes as part of the economic and industrial integration between the Kingdom's water and petrochemical industries, to strengthen the national strategy to support



Sadara Played Active Role in IKTVA 2020

Sadara played an active role in Saudi Aramco's IKTVA 2020 Forum and Exhibition, which took place in February 2020, aimed at encouraging greater involvement of local manufacturers in the Kingdom's industrial sector.

At the event, Sadara shared with the audience its local content strategy and opportunities as well as its products-based investment opportunities in the Kingdom.



Contractors' Awareness on PlasChem Park Opportunities

Sadara's PlasChem Shared Services Department, working jointly with the Sadara Procurement Department, held a proactive session to brief contractor companies on business opportunities to expand their business with PlasChem Park tenants, supporting Saudi Arabia's Vision 2030 by empowering local content.

The event was held at the Eastern Province "Asharqia" Chamber of Commerce headquarters in Dammam and helped to attract PlasChem Park investors, who were able to focus on their core business and secure contractor services at very competitive rates.



Enabling Downstream Industries in the Kingdom

(103-1, 103-2, 103-3, 203-1, 203-2)

With its unique combination of people, products and partners, Sadara catalyzes a variety of further unique chemical and downstream manufacturing opportunities throughout different sectors in the Kingdom, by which investors can secure their real competitive advantage through the strategic geographical location (with growing economies at their doorstep), direct feedstock supply, existing available resources and reduced capital footprint.

PlasChem Park is a key concept differentiating Sadara from other petrochemical, chemical and plastics manufacturing projects in Saudi Arabia.

This is due to the large number of downstream opportunities the facility creates through its diverse product applications portfolio and accessibility of feedstock from Sadara and others.

Sadara continued to collaborate with many stakeholders, including:

- Ministry of Energy (MOE),
- Ministry of Industry and Mineral Resources (MIM),
- Ministry of Investment of Saudi Arabia (MISA),
- Royal Commission for Jubail and Yanbu (RCJY),
- National Industrial Development and Logistics Program (NIDLP),
- National Industrial Development Center (NIDC), and
- Saudi Industrial Development Fund (SIDF).

The collaboration sought to promote investment opportunities in chemical or conversion industries, identify local and global investors, and encourage them to build production facilities in the Kingdom.

Current Tenants in PlasChem Park:

Sadara with Royal Commission has enabled various downstream industries through long-term supply agreements with committed local or global investors who plan to build their production facilities at PlasChem Park to serve the needs of Saudi Arabia and the region, including:

- Halliburton (ECSC), USA (Oil Field Chemicals);
- Rufayah Chemical Company, Saudi-American JV (Aromatic Concentrate & Hydrocarbon Resin)
- Surfactant Detergent Company, Saudi-Korean JV (Detergent & Cleaners)
- Ravago ME, Belgium (Compounding, Master Batches)
- SADIG-ILCO, Saudi-German JV (Specialty Chemicals)
- Impextraco-GDI, Saudi-Belgium JV (Choline & Derivatives - Animal Feed & Clay Stabilizer).
- Lucky Stone-ARA, Saudi-Chinese JV (Construction Materials & Paint Additives)
- Baker Hughes, USA (Oil & Gas Chemicals)
- Veolia Middle East, France (Steam, Chilled Water & Instrument Air)

For more details about PlasChem Park, please refer to the 2018 and 2019 Sustainability Reports.

2020 Investment Opportunities Promotional Events

In 2020, Sadara continued to identify investment opportunities for PlasChem Park and the Kingdom, supporting localization of downstream industries in such areas as construction materials, home and personal care items and oil and gas chemicals.

Event Name	Organizer	Partners
"Overview on the Growth of Downstream Industries in KSA" - Virtual Event	RCJY	RCJY, Saudi Chambers of Commerce, Sadara, AT Kearney and Advanced Petrochemical
"Sadara Investment Opportunities, Your Gateway to Promising Markets" - Virtual Webinar	Sadara	Sadara, MIESA, RCJY and UT International.
EIC-Saudi Connect - Virtual Conference	U.K. Energy Industry Council (EIC)	EIC, Eastern Province "Asharqia" Chamber of Commerce (Asharqia), Saudi British Business Council, Sadara and many others
Sponsoring "Petrochemical Digital Webinar: Looking at the Industry's Future"	RCJY	RCJY and Sadara

WEBINAR

SADARA INVESTMENT OPPORTUNITIES Your Gateway to Promising Markets



Tuesday, October 6, 2020



8:00 am EST



2:00 pm CET



3:00 pm AST



RAMI W. AL-SABAH
Sr. Investment Leader
Sadara Chemical Company



ABDULMOTI QANDEEL
Industrial Development Specialist
Royal Commission for Jubail & Yanbu (RCJY)



ABDULAZIZ ALARWAN
Business Development Director - Chemicals
Ministry of Investment, Saudi Arabia (MISA)

REGISTER NOW

Sponsored and
Presented by



Hosted by



Veolia Middle East Groundbreaking in PlasChem Park

After signing an agreement with Sadara to build a central utilities facility in Jubail's PlasChem Park that converts industrial waste to energy, Veolia France's Veolia Middle East has broken ground for the plant, which will contribute to providing long-term waste management solutions for the park.

The project came in alignment with Sadara's longstanding commitment to the environment

and sustainability, as the new Veolia central utilities plant at PlasChem Park will treat industrial waste streams and recover energy to provide steam cooling and instrument air for the park's manufacturing facilities.

The Veolia central utilities and waste-to-energy plant in PlasChem Park will generate more than 100 direct local jobs in the Kingdom, as it offers extensive training programs to develop local talents.



Saudi Minister of Industry and Mineral Resources Visits Sadara

Saudi Minister of Industry and Mineral Resources H.E Bandar Al-Khorayef visited Sadara to receive the latest update on the company and its contribution to supporting the Kingdom's chemical industries strategy, in addition to enabling many downstream industries and attracting investment opportunities, providing

many future career opportunities for Saudis. The Minister, accompanied by H.E Eng. Abdullah Al-Saadon, President of the Royal Commission for Jubail and Yanbu, and their delegation, were received by Sadara's executive management, led by CEO Dr. Faisal Al-Faqeer.



EO/PO Pipeline:

In 2020, Sadara completed more than 60% of the construction of its new Ethylene Oxide (EO) and Propylene Oxide (PO) Pipeline. Both lines start from Sadara and end at PlasChem Park, with a length of

6.8 kilometers (km) for the EO line and 6.2 km for the PO line. The project was due to be fully complete by the first quarter of 2021.

PEOPLE AND COMMUNITY

Our Most Valuable Asset



(102-12)

Sadara Sustainability Objectives

- Strengthen the value of employee proposition.
- Creating value for Saudi Arabia's communities through Social Impact.

Alignment with Saudi Vision 2030

1. Strengthen Islamic Values & National Identity
2. Offer a fulfilling & healthy life
4. Increase employment
5. Enhance government effectiveness
6. Enable social responsibility

Contribution to SDGs



Alignment with UN Global Compact

- **Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- **Principle 4:** The elimination of all forms of forced and compulsory labor.
- **Principle 5:** The effective abolition of child labor
- **Principle 6:** The elimination of discrimination in respect of employment and occupation.
- **Principle 8:** Undertake initiatives to promote greater environmental responsibility.

OUR PEOPLE

Sadara’s Workforce

(102-8, 103-1,103-2, 103-3,202-2, 401-1, 401-2)

Workforce	2018	2019	2020
Full-time employees	3,393	3,272	3166
Saudization Rate	67%	69%	72%
Women Employees	44	61	69
Special Needs	N.A	N.A	17
Turnover Rate	6.52%	7.1%	6.2%
Number of joiners	200	117	91
Employees in Chief Position Holder (CPH)	323	366	419
Saudization Rate in CPH	66%	72%	72%

Diversity and Inclusion (D&I)

(103-1,103-2, 103-3,202-2, 405-1)

Sadara recognizes that its people are its most important asset. The company ensures to have the best local, regional and global talents.

One of the main purposes of the established Sadara’s Employee Engagement Program is to continuously measure employees’ perceptions of the organization’s efforts to maintain a diverse workforce and create an environment where every individual feels included.

Diversity & Inclusion

2020

Percentage of Non-Saudis	28%
Number of Nationalities	30
Women Empowerment	
Women Inclusion in CPH	0.2%
Women Inclusion in Technical, Manufacturing & Engineering Jobs	1%
Women Inclusion in Non-Technical Jobs	5%

Women Empowerment

Sadara has achieved great progress in hiring women over the last five years, as female employment has increased over 120 percent. This has been achieved by enforcing an equal opportunity policy in the sourcing, scanning and shortlisting phases of the recruitment process.

The company provides equal opportunities for both men and women, as enshrined in the Saudi Labor Law, and has put in place a female employment strategy to increase the participation of women in its dynamic workforce, ensuring continuous professional development in all relevant fields.

Sadara’s Women Empowerment Program is led by the Sadara and aims to position Sadara as one of the most preferred working environments for women in the marketplace.

Sadara Participates in G20- Saudi Arabia Women20

Sadara took part in a closed roundtable national dialogue on women’s labor. The virtual online event, called Women20 (W20), was held under the global G20 umbrella in July 2020.

The roundtable sessions were facilitated by Al-Nahdah Society, a female non-profit association set up in 1962.

Women20 is an official G20 engagement group focusing on policy recommendation engagement, socio-economic empowerment and the overall wellbeing of women throughout the G20 countries. During the event, Sadara’s female delegation shared their empowerment experiences and demonstrated Sadara’s mission and vision directed toward its strategic objectives.



TRAINING AND DEVELOPMENT

(103-1,103-2, 103-3,202-2,403-5, 404-1, 404-2)

Trainings	2018	2019	2020
Average Hours / Employee	17	28	14
Average Hours / Male employee	17	28	14
Average Hours / Female employee	9	14	18
Average Hours / Leader	37	27	31
Average Hours / Professional	8	16	15
Average Hours / Non-Professional	5	38	43
Total Training Cost (US\$)	3,466,683	2,194,324	2,112,814
Total Number of employees receiving training	3,392	1,503	3,365
Training Cost / Employee (US\$)	1,022	1,460	628

Safety Training*	2018	2019	2020
Number of Training hours	32,881	41,134	47,032
Number of participants	8,992	8,521	9,593

*Including Sadara’s regular, SMPs and contractor employees

Workforce Development Programs – 2020 Highlights:

Programs	Number of Training Hours	Number of Participants
Workforce Development Programs		
Workforce Development Courses	2,717	272
Technical Training Program	10,163	554
Sadara Program for Operators and Technicians (SPOT)	37,620	171
Sadara Professional Development Program (SPDP)	11,520	24
Mentorship Development Program	902	156

Leadership Development Programs		
High Potential (HiPo) Development Program	39,600	98
Sadara Leadership Development Program	4,431	224
Leadership Foundation Development Program	936	39
The Institute of Leadership & Management (ILM)	1,685	64

Career Enhancement Programs		
Educational Support Program	111 participants	
Out of Company Courses (OOC)	10,824 hours	202 participants
Individual Development Plan (IDP):	1,353 participants	Target: 3,155

Non-Employee Training Program

Interns are Graduated	55
On Job Training (OJT) Trainees Employed	12
On Job Training (OJT) Trainees Onboarded	40

For more details about Sadara Workforce Development Programs, please refer to the 2018 and 2019 Sustainability Reports.

Sadara Technical Enrichment Program (STEP):

The Sadara Technical Enrichment Program (STEP) is a new initiative launched in early 2020 to provide opportunities to share technical knowledge, innovation and expertise among the company's professionals.

STEP aims to boost the sharing of technical knowledge in different fields and thereby support Sadara's journey toward being a world-class, leading organization.

Sadara's executive management, engineers and other professionals gathered in 2020 to conduct their first Technical Day event – a platform connecting Sadara's professionals to exchange expertise, innovative ideas and success stories.

The 2-day event was conducted as a major part of the STEP Program, and due to the coronavirus pandemic, it was a virtual one, made possible by the very latest digital technologies. The event featured a total of 59 sessions, where 60+ speakers delivered presentations and more than 900 employees registered.

The presentations and papers covered a wide range of topics, including Manufacturing & Operational Excellence; Process Technology; Cyber Security; Industrial Revolution 4.0 (IR 4.0) Technologies; Automation; Analytical Chemistry Instrumentation; Optimization; Sustainability; and Environmental Science.



Opening Ceremony & Sadara CEO welcome note
Tuesday, November 3 8:00 AM-8:30 AM GMT+3



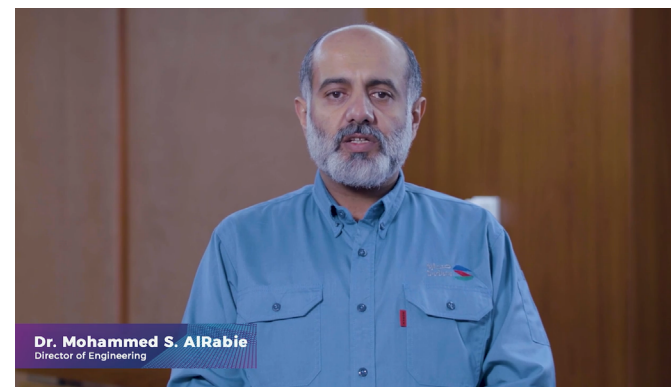
Keynote "The Self-Optimizing Plant of the Future"
Tuesday, November 3 8:30 AM-9:00 AM GMT+3



Opening Ceremony & Sadara CEO welcome note
Tuesday, November 3 8:00 AM-8:30 AM GMT+3



Opening and M&E Vice President key note
Wednesday, November 4 8:00 AM-8:20 AM GMT+3



STEP Committee Chairman Closing Speech
Wednesday, November 4 2:10 PM-2:25 PM



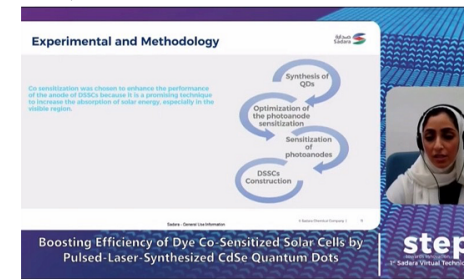
What to Know Leak-Free girth flange. Case study
Wednesday, November 4 8:30 AM-9:00 AM GMT+3



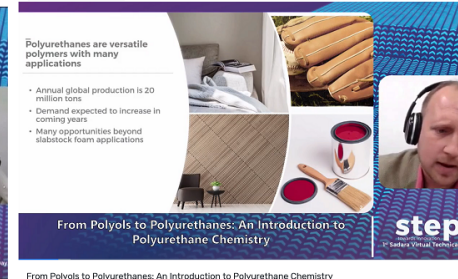
Environmental Health and Safety
Tuesday, November 3 11:40 AM-12:10 PM GMT+3



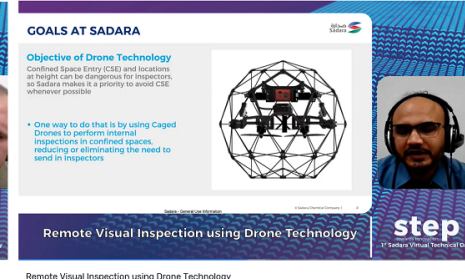
Sharing case studies on executing Flare system Project in Sadara
Tuesday, November 3 12:20 PM-12:50 PM GMT+3



Boosting Efficiency of Dye Co-Sensitized Solar Cells by Pulsed-Laser-Synthesized CdSe Quantum Dots
Tuesday, November 3 10:20 AM-11:20 AM GMT+3



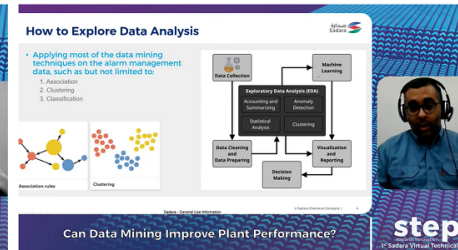
From Polyols to Polyurethanes: An Introduction to Polyurethane Chemistry
Tuesday, November 3 10:20 AM-11:20 AM GMT+3



Remote Visual Inspection using Drone Technology
Wednesday, November 4 9:10 AM-9:40 AM



Magnetite Printed Features Using a Tri-(acetylacetonato)iron(III) Metal Organic Decomposition Complex
Tuesday, November 3 10:20 AM-11:20 AM GMT+3



Can Data Mining Improve Plant Performance?
Tuesday, November 3 10:20 AM-11:20 AM GMT+3



IR4 implementation in Sadara: Autonomous Vehicles
Tuesday, November 3 10:20 AM-11:20 AM GMT+3

Engaging Our Employees

(103-1,103-2, 103-3, 401-2)

Sadara Employee Engagement Program

Employee engagement is the emotional investment our employees have in their role in Sadara and its mission. It has become a key metric that helps Sadara understand the health of its evolving culture.

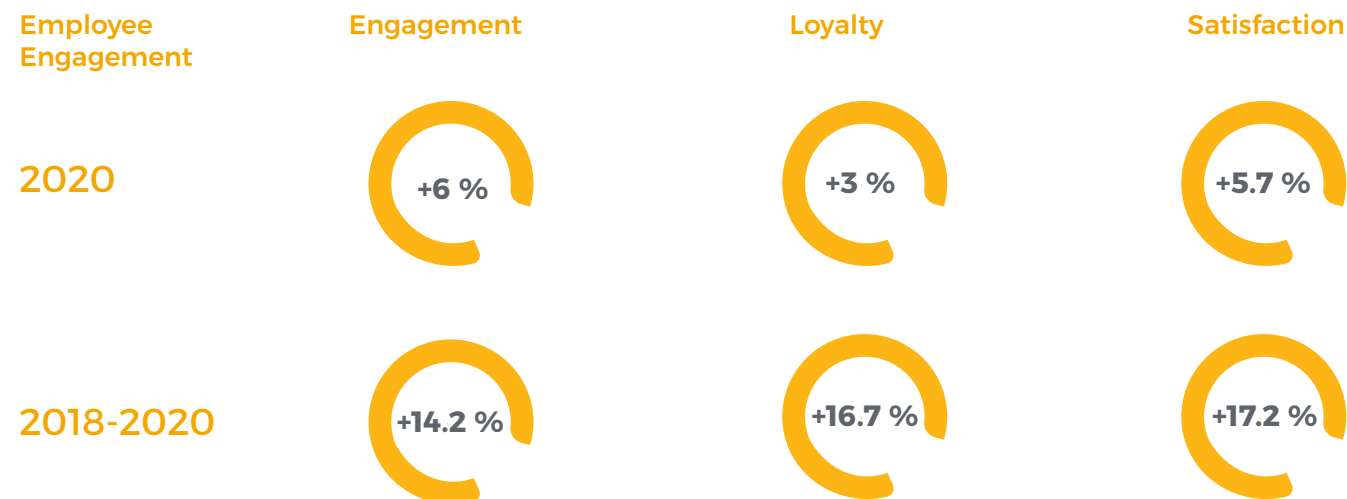
Employee engagement is an outcome of the relationship between an organization and its employees. An engaged employee is fully absorbed in and enthusiastic about his or her work, with a high level of commitment to the company and its goals.

At Sadara, we measure employee engagement based on one main engagement question, three engagement outcome questions, 14 questions measuring the "drivers" of engagement, and 27 sub-driver questions. These drivers represent the key psychological requirements for human motivation at work, and include factors such as professional growth, safety, working environment, diversity and inclusion and how meaningful employees find their work at Sadara.

Sadara's management believes that when employees are engaged, they're more likely to be productive, innovative and retained. Consequently, Sadara has taken the required actions to create

an inspiring and productive workplace that will help employees thrive at work. The key focus drivers, based on employee feedback, help Sadara prioritize its actions at two levels, the corporate level and the department level, so that managers are allowed the space to take the final call on their team's drivers in their area of focus, as managers are the critical link between employees and the organization. Empowering them to take ownership of their teams' engagement is critical. Simultaneously, Sadara can focus on the drivers that have a companywide impact.

In 2020, and in line with the COVID-19 coronavirus pandemic, new related questions were added to the year cycle to measure employees' perceptions of the organization's response to the COVID-19 pandemic. Focusing on key crisis management and change management themes, the question set provides managers and leaders with insights into how they can best support employees' wellbeing and productivity during this challenging period.



Sadara Home Ownership Program

The Home Ownership Program (HOP) is a long-term program that is part of Sadara's Total Rewards strategy. It has two options to assist Saudi regular employees in owning their dream house: a ready-built house and the Home Loan Program (HLP).

Year	Beneficiaries
2019	107 employees
2020	60 employees

Employee Wellbeing During COVID-19

The health and wellbeing of employees is of paramount importance to Sadara, especially in a challenging time like COVID-19 pandemic that is full of uncertainty.

Therefore, Sadara and through its health insurance partner, Bupa Arabia, has provided a dedicated program for employees to stay healthy in these difficult times.

Bupa's program was built around employees' overall wellbeing and consisted of online classes with expert health professionals to help them adopt a healthier lifestyle. The main areas were:



Healthy Minds and Souls

These sessions are presented by expert coaches to share simple ways to manage your worries and anxieties and adopt healthier habits to feed your emotional and mental well-being.



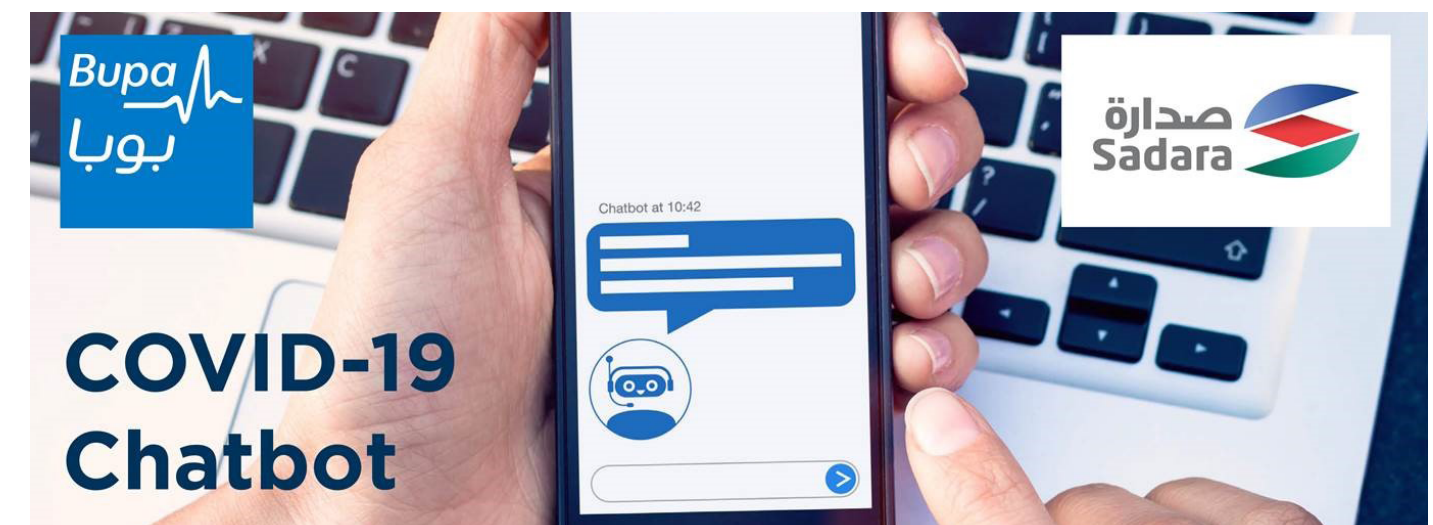
Weight Management & Fitness

These sessions are presented by nutritionists to help you adopt a healthy lifestyle to maintain a healthy body. Also they include a series of live workout classes with fitness coaches to help you feel stronger and more energetic.



Healthy Movement at home

These sessions tackle ways to prevent body pain, muscle strain, and lower back tightness from working on a desk for prolonged hours and emphasizes on proper posture to reduce the impact of repetitive movement.



Sadara Virtual Town Hall

Sadara held a Virtual Town Hall as part of its ongoing employee engagement efforts, bringing together leaders and the workforce in an all-company online gathering for the first time in the company's history.

Taking the opportunity of the Holy Month of Ramadan, the event was held online in the evening, under the slogan "Immune to Failure, Sadara Moves Ahead," discussing Sadara's past, current and future responses to the COVID-19 coronavirus pandemic as well as the company's achievements to date during 2020, and future prospects. The Virtual Town Hall was accessible to all employees through the company's internal social media platform, using mobile phones or computers, and recorded the participation of approximately 1,000 employees and leaders.

During the event, Sadara CEO Dr. Faisal AlFaqeer stressed the importance of stepping up efficiency and effectiveness in Sadara's day-to-day activities, overcoming or limiting any future COVID-19 issues facing the company and focusing efforts on, and heightening awareness of, the company's best-in-class record in safety.

Sadara Virtual Sustainability Seminar

The Virtual Seminar was conducted by the Sadara Sustainability Committee and led by Dr. Abdullah Alahmari, Sadara's VP of Business & Services and Chairman of the Committee, who took the audience through the company's sustainability journey and achievements for 2019 and beyond.

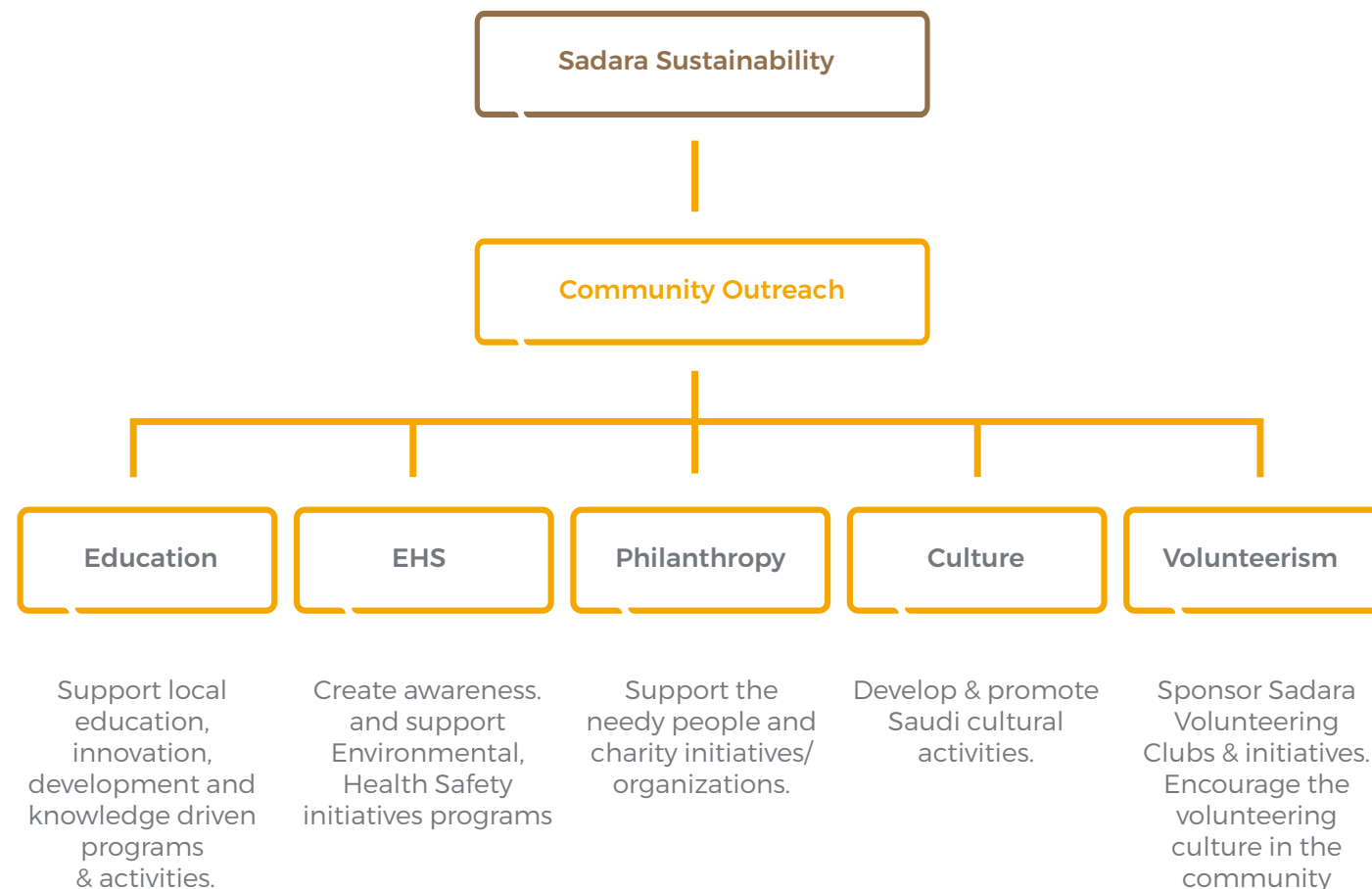
The session concluded with Dr. Alahmari unveiling the 2019 Sustainability Report for the company's employees. Hundreds of employees attended the online event, demonstrating how Sadara's workforce is serious about learning and pursuing sustainable strategies whenever possible.

OUR COMMUNITY

(103-1, 103-2, 103-3, 413-1)

Sadara's Community Outreach Strategy was designed primarily to align the company's goals and brand values with social impact results. It builds a commitment and a foundation for decision-making and enables better planning, project management and measurement. In essence, it is the roadmap to boost shareholders and community's trust as well as increase profit in a sustainable and ethical way by taking ownership of corporate decisions and improving them with a clear medium- to long-term vision. Sadara's previous community activities consist

mostly of generically socially-oriented seasonal activities that took place across the Kingdom. To move Sadara's community efforts to the next level we have transformed our community outreach efforts to be more strategically aligned with Sadara's purpose, vision, business objectives and sustainability strategy, as well as the related goals of U.N SDGs and Saudi Arabia's Vision 2030.



Education

Sadara offers dynamic programs and activities with an aim to support education, innovation, development and knowledge across the local community in the Eastern Province as its primary focus and the Kingdom at large.

Students Development Programs:

2020


107
participants

127,776
hours

Sadara Internship Program:

Sadara received 2 batches of student interns, totaling 55 male and female interns from diploma and bachelor's degree programs, who joined Sadara as part of the company's Internship Program for 2020. Students were brought onboard from different educational institutions in the Eastern Province: Prince Mohammed bin Fahad University, King Fahad University of Petroleum and Minerals,

Imam Abdulrahman bin Faisal University, Jubail University College (JUC), Jubail Industrial College (JIC) and Jubail Technical Institute (JTI).



Sadara On-Job Training (OJT) Program:

As part of its efforts to advance the qualification of young Saudi fresh graduates, Sadara welcomed 40 Saudi graduates from various industrial, technical and engineering specializations in the diploma programs of Jubail Industrial College (JIC) and Jubail Technical Institute (JTI) as trainees in various technical and engineering disciplines.

Trainees underwent an OJT program that would continue for periods ranging from six months to a full training year during 2020-2021, and successful candidates would eventually be hired as regular employees



Educational Support

Support for Students' College Exam Preparations:

Sadara supported a training program preparing high school students in the Eastern Province to take the Ministry of Education examination required for application to colleges and universities. The initiative was conducted in collaboration with the National Social Development Committee in al-Khobar (Ruqi), which organized the training course from which 40 students graduated.



Holy Qur'an Memorization Charity Association Sponsorship:

In support of the education of needy people, Sadara sponsored the Holy Qur'an Memorization Charity Association in al-Khobar city, providing SAR 50,000 for its 2020 programs and activities.

MoU Signing with Saudi Council of Engineers:

Sadara signed a MoU with the Saudi Council of Engineers to pursue cooperation opportunities between the two parties. The initiative took part during Sadara's celebration of completion of registration for all its engineers for professional engineering accreditation.



Support for Distance Learning within the Kingdom during COVID-19:

Sadara donated computer equipment and supplies to Ertiqa, a non-profit association, as well as to a Jubail high school for girls.

The donation was part of a strategy that reflects Sadara's belief in the national role the company plays supporting the success of distance-learning measures currently applied across the Kingdom's educational institutes to combat the spread of the COVID-19 pandemic.



Environment, Health and Safety

Environment

2020 Innovative Environmental Solutions Competition:

For the third year in a row as Sadara conducted its annual local Innovative Environmental Solutions Competition for 2020 in collaboration with the Royal Commission for Jubail. This community environmental initiative is held on yearly basis as part of serving Sadara's community outreach strategy, seeking to contribute to the achievement of the U.N.'s Sustainable Development Goals (SDGs).



The 2020 competition imbedded many improvements especially its criteria and evaluation process as well as focused on four SDGs: Goal - 6 (Clean Water and Sanitation), Goal-7 (Affordable and Clean Energy), Goal - 12 (Responsible Consumption and Production) and Goal - 13 (Climate Action).

The competition has set a record in its history on different levels including community engagement, participants across the Kingdom, quality of projects, target audience and age range, which reflect the success of this initiative in terms of purpose, scope and objectives.

The 2020 judging committee was a successful collaboration comprised of representatives from the Royal Commission for Jubail, the Ministry of Economy and Planning -- the acting representative for Saudi Arabia's sustainable development -- and Sadara, which has witnessed strong competition among applicants and high quality of work.

Winners were announced and honored during a virtual ceremony attended by Sadara's CEO and Management Committee as well as the organizing and judging committee members.



2020 "Our Green Future"- Environmental Contest:

Sadara conducted its environmental drawing contest devoted to the children of the company's employees. The competition aims to raise the awareness of current and future generations on environmental protection and related causes as well as the related United Nations' SDGs.

The 2020 version focused on three main SDGs: Goal-6 (Clean Water and Sanitation), Goal-13 (Climate Action) and Goal-15 (Life on Land).



Children's participation against SDGs

Sadara Employees Clean-Up Campaign

Volunteers from Sadara employees conducted a clean-up campaign around the company's plant site premises.

The initiative was driven by the EHS Corporate team and aimed to promote proper disposal of plastic water bottles and improve the appearance of the gate entrance, as well as to improve the community culture among Sadara employees and visitors.

In addition, the activity highlighted the importance of using specified bins for plastic waste and reflected the company's responsibility toward the environment.



Health

Sadara Contributes to Kingdom's Efforts to Fight COVID-19:

Sadara contributed SAR 5 million to the Kingdom's Health Endowment Fund, in support of ongoing efforts by the Saudi Ministry of Health (MoH) and other Government agencies to combat the coronavirus COVID-19 pandemic and to aid the healthcare sector in securing the necessary tools to care for patients.

Produce High-Quality Ethanol for Local Sanitizers Manufactures for Health Sector:

Sadara partnered with Sipchem to supply high-quality ethanol required for the manufacturing of hand sanitizers.

The ethanol was provided to local manufacturers free of charge to enable them to produce much-needed hand sanitizers, which in turn were donated to the Ministry of Health for distribution to the healthcare industry throughout the Kingdom of Saudi Arabia to combat the spread of the COVID-19 pandemic.

A total of 100 tons of high-purity ethanol were produced, enabling approximately 150,000 liters of hand sanitizers.



Safety

Sponsoring Jubail Civil Defense Authorities on World Civil Defense Day:

As part of its yearly support for Jubail Civil Defense authorities, Sadara celebrated World Civil Defense Day 2020 with them and the Jubail community, with the theme of "Safety First."



Philanthropy

Signing MoUs with Non-Profit Organizations in Jubail:

Sadara signed 2 Memorandums of Understanding (MoUs), one with the Wahaj Women's Charitable Association and the other with the Advocacy, Guidance and Community Awareness (Resalah) Association in Jubail Industrial City.

The initiative came as part of Sadara's support for associations and charities in the Jubail governorate, in which it streamlines cooperation between the company and the two associations in various charitable programs and activities, including: orphan sponsorship, school bags, hospital visits, Eid al-Adha support, winter clothing and other activities, in addition to cooperation in the fields of volunteering and awareness between the parties, including a contribution program for Sadara employees.

Fundraising Charitable Activities:

In connection with the Holy Month of Ramadan, Sadara and its employees donated over SAR 120,000 for the Wahaj and Resalah charities to support their "Ramadan Food Basket" and breakfast "Iftar" programs for needy people during the month. More than 7,500

disadvantaged persons benefited directly from the initiative.

In addition, Sadara conducted a fund-raising campaign for its employees for the purchase of winter clothing and requirements for needy residents of the Jubail area during the winter of 2020-2021.

This year's 10-day campaign raised more than SR 86,000, compared with SAR 18,000 in 2019, and went to Wahaj and Resalah associations.

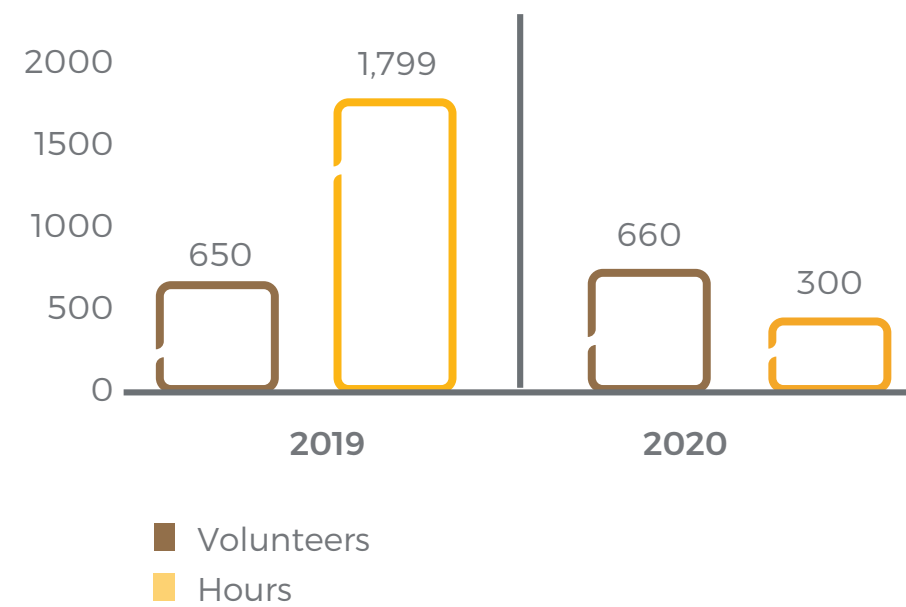
Volunteerism

Sadara Volunteer Club (SVC)

The SVC scope mainly covers:

- Support Sadara Community Outreach Programs
- Pro-active initiatives.
- Support Saudi Volunteering Programs & Initiatives
- Promote Volunteerism.





Arab Orphans Day Celebration:

Sadara hosted a Fun Day for orphans from Jubail and surrounding areas under the “Basmah Initiative,” which was organized by the Sadara Volunteer Club (SVC) for the third year in a row.

The initiative is a result of continued cooperation between Sadara and various charitable associations committed to giving back to the community.



Sadara Women’s Affinity Network (SWAN)

Sadara Women’s Affinity Network (SWAN) scope includes but limited to:

- Support Saudi Women’s Empowerment.
- Development & Engagement Programs.
- Events & Conferences.

In 2020, SWAN conducted several gatherings and workshops with the support of Sadara leaders.

The activities aimed to provide awareness for female employees in different areas varied from leadership to Manufacturing & Engineering complexities, PlasChem Park to Sadara’s vision and mission and how Sadara women plays an important role in the success of the company and in the Kingdom at large.



Culture

Sponsoring Jubail Governorate 2020 Events:

Sadara collaborated with the Jubail Public Events Committee and sponsored its national and cultural events, mainly during Eid and National Days, which normally have a positive impact on residents and visitors of the Jubail governorate.

APPENDIX I:

Reporting Standards and Frameworks

This report follows the GRI Standards and U.N. Global Compact principles.

It also presents Sadara's contribution to each content category to achieve the U.N. Sustainable Development Goals.

Furthermore, the report follows Saudi National Sustainability Reporting Standards and links the efforts to the Kingdom's Vision 2030.

Global Standards and Frameworks

GRI Content Index (102-55)



For the Materiality Disclosures Service, GRI Services reported that the GRI Content Index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

The service was performed on the English version of the report.

GRI Standard	Disclosure	Page Number(s), URL reference, or notes.	SDG	UNGC
GRI 101: Foundation 2016				
GRI 102: General Disclosures 2016				
Organizational Profile	102-1	Name of the organization	Sadara Chemical Company	
	102-2	Activities, brands, products, and services	12	
	102-3	Location of headquarters	Jubail Industrial City (2 (KSA	
	102-4	Location of operations	12	
	102-5	Ownership and legal form	Limited Liability Company owned by Dow Chemical Company (35%) and Saudi Aramco ((65%	
	102-6	Markets served	KSA	
	102-7	Scale of the organization	12, 13	
	102-8	Information on employees and other workers	74	8.5
	102-9	Supply chain	61	
	102-10	Significant changes to the organization and its supply chain	Aramco customer	
	102-11	Precautionary Principle or approach	28	
	102-12	External initiatives	16, 17, 30, 31, 40, 41, 54, 55, 72, 73	
	102-13	Membership of associations	18	17.17 ,17.16
Strategy	102-14	Statement from senior decision-maker	8, 9, 10, 11	
	102-15	Key impacts, risks, and opportunities	27, 28	

Ethics and Integrity	102-16	Values, principles, standards, and norms of behavior	12	
	102-17	Mechanisms for advice and concerns about ethics	29	
governance	102-18	Governance structure	13	
	102-23	Chair of the highest governance body	13	
	102-25	Conflicts of interest	https://sadara.com/en/About/Ethics_and_Compliance	
	102-29	Identifying and managing economic, environmental, and social impacts	24	
	102-30	Effectiveness of risk management processes	28	
	102-32	Highest governance body's role in sustainability reporting	6, 7	
	102-40	List of stakeholder groups	24	
Stakeholder Engagement	102-41	Collective bargaining agreements	No collective bargaining agreements were formally in place in 2020	8.8
	102-42	Identifying and selecting stakeholders	24	
	102-43	Approach to stakeholder engagement	24	
	102-44	Key topics and concerns raised	24	
Reporting Practices	102-45	Entities included in the consolidated financial statements	Sadara Chemical Company only	
	102-46	Defining report content and topic Boundaries	6,26	
	102-47	List of material topics	26	
	102-48	Restatements of information	No restatements of information	
	102-49	Changes in reporting	6, 24	
	102-50	Reporting period	01/01/2020 – 31/12/2020	
	102-51	Date of most recent report	2019	
	102-52	Reporting cycle	Annual	
	102-53	Contact point for questions regarding the report	6	
	102-54	Claims of reporting in accordance with the GRI Standards	6	
	102-55	GRI content index	93	
	102-56	External assurance	109-112	

Material Topics				
GRI 200 Economic Standard Series				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	56	
	103-2	The management approach and its components	56	
	103-3	Evaluation of the management approach	56	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	56	8.1, 9.1, 8.2, 9.4, 9.5
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	74,76	
	103-2	The management approach and its components	74,76	
	103-3	Evaluation of the management approach	74,76	
GRI 202: Market Presence 2016	202-2	Proportion of senior management hired from the local community	74-78	
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	60,68	
	103-2	The management approach and its components	60,68	
	103-3	Evaluation of the management approach	60,68	
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	60, 68-71	,5.4, 9.4, 11.2
	203-2	Significant indirect economic impacts	60, 68-71	1.2, 1.4, 3.8, 8.2, 8.3, 8.5,
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	63	
	103-2	The management approach and its components	63	
	103-3	Evaluation of the management approach	63	
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	63-67	8.3,

GRI 300 Environmental Standard Series				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	44	
	103-2	The management approach and its components	44	
	103-3	Evaluation of the management approach	44	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	44-46	7.2, 7.3, 8.4, 12.2, 13.1
	302-3	Energy intensity	44-46	7.2, 8.4, 12.2, 13.1
	302-4	Reduction of energy consumption	44-46	7.2, 8.4, 12.2, 13.1
	302-5	Reductions in energy requirements of products and services	44-46	7.2, 8.4, 12.2, 13.1
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	45	
	103-2	The management approach and its components	45	
	103-3	Evaluation of the management approach	45	
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	45-46	6.3, 6.4, 6.A, 6.B, 12.4
	303-2	Management of water discharge-related impacts	45-46	6.3, 6.4, 6.A, 6.B, 12.4
	303-3	Water withdrawal	45-46	6.3, 6.4, 6.A, 6.B, 12.4
	303-4	Water discharge	45-46	6.3,
	303-5	Water consumption	45-46	6.4,
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	53	7,8
	103-2	The management approach and its components	53	
	103-3	Evaluation of the management approach	53	
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	53	6.6, 14.2, 15.1, 15.4, 7,9

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	42	
	103-2	The management approach and its components	42	
	103-3	Evaluation of the management approach	42	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	42-43	3.9, 12.4, 13.1, 14.3, 15.2, 7
	305-2	Energy indirect (Scope 2) GHG emissions	42-43	3.9, 13.1, 14.3, 15.2, 7
	305-4	GHG emissions intensity	42-43	3.9, 13.1, 14.3, 15.2, 7
	305-5	Reduction of GHG emissions	42-43	3.9, 13.1, 14.3, 15.2, 7
	305-6	Emissions of ozone-depleting (substances (ODS	42-43	3.9, 13.1, 14.3, 15.2, 7
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	46,48	
	103-2	The management approach and its components	46,48	
	103-3	Evaluation of the management approach	46,48	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	46-47	6.3, 6.4, 6.6, 12.4, 14.1, 7,8,9
	306-2	Management of significant waste-related impacts	46-47	6.3, 12.4, 12.5, 7,8
	306-3	Waste generated	46-47	6.3, 6.6, 12.4, 14.1, 15.1, 7,8
	306-4	Waste diverted from disposal	46-51	12.4, 7,8
	306-5	Waste directed to disposal	46-51	14.2, 15.1, 15.5, 7,8

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	63	6.6,	
	103-2	The management approach and its components	63	12.4,	
	103-3	Evaluation of the management approach	63	14.1,	
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	63	15.1	7,8
GRI 400 Social Standard Series					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	74	14.2,	
	103-2	The management approach and its components	74	15.1,	
	103-3	Evaluation of the management approach	74	15.5	7,8
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	74	5.1, 8.5, 8.6, 10.3	4,5,6
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	74-81	2.3, 3.2, 5.4, 8.5	
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	30-37		
	103-2	The management approach and its components	30-37		
	103-3	Evaluation of the management approach	30-37		

GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	30-37, Report 2018 ,36	8.8	
	403-2	Hazard identification, risk assessment, and incident investigation	28, 30-37	8.8	
	403-3	Occupational health services	34,81	8.8	
	403-4	Worker participation, consultation, and communication on occupational health and safety	34,81	8.8, 16.7	
	403-5	Worker training on occupational health and safety	76,81	8.8	
	403-6	Promotion of worker health	34,81	3.3, 3.5, 3.7, 3.8	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	30-37	8.8	
	403-8	Workers covered by an occupational health and safety management system	30-37	8.8	
	403-9	Work-related injuries	36	3.6, 8.8, 16.1,	
	403-10	Work-related ill health	30-37	3.3, 3.4, 8.8, 16.1	
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	76-78		
	103-2	The management approach and its components	76-78		
	103-3	Evaluation of the management approach	76-78		
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	76-78	4.3, 4.4, 4.5, 8.2, 8.5, 10.3	3,4,5,6
	404-2	Programs for upgrading employee skills and transition assistance programs	76-78	8.2, 8.5	3,4,5,6
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	13,74-75		
	103-2	The management approach and its components	13,74-75		
	103-3	Evaluation of the management approach	13,74-75		

GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	13,74-75	5.1, 5.5, 8.5	3,4,5,6,7
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	83		
	103-2	The management approach and its components	83		
	103-3	Evaluation of the management approach	83		
GRI 410: Security Practices 2016	412-10	Security personnel trained in human rights policies or procedures	83		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	63-71, 83-91		
	103-2	The management approach and its components	63-71, 83-91		
	103-3	Evaluation of the management approach	63-71, 83-91		
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	63-71, 83-91		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	63-71		
	103-2	The management approach and its components	63-71		
	103-3	Evaluation of the management approach	63-71		
GRI: 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	63-71	5.2, 8.8, 16.1	
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	39,57-59		
	103-2	The management approach and its components	39,57-59		
	103-3	Evaluation of the management approach	39,57-59		
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	39,57-59		

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	39		
	103-2	The management approach and its components	39		
	103-3	Evaluation of the management approach	39		
GRI 417: Marketing and Labelling 2016	417-1	Requirements for product and service information and labelling	39	12.8, 16.3	

Appendix II: Local Standards and Frameworks

National Sustainability Standards			Page Number(s)
General			
Class 1	1	Corporation's name and date	12
	2	Sustainability strategy	24-27
	7	Sustainability reporting practices	6-7, 16-17, 24-2,7,30-31, 40-41, 54-55, 72-73, 92-107
	8	Supporting partnership for sustainability	16-18,30-31, 40-41, 54-55, 72-73
	9	Financial results summery	56
	10	Employment and training policies	74,76-78
	11	Energy consumption and natural resources	44-46
	12	Environmental compliance with environmental monitoring system and networks	2019 Sustainability report page: 80-88
	3	Sustainability governance	12, 24-27 2019 Sustainability report page 34
	4	Ethics and integrity	https://sadara.com/en/About/Ethics_and_Compliance 12,29
	5	Engage stakeholders	24-26
	6	Determining the core issues	24-27
Governance & Economy			
Class 1	1	Corporate ownership and the fundamental system	12
	2	Governance and board of directors	13
	3	Company strategy and policies	12-13
	6	Protecting integrity and combating corruption	29

Class 2	4	The coronation’s economic impact	56-57, 60, 86-71
	5	Markets and procurement and board of directors	57, 63-71
Class 3			
Class 1		Social	
	1	Employment policy and regulation	74-75,80-82
Class 1	3	Occupational health & safety	30-59
	4	Training and qualifying workers	76-78
Class 1	5	Diversity, equal opportunities, and non-discrimination	74-75
	10	Health and safety of the customer	39
Class 2	12	Marketing	57
	8	Local community development	63-71,83-91
Class 2	9	Supply chain	61-67
	11	Customer privacy policy	57-59
Class 3			
	7	Security practices and maintaining security	38
Class 3		Environmental	
Class 1	1	Environmental planning and assessment for corporation	53 sustainability report 2019 Page: 78,79
	3	Energy	44-45
Class 2	4	Water and liquid wastes	45-46
	5	Biodiversity	53
Class 3	6	Emissions	42-45
	7	Effluent/ liquid waste and residues	46-51
Class 3	8	Environmental assessment of supplier	63

ALIGNMENT WITH SAUDI VISION 2030’S OBJECTIVES:

Level 1	Level 2		Level 3		Page
Vibrant Society					
L1: Strengthen Islamic values & national identity	1.1	Foster Islamic values	1.1.1	Foster values of moderation & tolerance	https://sadara.com/en/About/Ethics_and_Compliance
			1.1.2	Foster values of excellence & discipline	9-23,29,76-78
			1.1.3	Foster values of equity & transparency	19-26,29,74-75
			1.1.4	Foster values of determination & perseverance	76-82
L2: Offer a fulfilling & healthy life	2.1	Improve health-care service	2.1.1	Ease the access to healthcare services	32-34,81
			2.1.2	Improve value of healthcare services	32-34,81
			2.1.3	Strengthen prevention against health threats	32-34
	2.2	Promote a healthy lifestyle	2.2.1	Increase public participation in sports and athletic activities	81
			2.3	Improve livability in Saudi cities	2.3.3
	2.3.4	Enhance traffic safety			35-38
	2.4	Ensure environmental sustainability	2.4.1	Reduce all types of pollution (e.g. air, sound, (water, soil	42-53,86-87
			2.4.2	Safeguard the environment from natural threats	44-46,86-87
			2.4.3	Protect & rehabilitate natural landscapes	48-51,53,86-87
	2.6	Create an empowering environment for Saudis	2.5.2	Grow Saudi contribution to arts & culture	87,91
			2.6.2	Enable suitable home ownership among Saudi families	81
			2.6.3	Develop positive attitude, resilience, and hard-work culture among our children	85,87
			2.6.5	Improve effectiveness and efficiency of welfare system	83

Thriving Economy					
L3: Grow & diversify the economy	3.1	Grow contribution of the private sector to the economy	3.1.1	Enhance ease of doing business	57,60
			3.1.4	Ensure the formation of an advanced capital market	56-57,68-71
			3.1.5	Enable financial institutions to support private sector growth	57
			3.1.6	Attract foreign direct investment	68-71
			3.1.7	Create special zones & rehabilitate economic cities	68-71
	3.2	Maximize value captured from the energy sector	3.2.4	Grow contribution of renewables to national energy mix	44-45
	3.3	Unlock potential of non-oil sectors	3.3.3	Localize promising manufacturing industries	63-71
			3.3.7	Increase localization of non-oil sectors	68-71
	3.5	Position KSA as a global logistic hub	3.5.1	Create and improve performance of logistic hubs	61
	3.6	Further integrate Saudi economy regionally & globally	3.6.1	Push forward the GCC integration agenda	18,24-26,63
			3.6.2	Develop economic ties with the region beyond GCC	18,24-26
			3.6.3	Develop economic ties with global partners	18,24-26
	3.7	Grow non-oil exports	3.7.2	Develop promising local companies into regional and global leaders	63-71

L4: Increase employment	4.1	Develop human capital in line with labor market needs	4.1.1	Build a life-long learning journey	76-78	
			4.1.6	Ensure alignment of educational outputs with labor market needs	78,85	
	4.2	Ensuring equal access to job opportunities	4.2.1	Improve readiness of youth to enter the labor market	78,85	
			4.2.2	Increase women participation in the labor market	74,75,90	
			4.2.3	Enable integration of people with disabilities in the labor market	74	
	4.4	Attract relevant foreign talents for the economy	4.4.2	Improve working conditions for expats	74	
Ambitious Nation						
L5: Enhance government effectiveness	5.3	Engage effectively with citizens	5.3.2		Strengthen communication channels with citizens & business community	83
	5.4	Protect vital resources of the nation	5.4.1		Ensure development & food security	86,87
			5.4.2		Ensure sustainable use of water resources	45
L6: Enable social responsibility	6.1	Enable citizen responsibility	6.1.2		Encourage volunteering	89
	6.2	Enable social contribution of businesses	6.2.1		Enhance businesses' focus on their social responsibilities	83
			6.2.2		Enhance businesses' focus on the sustainability of the economy	27,60
	6.3	Enable larger impact of non-profit sector	6.3.1		Support growth of non-profit sector	85,89

Appendix III: Acronym

ACC	American Chemistry Council	GAMEP	General Authority for Meteorology & Environmental Protection
AEO	Authorised Economic Operator	GCC	Gulf Cooperation Council
ASIS	American Society for Industrial Security	GHG	Greenhouse Gas
AU	Asset Utilization	GJ	Giga Joule
BBO	Behaviour-Based Observation	GOSI	General Organisation for Social Insurance
BBP	Behaviour-Based Performance	GPCA	Gulf Petrochemicals and Chemicals Association
BGE	Butyl Glycol Ethers	GRI	Global Reporting Initiative
CAL	Central Analytical Laboratory	GROW	Gulf Region Organization for Women
CCE	Circular Carbon Economy	HCD	Human Capital Development
CCPS	Centre for Chemical Process Safety	HDPE	High Density Polyethylene
CE	Circular Economy	HES	Health, Environment, and Safety
CEMS	Continuous Emissions Monitoring System	HFCs	Hydrofluorocarbons
CH4	Methane	HLSim	Hearing Loss Simulator
CO	Carbon Monoxide	HRH	His Royal Highness
Co2	Carbon dioxide	HOP	Home Ownership Program
CPH	Employees in Chief Position Holder	Hi-Po	High-Potential
D&I	Diversity and Inclusion	IDP	Individual Development Plan
DPMO	Defect Tracking Method per Million Opportunity	IFC	International Finance Corporation
EHS	Environmental, Health and Safety	IH	Industrial Hygiene
EIC	Energy Industry Council	IKTVA	The in-Kingdom Total Value Add Programme
EIA	Environmental Impact Assessment	ILM	Institute of Leadership & Management
EO	Ethylene Oxide	IP	Intellectual Property
ERM	Enterprise Risk Management	RCJY	Royal Commission for Jubail and Yanbu
ES&OP	Extended Sales and Operations Planning	RC-SME	Reactive Chemicals- Subject matter expert
G20	Group of Twenty	RoSPA	Royal Society for Prevention of Accidents

RTSA	Rail Transportation Services Agreement	KFIP	King Fahad Industrial Port
SAGIA	Saudi Arabian General Investment Authority	KOH-MagSil	Potassium hydroxide -Magnesium Silicate
SAR	Saudi Arabia Riyals	KT	Thousand Tons
SBC	Sadara Business Complex	LCGPA	Local Content and Government Procurement Authority
SDC	Surfactant Detergent Company	LDPE	Low Density Polyethylene
SDG	Self-Directed Groups	LLDPE	Liner Low-Density Polyethylene
SDG’s	Sustainable Development Goals	MAC	Maximum Asset Capacity
SDS	Safety Data Sheet	M&E	Manufacturing and Engineering
SEEC	Saudi Energy Efficiency Center	MC	Management Committee
SF6	Sulfur hexafluoride	MEED	Middle East Economic Digest
SFC’s	Surfactants	MEZ	Middle East Zone
SIFD	Saudi Industrial Development Fund	MFC	Mixed Feed Cracker
SOx	Sulfur Oxide	MIM	Ministry of Industry and Mineral Resources
SO2	Sulfur Dioxide	MIS	Ministry of Investment of Saudi Arabia
SPDP	Sadara Professional Development Program	MOE	Ministry of Energy
IR	Industrial Revolution	MOH	Ministry of Health
ISBL	Inside Battery Limits	MOU	Memorandum of Understanding
ISO	International Organisation for Standardisation	MP	Medium-Pressure
JAMAA	Jubail Area Mutual Aid Association	N.A	Not Applicable
JIC	Jubail Industrial College	NIDC	National Industrial Development Centre
JPC	Jubail Commercial Port	NIDL	National Industrial Development and Logistics Program
JTI	Jubail Technical Institute	NLR	New Leader Review
JUC	Jubail University College	NOx	Nitrogen Oxide
JV	Joint Venture	OCS	Operation Clean Sweep
KAPSARC	King Abdullah Petroleum Studies and Research Centre	OHSAS	Occupational Health and Safety Assessment Series

OJT	On Job Training	SVC	Sadara Volunteer Club
OOC	Out of Company Courses	SWAN	Sadara Women’s Affinity Network
OSBL	Outside Battery Limits	SWCC	Saline Water Conversion Corpora- tion
OSMMU	Offsite materials management unit	SWRO	Marafiq Seawater Reverse Osmo- sis
PCD	Project Completion Date	TDA	Toluene Di Amine
PG	Polyglycol	TDG	Transportation of Dangerous Goods
PFCs	Perfluorocarbons	TDI	Toluene di-Isocyanate
PM	Particulate Matter	TICA	Technology Implementation for Competitive Advantage
PMDI	Polymeric Methylene Di-Phynel Di-isocyanates	TCFD	Task Force on Climate-Related Financial Disclosures
PO	Propylene Oxide	TOC	Total Organic Carbon
PSR	Product Supply Reliability	TTU	Thermal Treatment Units
PSTL	Process Safety Technology Leader	VOC	Volatile Organic Compounds
PU	polyurethane	VP	Vice President
RCER	Royal Commission Environmental Regulations	W20	Women 20
SPOT	Sadara Program for Operators and Technicians	WACs	Work Activity Coordinators
STEP	Sadara Technical Enrichment Pro- gram	WHO	World Health Organization

EXTERNAL ASSURANCE

(102-56)



Independent Assurance Statement

Outline & Objectives

Sustainable Square Consultancy & Think Tank (hereafter, Sustainable Square) was assigned by Sadara Chemical Company (hereafter, Sadara) to provide independent third-party assurance of its 2020 Sustainability Report (hereafter, the Report) with a select set of KPIs presented in both the Sustainability report and the GHG Inventory Report covering the period of 01 January 2020 to 31 December 2020.

We planned and performed our work in accordance with the AA1000 Assurance Standard V3 (“AA1000AS”), where we provided AA1000 Type 2 Moderate Assurance, which evaluates the adherence to the AA1000AS assurance principles of Inclusivity, Materiality, Responsiveness, and Impact. Additionally, we also reviewed the reliability of specific sustainability performance indicators with a moderate level of assurance. These indicators are outlined in the ‘Scope of work’.

The information and all data presented in the Report is the responsibility of Sadara. On the other hand, this statement is the responsibility of Sustainable Square and represents our independent and balanced opinion. The target users of this statement are Sadara’s management, shareholders, stakeholders, and the readers of these reports. Nonetheless, it is intended for this statement to be read in its entirety.

Scope of work

The scope of work included assurance of the following (Subject Matter):

- Select content data and key performance indicators related to environment included in both the Sustainability Report and the GHG Inventory Report, and further detailed in the table below.
- Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse, and review the information reported.
- Evaluation of the nature and extent of Sadara’s adherence to the general principles of the AA1000 Assurance Standard (AA1000AS, V3) in its sustainability report:

- **Inclusivity**

- **Materiality**

- **Responsiveness**

- **Impact**

- Understanding and testing the processes used to adhere to and evaluate adherence to the Accountability Principles and the GRI Reporting Principles.

A select set of sustainability performance metrics:		
Area	Assurance Parameter (Performance Indicators)	Specifications
Production*	Total Petrochemicals production	3.116 million Tonnes of product sold
	GHG Intensity	2.087 Tonnes of CO2 equivalent per Tonne of products sold
GHG**	GHG emission Scope 1	4.264 million Tonnes of CO2 equivalent
	GHG emission Scope 2	2.238 million Tonnes of CO2 equivalent
Non-GHG*	SOx emissions	0.389 thousand Tonnes of SOx emissions
	NOx emissions	1.606 thousand Tonnes of NOx emissions
Energy*	Energy Intensity	28.377 GJ per Tonne of products sold
Flaring*	Flaring	271.074 thousand Tonnes of flaring loss
Water*	Water Intensity	9.803 Cubic meter per Tonne of products sold
Material Effectiveness*	Material Effectiveness Intensity	0.136 Tonnes of material loss per tonne of products sold
* KPIs reported in the Sustainability Report. ** KPIs reported in both the Sustainability Report & the GHG Inventory Report.		



Assurance Methodology

The assurance process was conducted in June 2021. Sustainable Square reviewed, on a sample basis, the processes and management practices in adherence to the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness, and Impact. The approach and procedures taken during the AA1000AS verification process included:

- Sustainable Square Assessed Sadara’s approach to stakeholder engagement to confirm that issues raised by stakeholders were captured correctly. This approach included reviewing engagement channels, surveys, findings, associated documents and records.
- Reviewed the process of identifying material topics from the stakeholders’ perspective, and the business perspective, to arrive at the materiality matrix.
- Interviewed Sadara’s Sustainability Team who were responsible for creating the sustainability structure, stakeholder engagement, implementation of the approach, creation of report and monitoring and evaluating results. Moreover, Sustainable Square conducted six qualitative engagements through video conferencing with the key members of Sadara’s management who are responsible for the scrutinized performance indicators listed under “Scope of work”.

Observations & Findings

Based on the information reviewed via our qualitative engagements and interviews, desktop research, and analysis of all submitted documentation, Sustainable Square is confident that the Report provides a comprehensive and balanced account of all the reviewed performance indicators for the period under review.

The data presented is based on systematic processes, and we are satisfied that the abovementioned performance data accurately represents Sadara’s performance on these areas, while meeting the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness, and Impact. The below observations are regarding the alignment of Sadara with these principles:

Principles	Observations & Findings
Inclusivity: actively identifying stakeholders and enabling their participation in establishing an organisation’s material sustainability topics and developing a strategic response to them. An inclusive organisation accepts its accountability to those on whom it has an impact and to those who have an impact on it.	We are not aware of any key stakeholder groups that have been excluded from Sadara’s stakeholder engagement process. Sadara demonstrated that they have incorporated these stakeholder concerns into their management approach and decision-making processes. Materiality related engagements took place indirectly through periodic reviews of stakeholder inputs, where department-heads and top management highlighted these concerns and aggregated them into the list of sustainability material topics.
Materiality: identifying and prioritising the most relevant sustainability topics, considering the effect each topic has on an organisation and its stakeholders. A material topic is a topic that will substantively influence and impact the assessments, decisions, actions, and performance of an organisation and/or its stakeholders in the short, medium and/or long term.	We are not aware of any material issues concerning Sadara’s sustainability performance that have been inadvertently omitted from the report. Additionally, topic identification of material issues followed an internal path of management setting up the list of key topics, based on their periodic engagements with their relevant stakeholder groups. This limitation was due to the COVID-19 restrictions, and the company plans on taking stakeholder inputs through direct in-depth engagements. It should be noted that Sadara’s materiality approach is aligned to national and international guidelines and followed by a

- Reviewed internal Sadara systems, processes related to data collection, calculations, analysis, and reporting.
- Sustainable Square applied the principles from The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) and ISO14064-3 to the Greenhouse gas emissions, water, waste, material effectiveness and energy assurance. The performance data review has been conducted to a limited level of assurance including evaluation of the adequacy of the collection, processing, consolidation, and internal reporting of data. The inventory and management system review consisted of a desktop review of supporting data and an output of the 2020 inventory and data sheets from Sadara’s internal sustainability data management system, and environmental data collection sheets and documentation.

Note: Due to the current circumstances regarding the COVID-19 Pandemic, we at Sustainable Square have decided not to conduct any site visits and used online video conferencing for engagements. We received all the data sources and documents from Sadara, based on a mutually signed Non-Disclosure Agreement to protect any sensitive data and data sources shared with us.

	thorough benchmark analysis to ensure that all possible risk areas are included in their materiality analysis.
Responsiveness: an organisation’s timely and relevant reaction to material sustainability topics and their related impacts. Responsiveness is realised through decisions, actions, and performance, as well as communication with stakeholders.	Sadara has demonstrated elaborate management systems in place, built to respond and address all their stakeholders’ concerns, especially employees, suppliers, customers, and government entities. These systems include detailed engagement channels with dynamic action plans associated with all requirements and stakeholders’ demands.
Impact: the effect of behaviour, performance and/or outcomes, on the part of individuals or an organisation, on the economy, the environment, society, stakeholders, or the organisation itself. Material topics have potential direct and indirect impacts – which may be positive or negative, intended, or unintended, expected or realised, and short, medium, or long term.	Sadara actively measures the impact of all its operations in line with their sustainability strategy and key focus areas. The measurements include a holistic management approach and management systems in place to monitor, evaluate and report on these KPIs. Sadara sustainability risk impact assessment and forecast are managed through the sustainability strategy that is aligned to the company wide strategy instead of being accounted directly in the risk management portfolio of Sadara. In this way, it allows for progression and development of key focus areas.

Conclusion

Based on all information and data reviewed through desk research, qualitative engagements, and management interviews, as laid out in the Scope of Work performed, and based on the assurance procedures we followed conducting Type II Moderate Assurance using the AA1000 Assurance Standard V3, we conclude that:

- The findings of the assurance engagement provide confidence in the systems and processes used for managing and reporting sustainability performance information. Data trails selected were identifiable and traceable, and the personnel responsible were able to reliably demonstrate the origin(s) and interpretation of data.
- The Subject Matter information (key Performance Indicators) included in the Reports are accurate, reliable, and free from material mistakes or misstatements, and provide a fair representation of Sadara’s activities over the reporting period.
- The Report properly reflects the organization’s alignment to and implementation of the AA1000 Assurance Standard principles of Inclusivity, Materiality, Responsiveness, and Impact in its operations. Further details were provided in the table above.
- Sadara has established appropriate systems for the collection, aggregation, and analysis of relevant information using an array of management systems and procedures.

- Recommendations for Sadara to consider implementing for future reporting have been provided in a separate “Management Recommendations Report”. Sadara has addressed all requests for clarification and has completed all necessary corrective actions.

Statement of independence, impartiality, and competence

Sustainable Square is an independent professional consultancy services provider that specialises in Corporate Sustainability Management & Social Impact.

No member of the verification team has a business relationship with Sadara, its directors or managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.

The verification team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems, and processes, with over 10 years combined experience in this field.

Monaem Ben Lellahom
Group CEO
Dubai, June 27th, 2021
Sustainable Square Consultancy & Think Tank



