



SABIC'S SUSTAINABILITY HIGHLIGHTS "TRANSFORMING TOGETHER"

November 16, 2017

A decorative graphic at the bottom of the slide features two thick, wavy lines. The top line is orange and the bottom line is blue, both flowing from left to right across the bottom half of the image.

CHEMISTRY THAT MATTERS™

TRANSFORMING TOGETHER



**Prince Saud Bin Abdullah
Bin Thenayan Al-Saud**
Chairman

“Sustainability – with its economic, environmental, and social dimensions – covers a wide territory; so to keep focused and effective, we have identified the top-five areas that are most important for our success.”

“Sustainability provides short-term gains while strengthening long-term prospects for any organization, both internally and externally. The benefits include financial value for shareholders, business resilience, inspired employees, stronger communities, and environmental stewardship.”



Yousef Abdullah Al-Benyan
Vice-Chairman and CEO

SABIC OVERVIEW



OVERVIEW



4th

Largest diversified
Chemical Company



35,000+

Employees



50

Countries



US\$

Net income 4.8 BN
Sales 35.4 BN
Assets 84.5 BN

VALUE CHAIN



Upstream

Lower carbon
or renewable
feedstocks



Operations

Resource efficiency
and energy
reduction projects;
Operational
excellence



Customers

Materials that
enable lower
energy for
processing



Use Phase

Energy savings
and reduced
material to meet
consumer
needs



End of life

Chemistry to enable
recycling; Developing
technology to
promote circular
economy

SABIC CORE MARKETS



Clean Energy



Medical Devices



Packaging



Transportation



**Electrical and
Electronics**



Construction



Agri-nutrients

SUSTAINABILITY STRATEGY



SABIC Vision: To be the preferred world leader in chemicals

- Sustainability is a foundational element and core SABIC value
- Sustainability adds value to economic, social, human, and natural capitals

BUILDING SUSTAINABLE VALUE

(FINANCIAL AND NON-FINANCIAL)



RESOURCES AND ENERGY EFFICIENCY

- Lower bottom line operating costs
- Resource and carbon efficiency
- More product per unit -feedstock



INNOVATION AND SUSTAINABILITY SOLUTIONS

- Top-line sustainability-solution growth
- Enable customer sustainability goals
- Technologies adapted to future needs



HUMAN CAPITAL DEVELOPMENT

- Positive behavioral change
- Capacity and capability awareness
- Enhanced decision making



EHSS AND PRODUCT SAFETY

- Safe and healthy employees
- Innovative and safer products
- Healthier societies



SUPPLY CHAIN

- Safer, more efficient transport
- Lower transport costs
- Faster product delivery

INNOVATION AND SUSTAINABILITY SOLUTIONS



Innovation and sustainability are at the core of SABIC's economic value-creation and growth strategy

INNOVATION & SUSTAINABILITY SOLUTIONS



78 (14%↑)

Sustainability solutions



12,191 (11%↑)

Patent Portfolio



6

New product families introduced



>170

Projects assessed for sustainability benefits and risks

HIGHLIGHTS 2016

- New product solutions meeting customers changing needs: **SUPEER™**, **COHERE™**, and **FORTIFY™**, new polyethylene resins enabling **thin-wall and low temperature processing**
- Building strong collaborations: signed agreement to develop a fully integrated crude oil-to-chemicals complex



Investing in innovation secures competitive edge today and tomorrow

RESOURCE AND ENERGY EFFICIENCY

- Lowering our intensities reduces our products' life-cycle impacts and helps us improve operational efficiency and operating costs

OPERATIONAL KEY METRIC AND TRENDS SINCE BASE YEAR 2010



SABIC's 2025 operational KPIs are 25% reduction in greenhouse gas emissions, energy and water use intensities and 50% reduction in material loss intensity

2016 HIGHLIGHTS

- SABIC's first global Energy Policy launched
- Material loss intensity improved by 17% versus 2015, with a strong focus on reducing venting and flaring (down 55% since 2010)
- Increased CO₂ purification at our United plant to reach approximately 173 kilotons annually, total current CO₂ utilization being 3.6 Million tons
- Neared the milestone of zero coal-fired assets in the Americas through the start-up of a natural gas-powered cogeneration unit at Mt. Vernon, Indiana



Cogeneration unit at Mt.Vernon, Indiana, USA

RECENT ACHIEVEMENTS

- ✓ Convert CO₂ waste into valuable products (urea, methanol and liquid CO₂ for food industry)
- ✓ Capture and purify up to 500,000 Metric Tons of CO₂
- ✓ SABIC's global CO₂ utilization as feedstock to 3.3 million Metric Tons (helping to reduce our material loss intensity by 29% since 2010).



World's largest CO₂ capture and purification plant – Converting waste CO₂ into valuable chemical products

- ✓ Designer W. McDonough chose SABIC's LEXAN™ sheet based on transparency, toughness, energy efficiency and ease to disassemble and reuse.



ICE house – Driving sustainable, cutting-edge building designs

HOME OF INNOVATION FACILITY, RIYADH

Collaboration Center



Gold rating, LEED New Construction v.3

- Seventh SABIC facility to achieve LEED rating since 2012
- Approx. 40% reduction in energy & potable water use
- Uses surplus electricity from Demonstration House array
- Electric vehicle charging stations in parking area

Demonstration House



Platinum rating, LEED for Homes International Pilot

- First LEED-Platinum single-family home in the Middle East
- Designed for net-zero energy balance
- Approx. 40% reduction in energy & potable water use
- On pace to generate 48,221 kWh of electricity per year

SUSTAINABLE AGRICULTURE RESEARCH CENTRE- ESTIDAMAH



KEY TAKEAWAYS

Sustainability brings **business value** to SABIC and its stakeholders:

- Accelerate innovation, grow our sustainable pipeline of products and technologies
- Strong progress in operations efficiency - reduces product life-cycle impacts and reduces operating costs
- Build and maintain a strong safety culture - beyond compliance, continuous improvement
- Optimize supply chain - increasing efficiency while reducing emissions
- Invest heavily in human capital, as people make the difference
- Build long-standing relationships with communities

Financial
value

Business
resilience

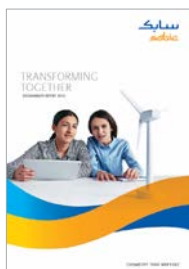
Employee
inspiration

Community
relations

Environmental
stewardship

TRANSFORMING TOGETHER – TO LEARN MORE

If you would like to know more about SABIC's sustainability facts and figures, you can visit the Sustainability Report 2016 at the following link



[SABIC Sustainability Report 2016](#)

Or you can contact the Corporate Sustainability Partner in your region:

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SABIC SUSTAINABILITY REPORT

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SUSTAINABILITY REPORT 2016



SABIC recognized as leader in global sustainability reporting by the World Business Council for Sustainable Development (**WBCSD**)

An example of good practice for performance because it focusses on:

- most important issues,
- development indicators
- well organized narrative

“Sustainability is a core value at SABIC because it creates value for shareholders, business resilience, inspired employees, stronger communities, and environmental stewardship.”

Yousef Al-Benyan, SABIC Vice-Chairman and CEO

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