

SABIC Agri-Nutrients Company

# Sustainability Report 2023







The Custodian of the Two Holy Mosques  
**King Salman Bin Abdulaziz Al Saud**



His Royal Highness Crown Prince, Prime Minister,  
Chairman of the Council of Economic and Development Affairs  
**Mohammad Bin Salman Bin Abdulaziz Al Saud**



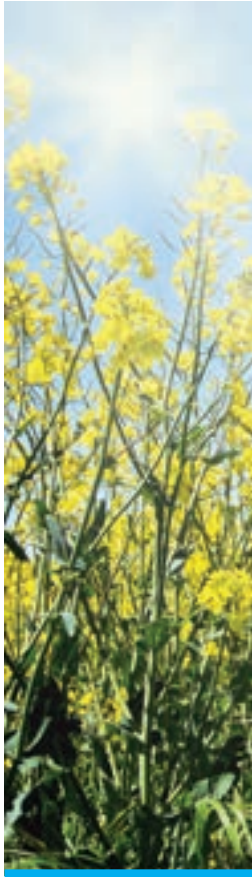
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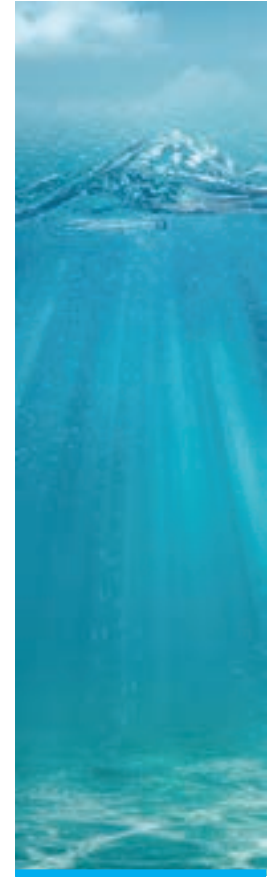


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# OVERVIEW

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# SUSTAINABILITY THROUGH INNOVATION, THE SABIC AN WAY

## About this Report

SABIC AN is a world-class producer and marketer of agri-nutrients. As a front-runner in the sector, we take a strategic and long term approach to ensuring sustainability of our products, services, business model, and wider impact on the Kingdom and planet.

While mainstreaming ESG considerations across our business model, we have leveraged SABIC AN's robust technology and innovation pipeline and industry-leading collaborations to explore opportunities beyond conventional fertilizers; extending our reach to the entire value chain, seeking to meet the evolving needs of growers around the globe, and responding to the scale and pace of developments that affect our planet.

This Report details our strategies and performance with regard to material Environmental, Social, and Governance considerations, and reiterates our commitment to sustainability in the agri-nutrient sector.

## Reporting period, scope and boundaries

SABIC AN publishes an Annual Report, which targets the financial and investor audience, and this Sustainability Report, which targets a wide internal and external audience. Published on March 31, 2023, this report covers SABIC AN's sustainability performance from January 01 to December 31, 2023. It includes all SABIC AN businesses and operations that are financially consolidated in our 2023 Annual Report 2023 available at our website: <https://www.sabic-agrinutrients.com/en/investor-relations/reports>.

We believe external assessments improve our sustainability reporting, and in continuation of SABIC's approach, we have taken services from KPMG to obtain limited assurance report on selected quantitative indicators. The limited assurance engagement includes absolute and intensity operational metrics: energy consumption, GHG emissions, water usage, material loss, flaring reduction and CO2 utilization and selected corporate EHSS metrics as noted in the KPMG assurance report (page 114).

**Global leader**  
in the agri-  
nutrients  
(Fertilizers)  
industry

**Headquartered**  
in Riyadh,  
Kingdom of  
Saudi Arabia

**Listed**  
on the Saudi  
Exchange

**58 years**  
in business

**Wide-ranging**  
portfolio  
of agri-nutrient  
products and  
solutions

**Innovation-**  
driven  
specialized  
products



### Reporting frameworks

Our sustainability reporting is prepared in accordance with SABIC's internally developed criteria, which is inspired by recognized frameworks including those established by the Greenhouse Gas (GHG) Protocol, Occupational Safety and Health Administration (OSHA), and the Global Reporting Initiative (GRI), among others. The detailed framework references used for the selected indicators for the sustainability report are provided in pages 123 and 124.

Our report has been prepared with reference to the GRI Standards, and a GRI Content Index is attached towards the end of this report.

### Vision

To be the preferred global leader in agri-nutrients.

### Mission

- Contributing to global food security in order to improve the quality of life by providing sustainable agri-nutrient solutions to our customers and communities.
- Engaging innovative minds to develop a unique and integrated range of sustainable agri-nutrient solutions using advanced and developed technologies to deliver leading-edge nutrients, towards higher yields of high-quality crops to feed an ever-growing global population.
- Encouraging and enhancing value for shareholders, customers, and employees.
- Attracting, developing, and maintaining our greatest assets (our employees).

**400+**  
patents

**9 million MT**  
total installed  
plant capacity

**7 million MT**  
supplied globally

**4,500+**  
orders  
processed  
annually

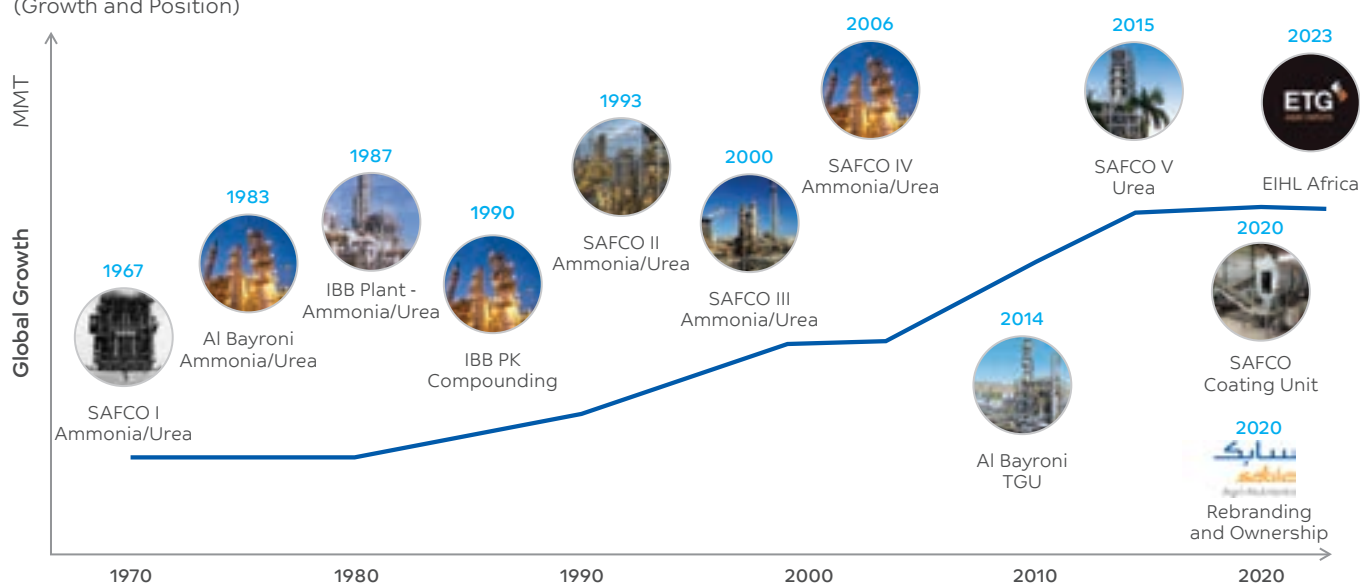
**150+**  
international  
routes

## Our history

Establishment of the Saudi Arabian Fertilizer Company (SAFCO) in 1966, through a joint venture between the Kingdom of Saudi Arabia and its citizens, marked a significant milestone for Kingdom's agri-nutrient sector. Evolving from these beginnings, the Company has expanded with establishment of new plants and unification of strategies to present a stronger front for operations. Having established a global presence, SAFCO underwent a rebranding in 2020, adopting the name SABIC Agri-Nutrients Company (SABIC AN).

## Evolution of SABIC Agri-Nutrients over last 60 years

(Growth and Position)



## Subsidiaries and significant shareholding

SABIC Agri-Nutrients holds a stake in the following companies:

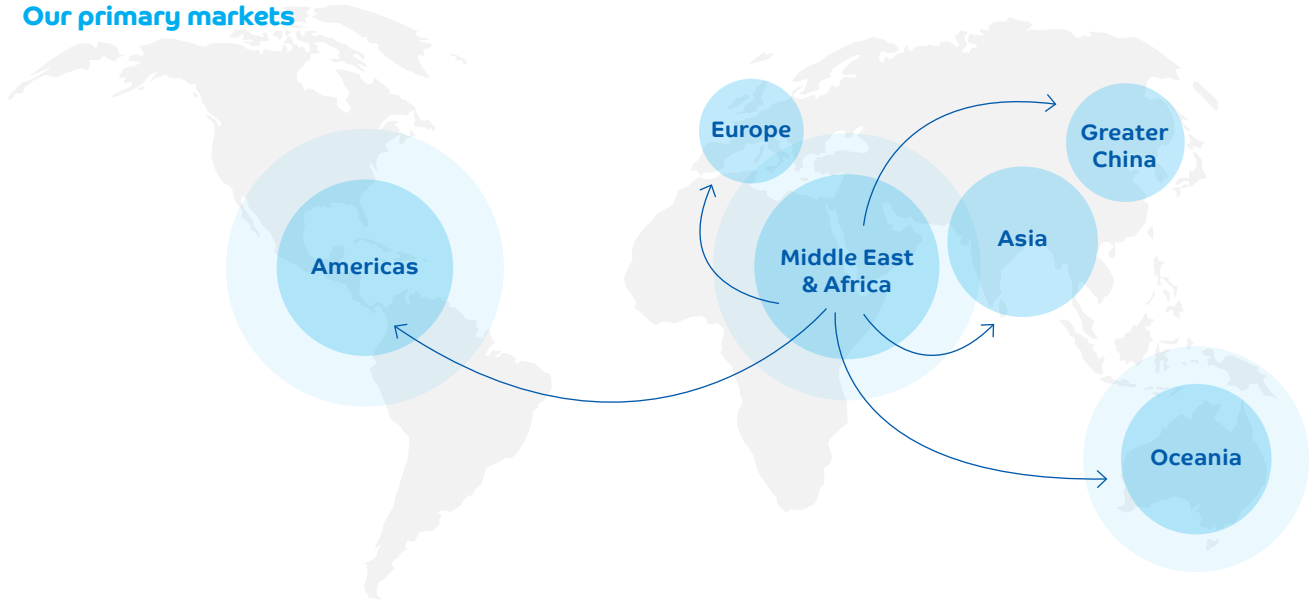
Company	Share
SABIC Agri-Nutrients Investments Co.*	100%
National Chemical Fertilizer Company (Ibn Al Baytar)*	50%
ETG Inputs Holdco Limited (EIHL)	49%
Arabian Industrial Fibers Company (Ibn Rushd)	3.87%
Yanbu National Petrochemical Company (YANSAB)	1.69%

SABIC Agri-Nutrients Investments Company holds a stake in the following companies:

Company	Share
National Chemical Fertilizer Company (Ibn Al Baytar)*	50%
Al Jubail Fertilizer Company (Al Bayroni)*	50%
Gulf Petrochemical Industries Company (GPIC) Bahrain	33.33%

\*The sustainability data from these companies are considered for this report.

**Our primary markets**



**Our products**

The Company’s product portfolio extends from general to highly specific, and caters to the world’s ever-increasing demand for food, and its many supply challenges. Our products are classified under two segments, agri-nutrients and chemicals - the portfolio includes urea, ammonia, phosphate and compound differentiated products, nitrogen based agri-nutrients and small volumes of organic industrial chemicals like 2Eh and DOP. The Innovation and Sustainability Solutions section on page 50 details SABIC AN’s range of fertilizer products and the Company’s commitment to developing innovative products and solutions to address and overcome global challenges.

<p><b>Nitrogenous fertilizers and phosphates</b></p>	<p><b>Technical Grade Urea (TGU)</b></p>
<p>SABIC AN has earned its place as a world-class producer and marketer of nitrogen-based inorganic products and phosphates, and these continue to form a key pillar of strategic future growth.</p>	<p>SABIC AN continues to supply manufacturers around the world with Technical Grade Urea (TGU). The superior quality and high purity of TGU made by SABIC AN meets global benchmarks and also helps marketing and distributing companies deliver premium solutions to their customers without compromising on quality.</p>
<p><b>Differentiated products</b></p>	<p><b>Low-carbon products</b></p>
<p>The Company leverages a sound base of research and development to develop and introduce value-added differentiated products to the global market. Products such as Zinc Coated Urea, Stabilized Urea, and Bio-Enhanced Urea are sustainable products providing greater value to farmers. The focus is on enhancing existing formulations and innovating new ones, not only to boost crop yields and quality but also to tackle scope 3 GHG emission challenges. In addition to agri-nutrients and chemical intermediaries, ammonia is finding new and promising applications in power generation, shipping fuel, and serving as carriers for hydrogen. These emerging opportunities position the Company to play a pivotal role in influencing and driving market growth.</p>	<p>In 2022, SABIC AN and Saudi Aramco obtained the world’s first independent certification of low-carbon ammonia. Since then, the Company has continued to lead the field in developing products for the low-carbon agri-nutrients market. 2023 marked another landmark achievement as SABIC AN delivered the world’s first global shipment of low-carbon urea. The Company aims to continue expanding its presence in the area of low-carbon agri-nutrients - developing products that are in compliance with local regulations and global benchmarks.</p>

# HIGHLIGHTS

## Industry leadership and innovation

**SABIC AN's unique multi-nutrient foliar fertilizer** with crop yield-building and protection components earned a Bronze Edison Award 2023.

**World's first global shipment of low-carbon urea delivered.** SABIC AN's Low Carbon Urea product recognized with a prestigious Gold Edison Award 2023.

**11,000 MT of low-carbon ammonia delivered;** aligned with Saudi Vision 2030's emphasis on low-carbon solutions and clean energy.

**Agricultural recycling,** fostering sustainability and environmental stewardship.

**Launch of pilot program and emissions-reduction study** for SABIC AN's Bio-Enhanced Urea in the USA – in collaboration with BioWish and ADM.

Significant **investments in T&I** for innovation, research, development and testing industry-leading products and services **that benefit growers across the globe.**

**43 active R&D projects** and 13 new patent families filed in 2023.

## Environmental stewardship

**Achievement of 81.5% reduction** (baseline year - 2010) **in material loss intensity,** surpassing interim-target for 2025.

**Achieved 21.8% reduction** (baseline year - 2010) **in GHG emissions intensity** through decarbonization efforts. On track to meet interim target of 25% reduction by 2025.

**Carbon Capture Utilization and Sequestration (CCUS)** project licensor selection completed and set to move towards engineering phase in 2024.



## Operational excellence

**8.3 million MT** of agri-nutrient products manufactured in 2023.

**Zero Product Stewardship Incidents (PST) in 2023**

**Operational Excellence Award in SABIC 2023**

## Focus on EHSS

**17,690 EHSS** trainings conducted with **53 average training hours** per employee in 2023.

**Achievement of 0.069 total incident rate**, surpassing the 2025 interim target for the second year running.

**Exemplary safety record** in the industry with 8.71 million safe man-hours of operation.

## Local content development

**Local content commitment** to support Saudi Vision 2030.

**SAR 892 million** in statutory payments that benefit the Kingdom and communities.

**89% Saudization rate**

Our **plasticizer products** support local industries



## CEO STATEMENT



**I am pleased to share with you the sustainability report from SABIC Agri-Nutrients (SABIC AN), which highlights notable milestones achieved in 2023 and provides a comprehensive overview of our sustainability strategies and performance.**

During the year, our commitment to sustainability, innovation, and operational excellence has propelled us to new heights; reinforcing our position as a leader in the agri-nutrient industry.

### **A strategy for success**

The importance of mainstreaming ESG in our core business through a variety of means, including promotion of sustainable agri-nutrient products and agriculture practices, cannot be overstated. The pace of change we are experiencing today in the agri-nutrient and agriculture industries is unprecedented. Population growth, demographic shifts, ecosystem degradation, and climate change are increasing pressure on the world's food systems and intensifying scrutiny on the environmental footprint of agricultural nutrients. At a time such as this, our mission of contributing to global food security and innovating to deliver leading-edge nutrients, is ever more critical. Meanwhile, technological disruptors are shaking-up ways of doing business. Sustaining our market-share, expanding to new regions, and strengthening our value proposition to customers, shareholders, and other stakeholders is only possible because of our highly-skilled and engaged team. This is why we are committed to promoting a people-first culture to safeguard and empower our employees. These two pillars are at the heart of our strategy for sustainable growth.

### **Milestones in our sustainability journey**

Collaborations and partnerships with innovators, industry disruptors, and technology leaders continued to be a priority in 2023. A pilot program in North America, in partnership with BiOWISH and Archer-Daniels-Midland Company, is demonstrating how SABIC AN's Bio-Enhanced Urea could unlock yield improvements and potential emission reductions. This and other partnerships that our teams are involved in, are exemplifying how innovators can come together to push the boundaries of what is possible in the agri-nutrient industry. Our Technology and Innovation function actively pursues such collaborations, develops new products, and creates exceptional value across the agriculture supply-chain. The majority of our active research continues to focus on sustainable products and services, including next-gen agricultural nutrients, differentiated agri-nutrient products, and low-carbon products that address the evolving needs of farmers. These are strong

growth areas for the future that also create a positive impact on sustainable agriculture and food systems.

In 2023, our dedication to advancing sustainability in agricultural nutrients was recognized globally. We marked a historic moment with the world's first global shipment of Low Carbon Urea; a testament to our commitment to delivering low-carbon solutions to industries and growers looking to cut emissions across their value chain. Developed from independently certified low-carbon ammonia, this innovative manufacturing solution received Gold at the prestigious Edison Awards. We also took strong steps toward cementing our position as a major player in the low-carbon products market; delivering 11,000 metric tons of low-carbon ammonia during 2023 on the back of our long-term decarbonization strategy and carbon-neutrality roadmap.

Since establishing our roadmap to achieve carbon neutrality, we have initiated several measures to improve reliability and energy efficiency across our production assets, while exploring medium to long-term strategies for emissions reduction. Efforts are on track to meet our interim target of 25% reduction in GHG Emission intensity by 2025. We continue to work on the five pillars for decarbonization of our operations; exploring opportunities for Carbon Capture Utilization and Storage (CCUS), electrification, increasing the share of renewables in our energy-mix, and analyzing market developments with regard to low-carbon ammonia and hydrogen. SABIC Agri-Nutrients is also cognizant of the challenges in the GHG emissions implementation and has initiated working with our value chain to effectively manage our Scope 3 GHG emissions. All future projects catering to our growth ambitions will deploy best-in-class climate neutral technologies.

### Investing in our people and communities

Our people are a top priority for the Company. Ongoing efforts to ensure Health and Safety led to SABIC AN achieving an incident rate that surpasses our 2025 interim target for the second year running. Our exemplary safety record in the industry, with 8.71 million safe man-hours of operation, reflects our unwavering commitment to the well-being of our workforce. In addition to employee health and wellbeing, we continued to invest in talent and capability enhancement, career planning, and leadership development that contributes to the success of our engaged and empowered teams.

### Looking forward

Despite cyclical changes and structural challenges faced by the agricultural nutrients industry, we have successfully navigated evolving market conditions through the guidance of our Board of Directors. They have set a visionary course for SABIC AN's growth, expansion, and sustainability ambitions; setting up our Company to capitalize on emerging opportunities in the coming years.

I want to express my gratitude to the immense dedication displayed by our team, whose passion, innovation, and hard work have been the driving force behind our achievements. I would also like to thank our executive management team for their support and leadership in taking up the challenges before us.

As we look ahead, SABIC AN remains committed to advancing the agricultural nutrient industry, fostering sustainability, and contributing to the prosperity of all our stakeholders.

### Abdulrahman Shamsaddin

Chief Executive Officer  
SABIC Agri-Nutrients Company

# SUSTAINABILITY

## The global context

Our sustainability strategy takes into account the global context in which we operate, the impetus provided by the Global Goals, and the needs of our business and its stakeholders.

Global food security	Our response
<p>The state of food security and nutrition has worsened in 2023, caused by slow global growth and persistently high inflation. According to statistics from the World Bank, prevalence of severe food insecurity affected around 11.6% of the global population in 2022–23 with assessments indicating around 943 million people around the globe could be facing severe food insecurity by 2025. Africa bears the heaviest burden of food insecurity, followed by Latin America and the Caribbean, and Asia.</p>	<p>With our recent expansion in Africa, and continued supply to the Americas and Asia, SABIC Agri-Nutrients is well positioned to enhance global affordability for farmers through innovative solutions. SABIC AN's Urea enhanced portfolio, currently under development, is expected to significantly reduce application rates, consequently leading to optimized farm input costs. Cheaper input prices will essentially translate to affordable food prices, made available without heavily-inflated costs.</p>
The energy challenge	Our response
<p>Global energy consumption continues to rise, despite sluggish economic growth and high energy prices. Agricultural production, inherently energy-intensive, relies heavily on direct energy sources such as on-farm fuel, natural gas, and electricity, as well as indirect sources like agrichemicals including pesticides, lubricants, and agricultural nutrients.</p>	<p>Our sustainability strategy is cognizant of the energy challenge and the global energy transition. We have set a pathway to net-zero emissions, which incorporates improvements in energy efficiency and major shifts in energy-use technologies, coupled with projected changes to increase the use of renewables.</p>
Climate change	Our response
<p>From wildfires to floods, cyclones, and severe weather events, climate change is impacting key agricultural regions across the globe. Amplified by loss of arable land these impacts have created ripple effects across the global food and agricultural supply-chain. The agriculture and agri-nutrient sectors are tasked with the imperative of adapting products, technologies, and practices to mitigate and adapt to the impacts of climate change.</p>	<p>With a carbon-neutrality pledge, a strong pipeline of low-carbon products and sustainable services, and continued investment in research and development; our sustainability strategy presents a proactive route for SABIC AN to respond to climate change.</p>
Policies and regulations	Our response
<p>Government policies across the globe are increasing scrutiny on the environmental footprint of the agricultural sector, and emphasizing more stringent environmental controls. There is growing pressure for decarbonization within the agri-nutrient industry and increased interest from industries seeking to reduce their emissions; driving demand for low-carbon products.</p>	<p>SABIC AN's strong R&amp;D capabilities and collaborations are helping decarbonize assets and progress toward carbon neutrality targets. Having received the world's first independent certification of low-carbon ammonia and delivering the first ever global shipment of low-carbon Urea, our partnerships with pioneering industries and technology partners are enabling a number of sustainable agri-nutrient solutions.</p>





## Our sustainability journey

Since establishment as a standalone company in January 2022, SABIC AN has continued to incorporate best practices followed by SABIC. As part of the Company's journey to drive sustainability and ESG across the business, SABIC AN has set out a sustainability strategy that is closely aligned with the Company's ethos and values, its core business and goals.

## Responding to global challenges

As scientists and experts have raised a clarion call for climate action to be scaled up, global leaders are responding with changes to policy and legislation in order to raise climate ambitions and set out a pathway for energy transition and decarbonization of economies and industries. Some of the world's largest economies have already seen rapid changes in regulations and increasing expectations from industries.

In addition, global food security remains a key mandate as development, urbanization, and population growth continue to place demands on the agriculture industry. Stressors such as climate change, water scarcity, and availability of arable land serve to compound the issue. At the same time, the environmental footprint of agricultural nutrients is increasingly coming under scrutiny as governmental and regulatory pressure mount to improve Nutrient Use Efficiency (NUE).

As a major agri-nutrient producer, SABIC AN is at the forefront of tackling these challenges. The Company has mainstreamed ESG considerations across the business model to ensure due consideration is given to accelerating the pace of development of new products, solutions, and technologies for growers and other stakeholders facing the pressing global challenges outlined above. The sustainability strategy takes into account these megatrends and the material concerns of stakeholders, regulators, and the business. SABIC AN's material topics are listed in the following section, along with the processes for engaging with stakeholders and mapping of material topics.

## Focus areas

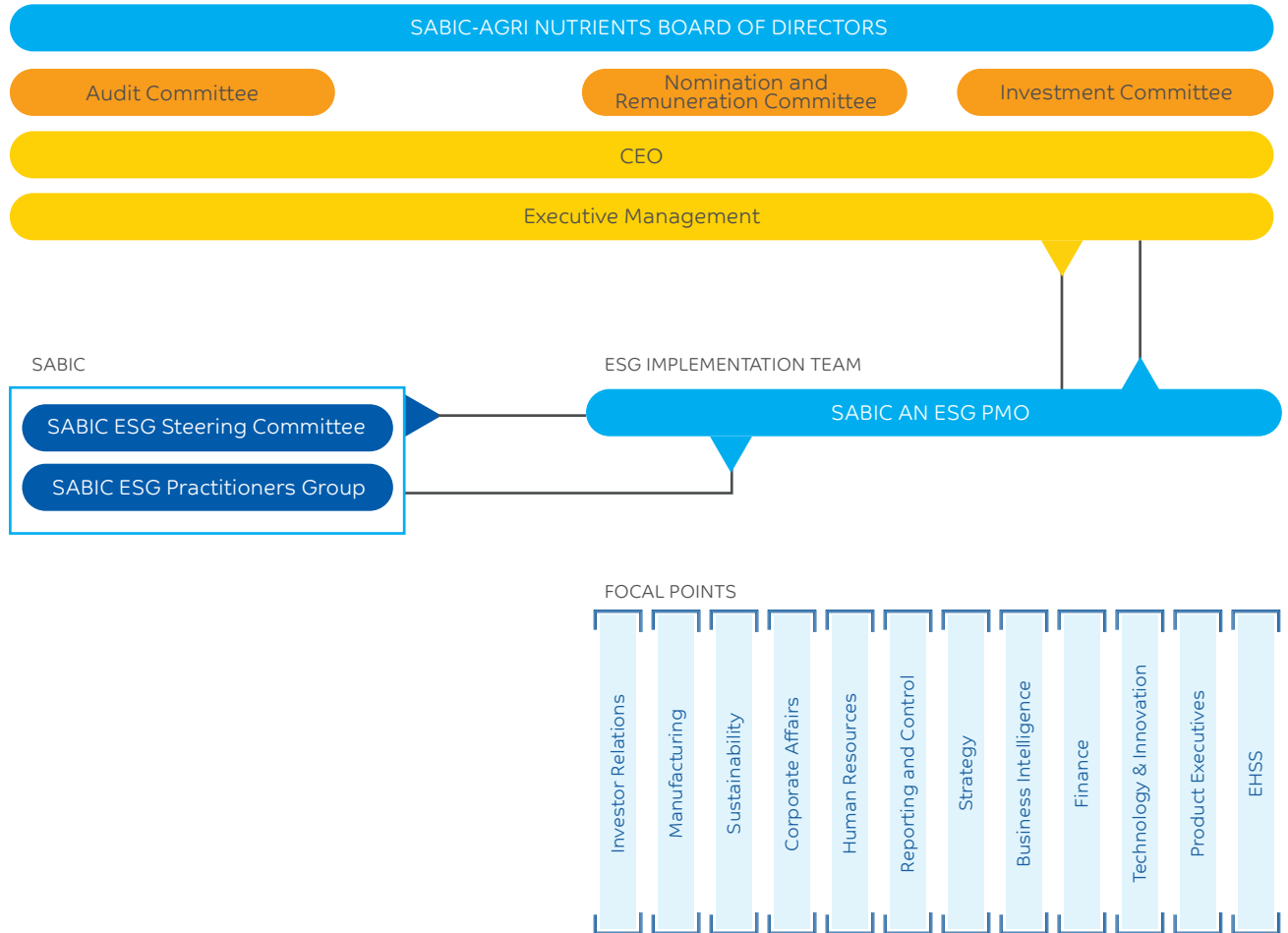
FOCUS AREAS	ENABLERS	Alignment with SDGs	Reference
Mainstreaming ESG	<b>Environmental management</b>	SDG 6, SDG 7, SDG 13, SDG 14	Climate, Energy, and Resource Efficiency (page 65)
	Climate stewardship (Decarbonization)		
	Water stewardship		
	Waste management	SDG 2, SDG 6, SDG 8, SDG 9, SDG 12, SDG 14, SDG 15, SDG 17	Innovation and Sustainability Solutions (page 50)
	<b>Sustainable agriculture</b>		
	Low-carbon products		
	Product stewardship		
	Upcycled and recycled agri-nutrients		
	Support to the farming community	SDG 9, SDG 17	Engagement and Collaboration (page 97)
	<b>Collaborations and partnerships</b>		
	Sustainable supply chain		
	<b>Community relations</b>	SDG 1, SDG 2, SDG 3, SDG 17	
	<b>Corporate governance</b>	SDG 16	Governance and integrity (page 37)
<b>Risk management</b>	SDG 16		
People-first culture	<b>Health and Safety</b>	SDG 3	EHSS and Product Stewardship (page 80)
	<b>Employee engagement and wellbeing</b>	SDG 5, SDG 8	Engagement and Collaboration (page 97)
	<b>Capability development</b>	SDG 8	

## Strategy implementation

The sustainability strategy is supported by the commitment and leadership of the Board of Directors and operationalized throughout the Company. A framework has been put in place with clearly established policies, processes, systems, and lines of accountability to ensure implementation of the sustainability and ESG strategy. The Board Audit Committee is responsible for the internal controls and transparency of implementation. Sustainability Governance comes under the purview of the Chief Financial Officer (member of the executive committee) covering SABIC AN's Integrated Reporting and materiality processes, ESG topics, and the Company's Nature-Positive Roadmap.

The Executive Management Committee, led by the Chief Executive Officer (CEO), plays a pivotal role in shaping the company's sustainability strategy and overall direction. Based on the directions of the Executive Committee, the short, medium, and long-term sustainability strategy is drafted by the strategy team based on global megatrends, our operational philosophy, and strategic business inputs. The devised strategy and plans are subsequently driven by the ESG Project Management Organization (PMO). The ESG Implementation Team, is charged with executing the strategy within the Company. The SABIC AN ESG PMO also takes direction from the SABIC ESG steering committee (SABIC AN has a member seat in the steering committee) and the SABIC ESG practitioners' group to incorporate best practices, implement activities, and carry out necessary reporting and disclosure.

### ESG Governance Structure



The ESG implementation team is responsible for actioning the sustainability strategy developed by Senior Management. The ESG PMO is a Group-wide committee set up to standardize ESG adaptation at SABIC AN, and to steer the company towards integrated reporting. The members of the committee are drawn from the Investor relations (IR) and Technology and Innovation (T&I) departments, and has focal points from various other functions within the organization. SABIC AN collaborates with SABIC’s Corporate Sustainability team on terminology definitions,

process mapping, automation enablement, governance alignment, and quality assurance. The PMO is tasked with collating all information required for disclosures, assurance of the reporting data, collaborating with governments and regulatory authorities to define best practices, regulatory requirements, and compliance standards for adoption by the Company. The team meets regularly to define, implement, and monitor progress of action plans.





## CASE STUDIES

- 20 Pioneering sustainable agriculture with bio-enhanced fertilizers
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## PIONEERING SUSTAINABLE AGRICULTURE WITH BIO-ENHANCED FERTILIZERS

Food security remains a priority for countries around the globe, and is an ever-more complex challenge as farmers and food-systems navigate changes in climate, technology, population demographics, and regulatory controls. Contributing to food security is a key mandate enshrined in SABIC AN's mission, and the Company is committed to supporting growers and the agriculture sector in feeding the world's growing population while addressing the environmental footprint of agricultural nutrients.

A ground-breaking partnership between SABIC Agri-Nutrients and two US-based companies, BioWish Technologies and Archer-Daniels-Midland (ADM) Company, is already delivering exciting results that hold great promise for the agriculture sector.

SABIC AN and BiOWiSH® Technologies have developed a biologically-enhanced urea fertilizer with the potential to lower greenhouse gas emissions and increase sequestration of atmospheric carbon dioxide into the soil. BioWish microbes and bio-technology coupled with SABIC AN's decades of manufacturing expertise in the agri-nutrient sector were supported by ADM's financial incentives to participating growers and facilitation for piloting and data collection. Strong collaboration between these pioneering players is creating real-world application and opportunities minimize the carbon footprint of the agricultural supply chain.



### Bulk shipment of bio-enhanced urea

In a milestone achievement, a multi-company effort involving SABIC AN, BiOWiSH and ADM led to production and bulk shipment of Bio-Enhanced Urea. After obtaining necessary permits and preparation for manufacturing, logistics, and risk-mitigation; SABIC AN's IBB Plant successfully coated over 8,000 MT of Urea in less than two weeks. SABIC AN's cross-functional teams including Technology & Innovation, Product Handling, Business, Market Development and Technical Support, Supply Chain, Sales, and Sabtank worked together to successfully dispatch the bulk shipment to the United States. The shipment arrived in New Orleans in early 2024 and will be utilized for rigorous testing across the agricultural supply chain.

Continued technical collaboration is delivering on a Carbon Program: A pilot project using SABIC AN's Bio Enhanced Urea for the 2023 growing season in a 50,000 acre plot. Data collected from the pilot and early results of trials indicate as much as 30% reduced Nitrous Oxide (N<sub>2</sub>O) emissions. While continuing trials and testing, the project is focused on developing a monetized inset model that would turn up new business opportunities.

#### Carbon Program

- University trials conducted to assess nitrous oxide (N<sub>2</sub>O) emissions from bio-enhanced urea.
- Trials commenced to test wheat in winter.

Investing in facilities, teams, systems, and processes; the collaboration has set up a **robust microbe scouting** to develop advanced agri-nutrient solutions that would help growers with improved yield and greater crop-protection, while reducing emissions.

#### Microbe Screening

- Built lab facility (several promising candidates identified)

**Development of Humic and Microbe Products** is also a focus area, with seedling, field, and greenhouse trials for humic substances in a variety of growing locations and climates.

#### Humic + Microbe Products

- Seedling trials in the laboratory identified four candidates for humic substances.
- Field trials conducted at five sites across the Midwest USA.
- Greenhouse trials in Estidamah commenced in December 2023.

## CLOSING THE LOOP: PROMOTING CIRCULARITY IN AGRICULTURAL NUTRIENTS

Saudi Arabia's economic landscape has undergone a remarkable transformation in the past nine decades, marked by rapid growth, development, and urbanization. However, a growing recognition exists that the dominant linear economic model, reliant on the continuous extraction, processing, and disposal of raw materials, is unsustainable in the long term.

In response, Saudi Arabia is strategically transitioning towards a circular economic model. This innovative approach prioritizes waste elimination and maximizes the sustainable utilization and valorization of resources. This shift necessitates a collaborative effort from companies and government entities to design products and services utilizing waste products. Additionally, an approach where they reduce, re-use, recycle or recover resources to the greatest extent possible, is crucial. Notably, several existing environmental and sustainability policies, including Vision 2030 and the National Environment Strategy, already provide a strong foundation for this transition.







### **Circularity and Valorization of Waste: Organometallic Super Granules**

Saudi Arabia's agricultural sector is a significant contributor to the national economy. Date palms, a cornerstone of the country's agroecosystems, play a vital role, with over 40 million trees producing 1.5 million tons of dates annually. However, this production generates an estimated 1 million tons of waste in the form of palm leaves and trunks. Traditionally, farmers dispose of this waste through burning, contributing to CO<sub>2</sub> emissions.

In response to this environmental challenge, SABIC Agri-Nutrients developed a patented solution, which involves reducing date palm waste into fine particles and combining it with urea and/or other NPK agri-nutrients. The organic component not only provides essential nutrients to crops but also enhances nutrient absorption thanks to its synergy with the urea granules. Additionally, the waste acts as a filler, facilitating the creation of larger, "super" granules for more effective application in the field.

The organometallic super granules can easily be produced by the farmers themselves using simple portable machines and used to feed date palm trees and other crops. They offer the combined advantages of organic and inorganic fertilizers, promoting sustainable agricultural practices. Moreover, by eliminating the need for burning waste, this approach significantly reduces air pollution.

The Kingdom of Saudi Arabia is a leading force in date production, contributing 17% of total global output. The Kingdom has set an ambitious target to increase date exports by 8.5%, reaching SAR 549 million by 2025. SABIC AN's innovative solution supports this strategic initiative, which aligns with Saudi Vision 2030's goals of economic diversification and boosting non-oil exports.

### **Circularity in Packaging of Agricultural Nutrients**

Saudi Vision 2030 has set its recycling goals, aiming to add SAR 120 billion annually to the national income by 2035. Policy directions focus on achieving these goals through mandatory targets, such as introducing reuse mandates for specific sectors, imposing minimum recycled content requirements for plastic packaging, and ensuring full recyclability of packaging by 2030.

Incorporating SABIC's TRUCIRCLE™ portfolio and services, we demonstrate our commitment to circular innovations through the use of recycled packaging. Our aim is to offer manufacturers more sustainable materials that can be recycled and repurposed, or materials that have been produced with minimal environmental impact.


## DECARBONIZING THE AGRI-NUTRIENT SECTOR AND FUELLING THE GLOBAL ENERGY TRANSITION

Climate Change is widely accepted as one of the greatest challenges of our time. The signs were never clearer as 2023 was identified as the hottest year on record, shattering climate records. Effects of climate change were felt across the globe as temperatures and climatic shifts coupled with extreme weather events exacerbated pressures on a variety of sectors including global food systems.

As the world confronts this defining challenge, the global energy transition and drive for decarbonisation is vital. It could provide an inflection point to the climate challenge as the shift toward cleaner energy and low-carbon technologies accelerates. Hydrogen has emerged as a strong contender in the transition as clean Hydrogen can be used as an energy carrier,

storage solution, or even a source of clean power. In the emerging Hydrogen economy, low-carbon Ammonia (often referred to as Green or Low Carbon Ammonia), plays a pivotal role. Ammonia's distinctive properties are unlocking opportunities that are reshaping various sectors through a number of unique applications. Governments and industries worldwide are actively investing in hydrogen roadmaps, resulting in increased demand for low-carbon ammonia.





Exploring opportunities beyond traditional (Grey) Ammonia; SABIC AN and Saudi Aramco pioneered the world's first independently certified commercial shipments of low-carbon ammonia and clean hydrogen. Visionary planning and collaboration between the agencies allowed a significant portion of CO<sub>2</sub> related to the manufacturing process to be captured or utilized in downstream applications, resulting in independent certification. 25,000 MT of accredited cradle-to-gate low carbon ammonia reached its destination of Ulsan in South Korea in December 2022, marking a significant milestone in the development of decarbonization solutions.

During 2023, SABIC Agri-Nutrients shipped an additional **11,000 MT** of low-carbon ammonia to customers in India, Taiwan, and Bulgaria. SABIC AN's shipment to the India was the first such low-carbon ammonia delivered to the Indian fertilizer sector. With this milestone, the Farmers Fertilizer Cooperative Limited (IFFCO), **became the first Indian company to utilize low-carbon ammonia for fertilizer production, with the support of SABIC AN.**

Capitalizing on SABIC AN's manufacturing prowess, the Company delivered the first-ever global shipment of low-carbon Urea (Low Carbon Urea) to New Zealand in July 2023. The Urea was created using Ammonia with a minimal carbon footprint; achieving the Company a coveted **Gold award at the Edison Awards in 2023.**

SABIC Agri-Nutrients and Saudi Aramco continue to collaborate in the development of low-carbon hydrogen and ammonia solutions that serve various applications in the energy, agri-nutrient, and chemical sectors; in alignment with Saudi Vision 2030, which emphasizes low-carbon fuels, products, solutions, and clean energy. **These developments are supporting industries making the shift to a low-carbon future while enabling SABIC AN to work toward its net-zero commitment.**



A large greenhouse with a complex metal frame and a field of colorful flowers in the foreground. The flowers are in various colors, including pink, white, and red. The greenhouse structure is made of blue metal beams and is covered with a translucent material. The background shows a clear sky.

# STAKEHOLDERS AND MATERIALITY

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stakeholders

## ENGAGING STAKEHOLDERS

As a leader in the global agri-nutrient industry providing vital products and services for the agriculture value-chain, SABIC AN's operations impact a wide and diverse variety of stakeholders. Therefore, stakeholder engagement is a crucial aspect of the Company's business strategy and ability to create value. Engagement serves as a two-way communication channel where SABIC AN continues to assess how products, services, and operations impact stakeholders, while also studying their expectations in order to guide the Company's strategic decision-making.

Stakeholder engagement at SABIC AN is aligned with SABIC's group-wide philosophy:

1. Being responsive and accountable to primary stakeholders and their expectations.
2. Evaluating the effects of operations and products/services on stakeholders and understanding their priorities.
3. Exploring collaborative opportunities to create mutual value.

Stakeholder	Priority material topics	Principle mechanisms of engagement	SABIC AN's response
Regulators and government entities	<ul style="list-style-type: none"> <li>• EHSS performance</li> <li>• Business ethics and corporate governance practices</li> <li>• Compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Leadership communications</li> <li>• Industry Associations</li> <li>• Policy and industry working groups</li> </ul>	Analysis of industry trends and governmental mandates. Continuous engagement, reporting, and compliance.
Shareholders and investors	<ul style="list-style-type: none"> <li>• Robust business processes</li> <li>• EHSS performance</li> <li>• Financial performance</li> <li>• Business ethics and corporate governance practices</li> <li>• Brand reputation</li> </ul>	<ul style="list-style-type: none"> <li>• Annual General Meeting</li> <li>• Conferences</li> <li>• Roadshows,</li> <li>• Earnings calls</li> <li>• 1-to-1 engagements</li> </ul>	Upholding a robust Governance framework that meets requirements. Continuous improvement of corporate reporting standards. Transparency in disclosures and policy/ strategy development.
Suppliers and alliance partners	<ul style="list-style-type: none"> <li>• Business ethics and corporate governance</li> <li>• Adoption of Circular Economy practices</li> <li>• Response to Climate Change</li> <li>• Opportunity for engagement and collaboration</li> </ul>	<ul style="list-style-type: none"> <li>• Scheduled meetings</li> <li>• Compliance trainings</li> </ul>	Engagement in partnerships for research, testing, and product development. Pursuit of collaborative agreements and joint-ventures to innovate and promote sustainable practices.
Employees and their families	<ul style="list-style-type: none"> <li>• EHSS performance</li> <li>• Learning and career development (Human capital development)</li> <li>• Business ethics and corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>• Employee surveys</li> <li>• Performance reviews</li> <li>• Concern-reporting processes</li> </ul>	Operationalizing a commitment to health and safety through initiatives and awareness. Continuous investment in employee development. Promoting and curating opportunities for leadership and career development.

Stakeholder	Priority material topics	Principle mechanisms of engagement	SABIC AN's response
Customers (Growers)	<ul style="list-style-type: none"> <li>• Innovation and sustainable solutions</li> <li>• Adoption of Circular Economy practices</li> <li>• Response to Climate Change</li> <li>• Secure product supply</li> <li>• Product safety (Product Governance)</li> </ul>	<ul style="list-style-type: none"> <li>• Conferences</li> <li>• Forums</li> <li>• Industry trade shows</li> <li>• Commercial interactions</li> <li>• Compliance reporting and disclosures</li> </ul>	Deepening connections across the value-chain through integration and expansion. Awareness raising, education, and continuous engagement to understand and meet needs of customers. Offering innovative and industry-leading products and solutions.
Communities in operation locations	<ul style="list-style-type: none"> <li>• EHSS performance</li> <li>• Business ethics and corporate governance</li> <li>• Community relations</li> </ul>	<ul style="list-style-type: none"> <li>• Employee/leadership engagement</li> <li>• Corporate Social Responsibility (CSR) programs</li> </ul>	Delivering initiatives that develop communities and align with global goals. Engagement with local associations to meet comply with standards and meet local needs.
Wider society and the environment (including consumers)	<ul style="list-style-type: none"> <li>• Innovation and sustainable solutions</li> <li>• Adoption of Circular Economy practices</li> <li>• Response to Climate Change</li> <li>• Transparency</li> </ul>	<ul style="list-style-type: none"> <li>• Financial and non-financial reports and corporate disclosure</li> <li>• Media engagement</li> </ul>	Development of products and services that are responsive to global challenges. Promotion of sustainable agricultural practices.

### Defining what is material

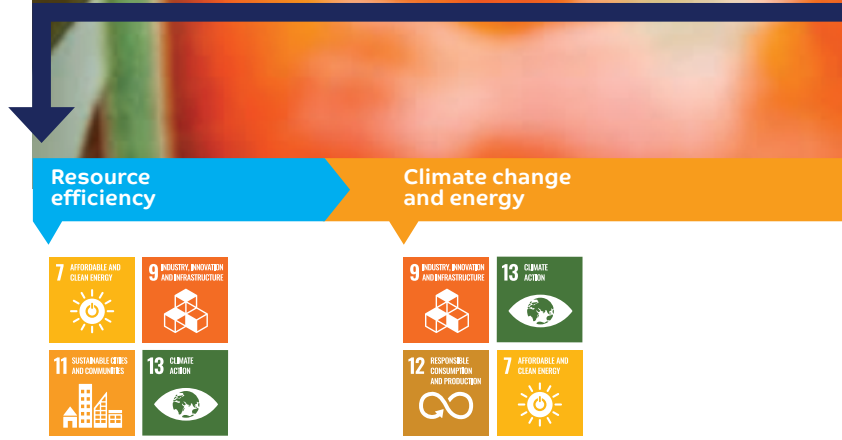
Stakeholder engagement is at the core of defining material topics, enabling the Company to study and understand internal and external stakeholder needs, major trends, benchmarks, and business impacts aligned with strategic priorities.



The Company aligns its efforts with group-wide materiality analyses, while also integrating nuanced contextualization and localization to the specificities of the agri-nutrient industry. Selection of material topics are also informed by the EU Taxonomy, GRI standards, and the SASB standards. As part of the Group, SABIC AN's material topics are in line with SABIC's six sustainability materiality areas:

- 1. Resource efficiency
- 2. Climate change and energy
- 3. Innovation and sustainability solutions
- 4. Circular economy
- 5. Governance and integrity
- 6. Environment, Health, Safety, and Security (EHSS)

These in turn are strategically aligned with the Global Goals (SDGs), helping address critical issues such as poverty, climate change, environmental degradation, human rights, and ethical business







**Innovation and sustainability solutions**

- 2 ZERO WASTE
- 6 CLEAN WATER AND SANITATION
- 11 SUSTAINABLE CITIES AND COMMUNITIES

**Circular economy**

- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- 14 LIFE BELOW WATER

**Governance and integrity**

- 8 DECENT WORK AND ECONOMIC GROWTH
- 17 PARTNERSHIPS FOR THE GOALS

**Environment, Health, Safety, and Security (EHSS)**

- 6 CLEAN WATER AND SANITATION
- 13 CLIMATE ACTION
- 14 LIFE BELOW WATER



A photograph of a lush green tea plantation on a hillside, with rows of tea bushes stretching into the distance under a bright sky. The image is partially overlaid by a dark blue vertical bar on the left side.

# ECONOMIC IMPACT

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and production

# OPERATIONS AND PRODUCTION

The Company produced over 8.3 million metric tons of agri-nutrient products in 2023, leveraging the strength and reliability of manufacturing assets to maintain supply of essential agri-nutrients to the market. With employment for 1655 personnel, including 100 new hires during 2023, SABIC AN is a significant employer in the Kingdom providing direct opportunities for a large number of professionals and supporting thousands more through induced jobs in the wider agricultural supply-chain.

### Markets and reach

SABIC AN and subsidiaries, Al-Jubail Fertilizer Company (Al-Bayroni) and National Chemical Fertilizer Co (Ibn Al Baytar), served primary markets in Saudi Arabia, United States, Bangladesh, India, Singapore – supporting the continuous supply of quality agri-nutrients to growers across these countries. Expansionary growth during the last few years helped reach new markets and in Africa and Oceania, taking SABIC AN’s valuable agri-nutrient supplies and services to even more end-users in these regions.

### Research, development, and innovation

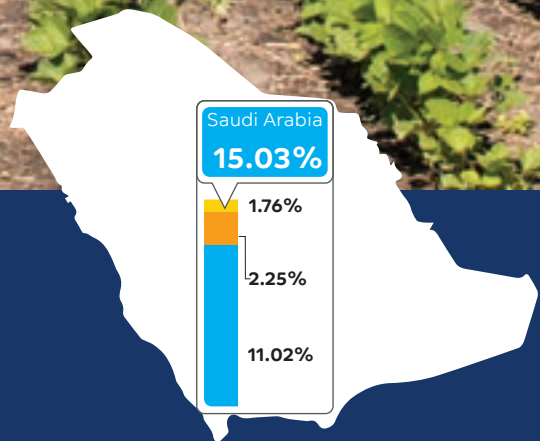
SABIC AN continues to invest in innovating, researching, developing, testing, and distributing industry-leading products and services that benefit growers and by extension consumers across the globe. Many of these innovations also seek to respond to pressing global challenges, meet the escalating need for food supply, and address the potential negative impacts of the agri-nutrient and agriculture industries.

### Local sales volume distribution

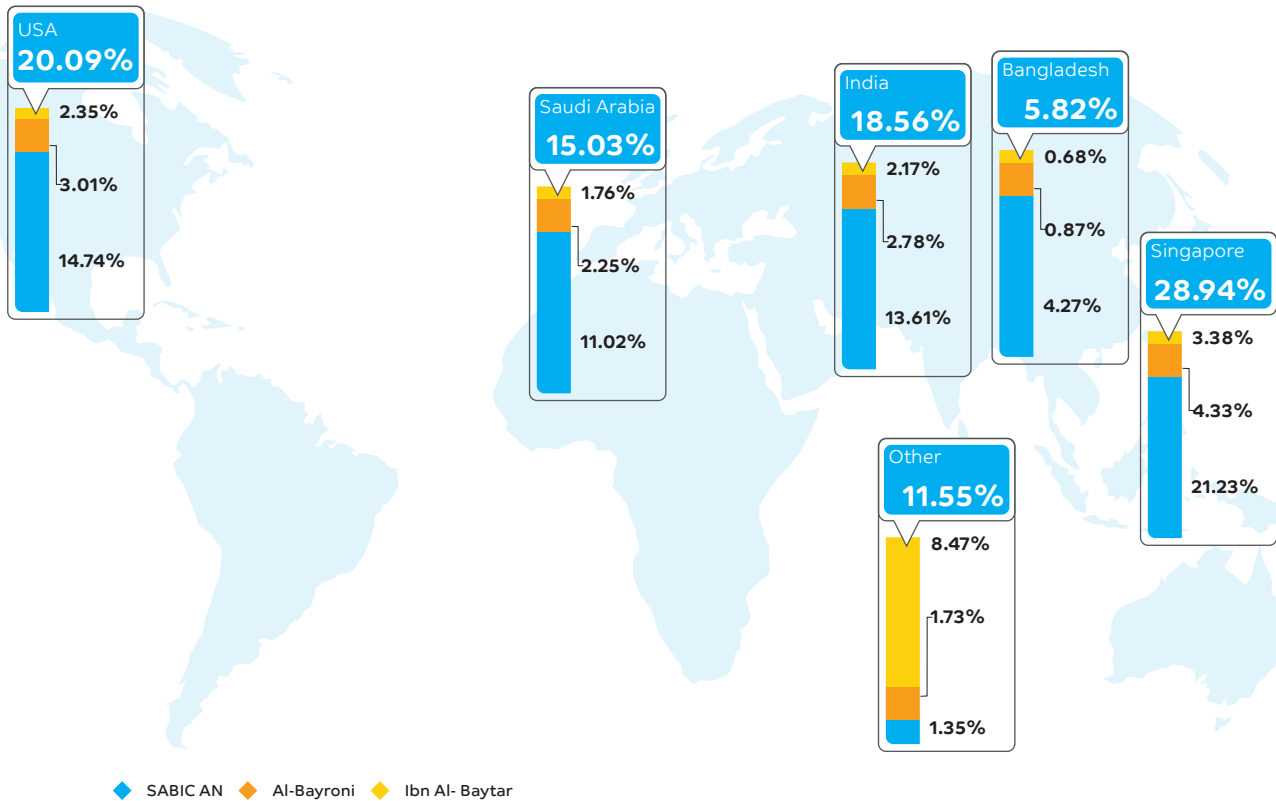


8%

market share of global exported Urea



### Global sales volume distribution



As a responsible Saudi business, SABIC AN paid dues and statutory payments for zakat, taxes, and fees that benefit the Kingdom and its communities.

#### Paid and Outstanding Statutory Payments

'000 SAR	2023	2022
Statutory payments for Zakat, and the General Organization for Social Insurance (paid or provided for)	892,077	681,560

#### Investing in the Kingdom's human capital

As part of ongoing efforts to value and secure the future of Saudi employees, the Company also prioritizes incentive programs for saving, and carries out a program of loans and housing ownership, which supports provision of adequate housing for employees and their families.

#### Investments or Reserves Established for the Benefit of the Company Employees

'000 SAR	2023	2022
End of Service Gratuity	1,003,988	901,733
Savings program	77,816	74,075
Loans and home ownership	434,861	507,763
<b>Total</b>	<b>1,516,665</b>	<b>1,483,571</b>





## GOVERNANCE AND INTEGRITY

- 38 Ethics and compliance
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- 43 Risk Management

# ETHICS AND COMPLIANCE

As a global leader in the agri-nutrient sector with a wide footprint and rapidly growing supplier and customer network, SABIC AN is committed to conducting business ethically. The Company operates in compliance with global and local regulations and in line with international best practices.

## Strategy and approach

In pursuit of leadership in the agri-nutrient industry, ethical conduct and compliance with applicable laws and regulations are foundational to the business. SABIC AN’s approach is guided by a Group Code of Ethics, which enables the Company and employees to integrate ethical principles into all facets of operations, including interactions with the wider agriculture supply-chain.

SABIC AN employs a holistic multi-front approach that entails a comprehensive program of activities, stringent protocols, and routine monitoring and reporting to Management including the Board, its Committees, and Executive Management. SABIC’s group-wide policy framework provides a comprehensive set of guidelines and procedures that guide and support auctioning of the Company’s ethics and compliance actions.

SABIC’s Code of Ethics strives for each employee to achieve performance with integrity. The code covers a number of crucial areas that are essential to maintaining the highest standard of ethical business practices while operating across global markets.

## Code of Ethics focus areas

Competition laws (antitrust)	International trade controls
Third-party business dealings	Working with governments
Conflicts of interest	Privacy/data protection
Money laundering	Insider trading and stock tipping
Anti-corruption	Product risk management
EHSS	Fair employment practices
Intellectual property	Controllership
Reporting compliance concerns	

## Operationalizing ethics and compliance

SABIC AN’s compliance procedures and protocol are operationalized through clear integration across business units, incorporated into strategies, driven by management, and upheld through consistent training and awareness. Beyond these, the Group and Company foster a culture of integrity, embodied by employees, that supports and enables compliance and ethical conduct. Processes that encourage internal and external stakeholders to report concerns serve to increase transparency and accountability.

The following actions, in alignment with SABIC’s group-wide standards, are incorporated by the Company in ensuring ethical business conduct and full compliance with pertinent regulations and laws.

## Actions carried out

Compliance investigation	Compliance training
Human rights risk assessments	Anti-corruption risk assessments
Mechanisms for reporting concerns	Grievance redress mechanisms (Access to Remedy)
Ethics and Compliance training for business partners	Customer screening for international trade controls
Anti-corruption training	Anti-bribery procedures
Supplier due diligence (Supplier lifecycle management - SLM)	



### Interactions across the supply-chain

Due diligence of third-parties, including potential partners, as part of business initiatives, is embedded in the Company's processes and practice. Suppliers working with SABIC AN or other units across the Group are required to align with principles expressed in a Supplier Code of Conduct. The Engagement and Collaboration section on page 97, details activities carried out and processes followed with regard to interactions with suppliers and business partners, including registration of new suppliers and continuous assessment of existing suppliers.

### Transparency and accountability

Key internal and external stakeholders, such as employees or business partners, are encouraged to raise concerns through a number of reporting channels as part of a Group-wide mechanism for reporting concerns.

Ensuring ethical conduct in business dealings extends to our interactions with suppliers, partners, and others in the public and private sectors. Group-wide anti-corruption and anti-bribery procedures, including policies and processes for handling business gifts and hospitality, ensure SABIC AN's engagements with stakeholders are compliant with regulations and the spirit of ethical business practice.

### Assessment, monitoring, and investigation

Group-wide risk assessments, compliance investigations, and continuous monitoring ensure SABIC AN's ongoing operations and business relationships, and new projects and products, remain in compliance with regulatory frameworks.

Supported by our Group's compliance function, a Bottom-Up Risk Assessment (BURA) exercise enables the Company to proactively identify significant compliance risks related to corruption across SBUs and corporate functions. In addition, compliance investigations are carried out if/when incidents of corruption and/or bribery are identified.

SABIC AN is committed to promptly addressing any integrity concerns or potential breaches through fair and confidential investigations. A Group-wide whistleblower policy reinforces a stance against retaliation for raising concerns or cooperating with investigations.

### Training and awareness

SABIC AN works diligently to ensure employees are made aware of Company and Group policies and standards, the latest regulatory developments, and international best practices. Concerted corporate communications and awareness raising is coupled with training programs and compliance courses that enable employees and suppliers to stay abreast of best practices and maintain compliance.

**Developments in 2023**  
**Group-wide improvements**

Improvements to SABIC's Gifts & Hospitality Procedures through a Gifts and Hospitality Registry.	Improved automation, record management and reporting through launch of a new Risk Management/ Assessment tool.	Development of a new Code of Ethics, soon to be rolled out across the Group.	Integration of supplier compliance and training with procurement system.
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**GRI 2-27**

**Incidents of non-compliance**

There was no penalty, retribution, precautionary measure or precautionary restriction imposed on the Company by the Capital Markets Authority (CMA) or any other supervisory body, or other regulatory authority or judicial body, during the year 2023.



# CORPORATE GOVERNANCE

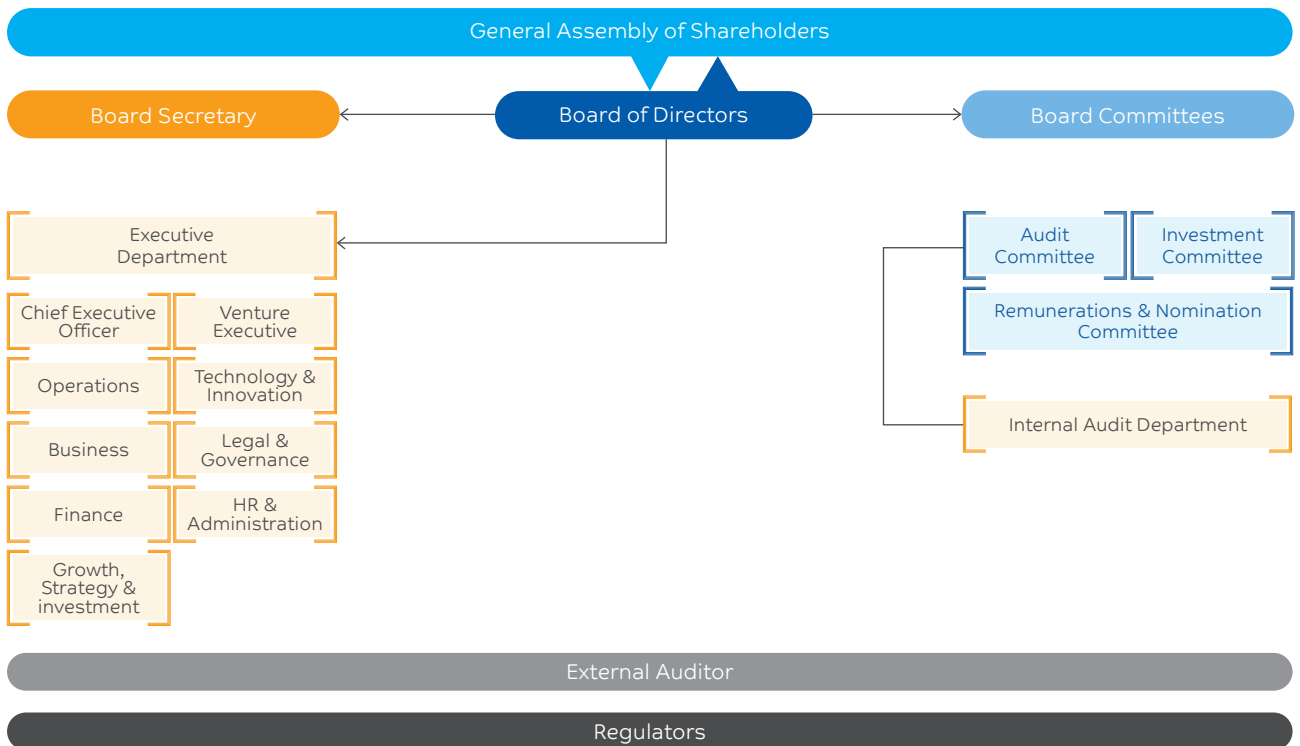
The robust corporate governance framework at SABIC AN reflects our unwavering commitment to transparency, accountability, and ethical conduct; suitable of a national champion and global leader in the agri-nutrients industry. In a rapidly evolving business environment, our adherence to sound corporate governance practices is vital; it shapes the way we operate, and ensures our stakeholders' trust.

## Governance structure

Our corporate governance framework includes high-level policies; clearly delineated roles and responsibilities; stringent controls, checks, and balances; and systematized processes for decision-making, operations, and monitoring and evaluation.

SABIC AN's Board of Directors is at the helm of our corporate governance procedures and practices. They incorporate governance best-practices and drive an ethics-based culture within the Company. Oversight by board committees and the Company's audit function, coupled with continuous engagement with regulators, ensures compliance with relevant laws and regulations that guarantee the rights of employees, shareholders, investors, and other stakeholders.

## Governance structure of SABIC AN



## Compliance with relevant laws and regulations

SABIC AN applies and implements all provisions contained in the corporate governance regulations issued by the Capital Market Authority (CMA), with some exceptions:

Article/Clause No.	Provision of Article/Clause	Reason
Article 39: The Assessment	The Board shall carry out the necessary arrangements to obtain an assessment of its performance from a competent third-party every three years.	Guiding Article
Article 67: Composition of the Risk Management Committee	The Company's Board shall, by resolution therefrom, form a committee to be named the "risk management committee". Chairman and majority of its members shall be Non-Executive Directors. The members of that committee shall possess an adequate level of knowledge in risk management and finance.	Guiding article Board Audit Committee currently carries out the roles and responsibilities of Risk Committee as provided for in its charter approved by the General Assembly.
Article 68: Competencies of the Risk Management Committee	The competencies of the risk management committee shall include the following: (as provided for in Article 68 of CMA Corporate Governance Regulations)	Guiding article Board Audit Committee currently carries out the roles and responsibilities of Risk Committee as provided for in its charter approved by the General Assembly.
Article 69: Meetings of the Risk Management Committee	The risk management committee shall convene periodically at least once every six months, and as may be necessary.	Guiding Article
Article 92: Formation of a Corporate Governance Committee	If the Board forms a corporate governance committee, it shall assign to it the competencies stipulated in Article (91) of these Regulations. Such committee shall oversee any matters relating to the implementation of governance, and shall provide the Board with its reports and recommendations at least annually.	Guiding Article

# RISK MANAGEMENT

SABIC AN has implemented a robust integrated risk management system that adheres to a consistent and comprehensive approach. This system is designed to safeguard the continuity of the Company’s business operations, ensuring strict compliance with regulatory requirements while incorporating the latest advancements in systems and methodologies across all facets.

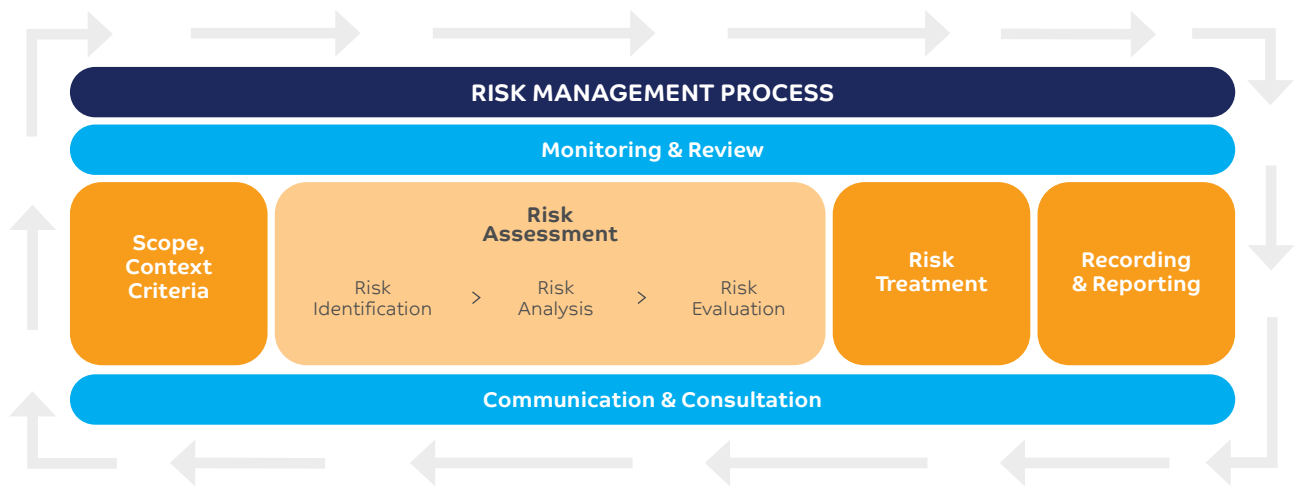
To foster a disciplined and constructive environment, the Company’s management conducts regular workshops and training courses. These initiatives aim to enhance employee awareness of their roles, responsibilities, and obligations.

The audit committee plays a pivotal role in overseeing these mechanisms and ensuring employees adhere to Company policies and procedures.

### Risk management process

The Company follows a robust risk management protocol in line with SABIC’s group-wide process for Enterprise Risk Management (ERM).

### SABIC AN’s risk management process



### Roles and responsibilities

SABIC AN's management team is actively involved in the ongoing development and refinement of risk management and business continuity procedures and policies. Their objective is to establish a robust control system that is not only comprehensive but also operates with a high degree of independence and transparency.

Key functions carried out by the management team, include the thorough review of operations, a comprehensive assessment of associated risks, and the formulation of strategic plans to effectively mitigate identified risks. In addition to these critical functions, the team oversees the construction of appropriate electronic systems designed to facilitate the implementation of these procedures. Moreover, there is a strong emphasis on upholding professional and ethical standards throughout these processes.

### Risk assessment

SABIC AN is committed to maintaining a robust risk culture, where every employee is regarded as a custodian, entrusted with upholding the Company's standards and embracing risk mindfulness in the execution of our strategic objectives. SABIC AN's ongoing commitment involves elevating risk management awareness among all employees, emphasizing understanding, dedication, and empowerment in identifying and managing risks effectively.

In a recent milestone, SABIC AN received recognition from a key certification body, affirming that our operational risk management system aligns with ISO 31000:2018 – Risk Management Guidelines. This certification serves as a testament to our dedication and continuous pursuit of excellence in Enterprise Risk Management (ERM), showcasing our commitment to stakeholders, including regulators, shareholders, partners, customers, employees, and suppliers.

Recognizing the diverse risk factors that may impede our ability to achieve strategic, operational, and financial objectives, SABIC AN proactively addresses these challenges. Through the formulation and implementation of comprehensive response plans, we minimize the impact of these risks. This proactive approach solidifies SABIC AN's position as a global leader in ERM practices, reinforcing our resilience and adaptability in navigating the complexities of the business landscape.

### Material risks and SABIC AN's response

SABIC AN faces a number of inherent risks when operating in the agricultural nutrients sector on a global scale. While the Company employs a number of strategies to manage identify, monitor, and manage these risks, some risk factors are outside the Company's control.

The Company's material risks are shown in summary, with a deeper exposition of all risks presented in SABIC AN's Annual Report 2023. Material risks relating to Environmental, Social, and Governance factors are explored in this report alongside information on the Company's response to manage or mitigate these risks.



Financial Risks		
Credit Risks	Liquidity Risks	Market Risks
Securities Price Risks	Currency Risks	Commodities Risks
Capital Management Risks		
Operational Risks		
Insurance Risks: Reasonable Insurance coverage	Transportation Risks: Conditions affecting transportation of products	Projects Risks: Associated with projects under development
Business Risks		
Competition Risks: Intense competition in the industry across different markets and geographic sectors.	Technology licenses Risks: Access to latest developments and competitive technologies.	Intellectual Property (IP) Risks: Reliance on IP titles and innovation to support business.
Defective products Risks: Risks from potential defects in complex agri-nutrient products.	Sectorial Risks: Cyclical nature of supply and demand in the agri-nutrients sector.	Information Technology (IT) Risks: Dependence on IT systems and resulting risk related to data, cyber-attacks, interruption, etc.
Disputes and litigation Risks: Potential for legal and regulatory actions.	Hiring and retention of personnel Risks: Dependence on highly-skilled executives and key staff.	
Sustainability Risks		
National and regional regulations Risks: Laws and regulations relating to EHSS, Emissions, Products, etc.	International compliance Risks: National compliance with GHG emissions requirements.	Product-related Incidents Risks: spills, discharges, etc. that may release hazardous materials into the environment.
Political and Social Risks		
Governmental agriculture policy: Influence of governmental policy support to the agricultural sector in various markets.	International legislation: Treaties and agreements may influence agricultural producers.	International trade controls: Trade defense instruments and other laws and regulations in various markets.
Regulatory compliance: Regulations related to licensing, EHS, marketing, climate change pressures and trends, and others.	Political instability: Parts of the region subject to political and security instability.	

Sustainability Risks	Response
<b>National and regional regulations</b>	
<p>SABIC AN is committed to complying with all applicable laws and regulations relating to environment, health, safety, and security. These laws and regulations set different standards, govern specific aspects, and provide civil and criminal penalties and other responsibilities for violations. In certain circumstances, they have obligations to repair existing and former facilities and sites in which operations are conducted. In addition, special provisions may be applied in environmentally sensitive areas of operations.</p>	<p>Compliance and product stewardship (PST) functions and internal systems that have obtained Responsible Care® certification, provide the basis for the Company's response.</p>
<p>The company cannot predict what future regulations will be enacted or how they will be managed or enforced. Compliance with more stringent laws or regulations – or more stringent enforcement policies from any regulatory authority – may in the future, require material expenses to cover installation and commissioning of systems and the equipment required for necessary measures. Any, or all of these may have a material and adverse effect on the company's business, results of processes and financial position.</p> <ul style="list-style-type: none"> <li>• Risks related to responsibilities towards environment, health, safety, and security.</li> <li>• Risks related to increased tariffs on Greenhouse Gas (GHG) emissions.</li> <li>• Risks related to incidents in which SABIC Agri-Nutrients products play a part.</li> </ul>	<p>Carrying out extensive assessment of the evolving regulatory framework, risk characterizations, and screening of products against customer, country, and regional registers and lists, enables agile responses to evolving regulations.</p> <p>SABIC AN's proactive measures to uphold stringent EHSS standards (page 82), decarbonize and pursue net-zero emissions (page 58), and develop low-carbon products (page 57) all contribute to mitigation of risk (page 43).</p>
<b>International compliance</b>	
<p>Carbon dioxide (CO<sub>2</sub>) is a by-product of burning various types of fuels, including oil and gas, and is considered a Green House Gas (GHG). Saudi Arabia is a signatory of the Paris Agreement, and compliance requires the reduction of CO<sub>2</sub>, in and across the country. The responsibilities of Saudi companies may change significantly after implementing related regulations. For example, these regulations can increase the costs of operating and maintaining the company's manufacturing facilities and/or the costs of installing new emissions control devices and managing any potential emissions of GHG. These increased operational costs and compliance may have a significant and negative impact on the business, results of processes, financial position.</p>	<p>SABIC AN's efforts to mitigate risks associated with energy transition and decarbonization are well defined under the Company's Carbon Neutrality Roadmap (page 67). The roadmap identifies five pathways for decarbonization including: Reliability, Energy Efficiency and Improvements; Renewable Energy; Electrification; Carbon Capture; and low carbon ammonia.</p>



### Product-related incidents

Accidents involving the Company's products may cause damage to property, the environment, and human health, which may affect the Company's business, the outcomes of its processes, and its financial condition. Given the nature of the Company's business as a handler of hazardous materials, there is an inherent risk of spills, discharges, or other releases of these materials into the environment. The use, manufacturing, storage, and transportation of volatile and explosive chemical products carry the potential for adverse environmental impacts.

Specific environmental risks related to SABIC AN processes include: explosions or fires in production or logistics facilities, the discharge of toxic gases and pollutants into the atmosphere, and the release of hazardous chemicals on land or into waterways.

Accidents involving these substances may result in conditions such as fires, explosions, pollution, or other forms of environmental damage, potentially causing harm to individuals, property, and the environment. Such incidents can lead to equipment failures, facility closures, civil lawsuits, criminal investigations, and regulatory enforcement actions, resulting in significant liabilities for the Company. Damage to equipment, property, or interruptions in the Company's ability to produce or distribute its products may lead to reduced revenue and profit, along with significant additional costs for replacing or repairing Company assets.

SABIC AN is in compliance with all pertinent laws, standards, and regulations relating to the use, treatment, storage and disposal of hazardous, toxic substances or waste (page 76). Having successfully achieved recertification for Responsible Care®, SABIC AN incorporates safe chemicals management, quality assurance, and performance excellence for effective product safety management.

A dedicated Product Stewardship function heads efforts to ensure compliance, provide product safety information, and practice responsible marketing (page 92). The EHSS function works to prepare emergency response strategies and processes (page 82) and ensures suitable protection, health, and safety for employees, contractors, the public, and the environment.

Insurance coverage may not fully cover or may be entirely absent for such events, thereby exposing the Company to material negative effects on its business, operational outcomes, and financial position.

Moreover, certain environmental laws impose strict liability, irrespective of fault, for cleanup costs on entities that dispose of or release hazardous materials into the environment. The Company may bear environmental cleanup responsibilities concerning its existing or former facilities, adjacent third-party facilities, or remote disposal sites. Assessing pollution risks and associated cleanup costs often requires environmental audits. The extent of liability under environmental laws may not be readily identifiable, and future cleaning activities' costs that the Company may undertake or finance could be significant. The Company may also become liable to third parties for damages, including personal injury and property damage, resulting from the disposal or release of hazardous materials into the environment.

## Political and Social Risks

### Governmental agriculture policy

In several markets, the company benefits from government policies that support the agricultural sector. These include goods support programs that provide subsidies to farmers for the purchase of agri-nutrient products, export fees on agri-nutrient products, policies affecting the prices of raw materials used in the production of agri-nutrients, and others such as restricting acreage of crop growth, cultivation of specific crops, and limited usage of agri-nutrient products in certain areas. As a result of these policies, which often include direct or indirect subsidies, farmers are often able to spend more on agri-nutrients than they would in the absence of such policies.

Government policies may also regulate lands that can be used to grow crops, or the types and prices of crops grown, which may negatively affect the demand for products. Any change in government policies, due to these or other factors, will lead to a decrease in demand and prices of agri-nutrient products, which may have a material negative impact on the company's business and financial position.

The Company routinely assesses the market-share of its product portfolio, to ensure stable market-creation, strong business results and commensurate shareholder returns that will ensure competitive advantage and business continuity.

By proactively staying up to date on relevant governmental policies and their impact on overall demand and supply, the Company is able to update business plans and support customers accordingly.

### International legislation

International treaties and agreements, such as those issued by the World Trade Organization, may reduce subsidies to agricultural producers or lead to other adverse changes in government support for the agricultural sector, which can undermine demand growth or cause a decrease in the prices of agri-nutrient products.

In addition, many jurisdictions including the European region considers and may adopt restrictions on the use and application of certain agri-nutrient products, due to concerns about environmental impact, and/or may impose restrictions on the content of cadmium and other heavy metals due to health concerns. If this is done, these restrictions may affect demand and prices of agri-nutrient products negatively.

The Company complies with all legislation to ensure its reputation and advantage in the market remains uncompromised. Continuous assessment of changes and trends ensures minimal impact to the business.

### International trade controls

SABIC AN exports many products to countries which have adopted trade defense instruments such as anti-dumping, and anti-subsidy laws and regulations. Non-compliance with these may result in the imposition of anti-dumping or anti-subsidy duties. The company believes that some countries' trade defense measures and other forms of trade controls are likely to increase in the future, and any of these imposed on the exports or imports of SABIC AN, its suppliers, or its customers could have a substantial and adverse effect on business.

Alongside monitoring of geographical sales and export volumes, SABIC AN works with authorities to avoid or minimize trade restrictions that affect operations.

An International Trade Controls Policy sets out processes and systems to ensure operations are in compliance with applicable trade regulations in countries where SABIC AN operates and conducts business.

### Regulatory compliance

The company is subjected to various laws and regulations that relate to licensing requirements, EHS obligations, asset and investment controls, marketing guidelines, climate change pressures and trends, and other requirements. Compliance with these laws and regulations can be costly, and the company bears and will continue to incur costs, including capital expenditures, to comply with these requirements. Moreover, failure to comply with these laws and regulations or any changes thereto, including the enactment of additional regulations, could have a material and negative impact.

The company uses and manufactures hazardous chemicals that are subject to specific laws and regulations imposed by local and national government authorities in all the countries in which it operates. In addition, the company has to demonstrate to relevant authorities that the product is safe for its intended uses, and that it is manufactured in accordance with applicable regulations, to obtain regulatory approval for new products and production processes. The process of seeking such regulatory approvals is time-consuming and may be subject to unexpected and significant delays. Further, regulatory approvals may not be granted in a timely manner, or at all, which will negatively affect ability to provide new products or continue to distribute existing products and generate revenues from it, which will have tangible negative impact on business.

Laws and regulations, and their interpretation and application, may change from time to time. Any change, or a difference of views by any authority from the company's point of view, may have a material and negative impact. In addition, new laws and regulations may be enacted in the future, resulting in additional costs related to compliance with regulations, the confiscation and/or recalling of products, or financial fines. Any of these may impede or prohibit the development, distribution, and sale of products. Moreover, subjecting any of the company's raw materials or products to a process of regulation or re-classification may adversely affect its availability or marketability; result in a ban on their import, purchase or sale; or require the company to incur increased costs to comply with notice, labeling or handling requirements, all of which may adversely affect financial position.

The Company's compliance and product stewardship functions, and internal systems that have obtained Responsible Care® certification, provide the basis for extensive assessment of the evolving regulatory framework, risk characterizations, and screening of products against customer, country, and regional registers and lists.

### Political instability

SABIC AN is located in a central site in a region of strategic importance, and parts of this region were subject to political and security instability in recent years. Any new or negative political developments may significantly affect the company's operational results such as a reduction in the demand for products, if agricultural products or the land on which they are grown are damaged, or if these changes reduce farmers' income and thereby, their ability to purchase products.

Many countries in the region are currently subject to armed conflicts and/or social and political turmoil, and instability in other regions also continues to be a major concern. In addition, important shipping lines routes, a major corridor for the import and export of products to and from Saudi Arabia, are sensitive, and any closure or negative incidents will greatly impede ability to transport products.

All these factors lead to continued uncertainty in forecasting business performance in the short to medium term.

In the event of geopolitical instability, a Group crisis-management team (CMT) works with the Company to chart a course for operations while identifying potential risks, and developing necessary mitigation strategies. The Board and Executive Management are intrinsically involved in any such adaptation or mitigation measures.



# INNOVATION AND SUSTAINABILITY SOLUTIONS

- 52 Technology and  
Innovation (T&I)
- 60 Sustainable  
agriculture



## TECHNOLOGY AND INNOVATION (T&I)

Over 400 active patents

3 R&D centers and 40+ employees

4 new products/ process launched

Product Carbon Footprint (PCF) being piloted

43 active R&D projects

13 new patent families filed

2 Edison awards and 1 Operational Excellence award received

SABIC Year end award for innovation



T&I constitutes an innovation pipeline that is instrumental in securing and sustaining the Company's leadership position in the agri-nutrient industry. From developing new products, or collaborating with industry pioneers, to addressing global challenges such as food security and climate change; SABIC AN's industry-leading capabilities support the Company's growth ambitions and create sustainable value across the agriculture supply-chain



### Innovation Day 2023 - Decarbonization and Sustainability: The way of Life

The annual innovation day brought together SABIC AN's T&I community along with representatives of other departments to deliberate on the Company's achievements and future research direction. Leading industry representatives attended the event, with discussions centering on sustainability aspects and emerging technologies.

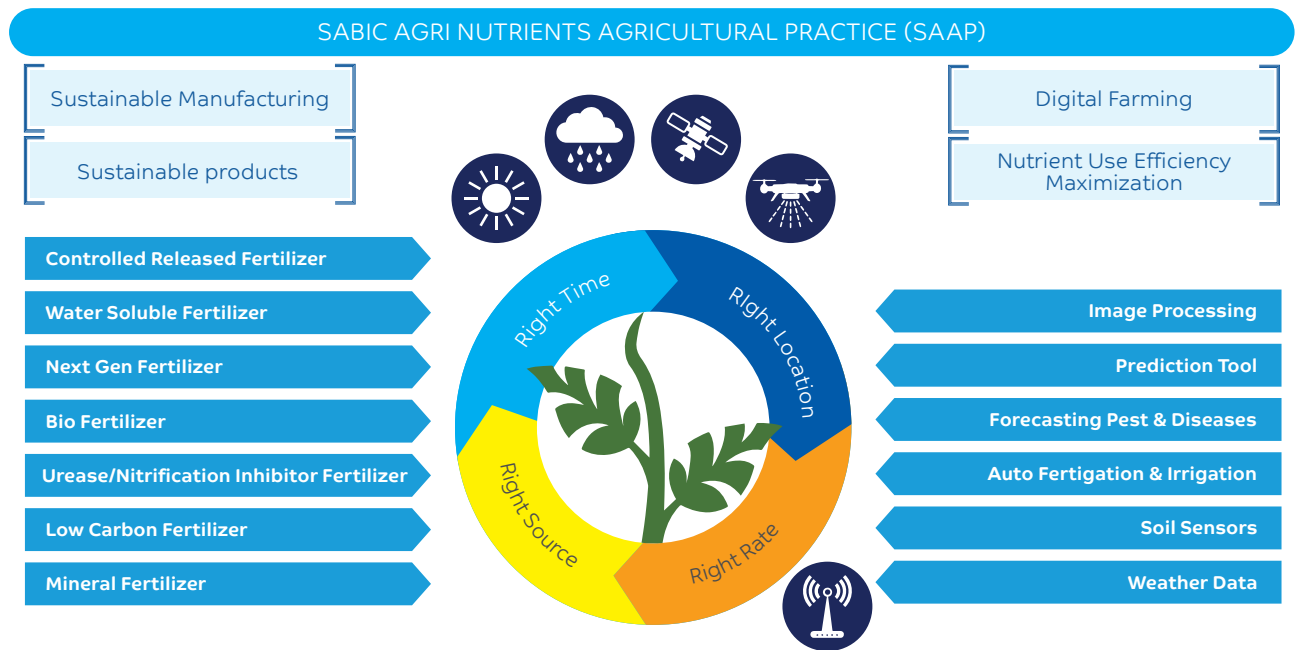
The T&I business vertical is a multidisciplinary group within the Company, leveraging strong Research and Development (R&D) capabilities, created with the objective of studying current and future challenges facing the agri-nutrient sector and translating these challenges into opportunities, thereby unlocking sustainable business opportunities for the Company. The function promotes reliability and efficiency of production assets, maintains a stable pipeline of innovative products, and delivers value to growers through innovations for enhanced crop-yield and protection, adoption of smart technology, and promotion of sustainable agricultural practices. Alignment with business functions and goals.

Development of strategies follows a consultative process involving all functions within the Company, including SABIC AN's Strategy and Business teams, before being discussed and approved by the Management Committee. As part of SABIC AN's customer-focused approach and thrust toward greater value chain integration, the T&I function supports broadening of the Company's asset footprint in base agri-nutrients, downstream integration and distribution, and securing Intellectual Property (IP) rights for innovative differentiated products.

T&I efforts also align with multiple Sustainable Development Goals (SDGs) as outlined on pages 30 and 31, directly contributes to achieving SABIC AN's carbon neutrality ambitions.

In the years to come, the T&I function will continue to drive SABIC AN's carbon neutrality ambitions by improving sustainability metrics of operating assets, developing low-carbon products, and increasing Nutrient Use Efficiency (NUE). Development of low-carbon products and actions to reduce the carbon footprint of other products is expected to drive the T&I product portfolio in 2024 and beyond. The T&I vertical is also involved in developing ways and means to achieve the 4R concept of nutrient stewardship (right fertilizer, at the right time, in the right amount, and at the right place) across farms using a combination of sustainable agri-nutrients and smart agricultural practices.

**Key focus areas**



### Functional teams

**Nitrogen Technology**  
 Supports manufacturing assets with technology scouting, technology development, and process support.

**Fertilizer Specialties**  
 Concentrates on the development of differentiated products for sustainable farming and food systems.

**Differentiated and Disruptive Technologies**  
 Develops long-lead projects that prepare the Company to take on futuristic demands of the agri-nutrient industry.

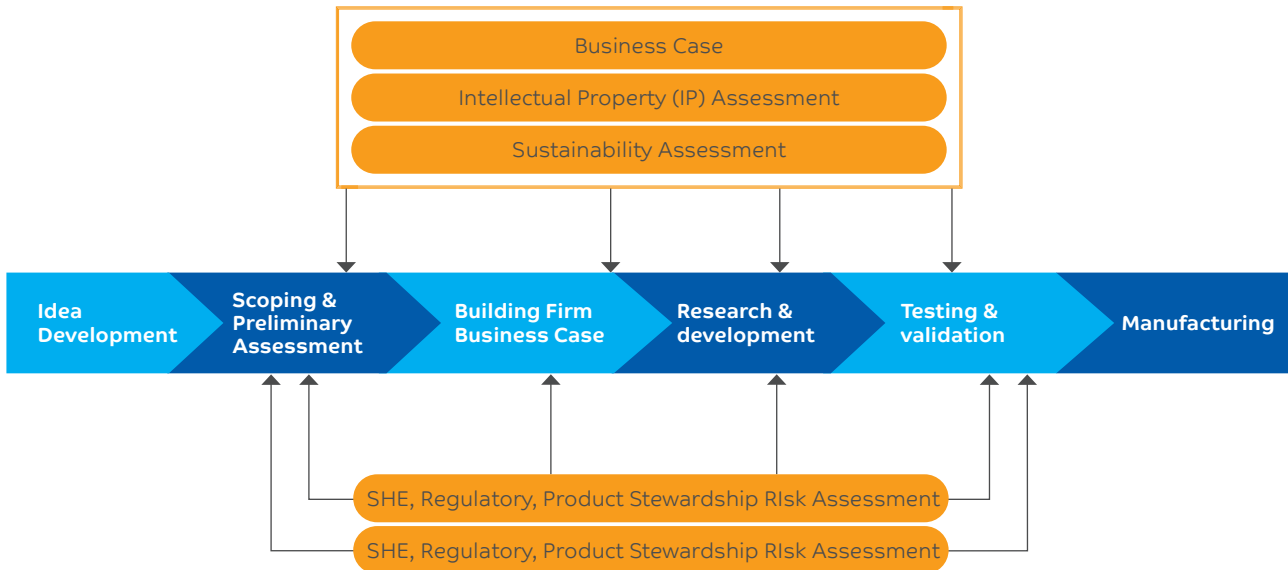
### Product development

As the many challenges of feeding the world continue to multiply, SABIC AN is committed to building innovative products and solutions to address and overcome them. The Company's R&D team works on development, variations, testing and trials, and a number of steps required to bring new products to markets and end-users.

### Product development approach

Sustainable product development remains the cornerstone of SABIC AN's Technology and Innovation strategy. The Company takes a systematic approach to product development, which is followed and documented as part of the accolade system.

### Product development approach



SABIC AN is not involved in any animal testing, and ensures all standards for safety and quality are met. The Company's Product Stewardship (PST) initiatives, described on page 92, ensure newly developed products are thoroughly evaluated to meet regulatory qualifications for safety.

Greenhouses and open fields at SABIC AN's technology center in Bangalore, India continue to be an integral part of the Company's strategy to conduct agronomic trials for new products. Launched in 2022, the greenhouse and open field are equipped with an array of digital tools (weather forecast, sensors, and an automated fertigation and irrigation system) to carry out in-depth study of product performance on various crops.



## Collaboration

The T&I vertical is a hub for collaborations across the value chain, where joint product development can boost product offerings, deepen impact, and allow the Company to better respond to the needs of end-users.

SABIC AN partnered with the following institutions, companies, and professional bodies during the course of 2023, on efforts ranging from collaborative research, field trials, testing and evaluation, to development of new products and technology, or the piloting of new projects. Technological collaborations resulting in development and delivery of value-added or differentiated products are outlined in the following section. For details of the Company's collaboration across the value chain, refer page 107.

## Partnerships and collaborations

Institutes and universities	Private companies	Professional bodies
Centre for Natural Biological Resources and Community Development (CNBRCD)	Saudi Agricultural and Livestock Investment Company (SALIC) NEOM	International Fertilizer Association (IFA)
Kyoto University	Biowish Technologies, USA Ravensdown, New Zealand	Arab Fertilizer Association (AFA)
Florida University	Intrinsyx Environmental Inc. Agronomy Solution Company	Gulf Petrochemicals & Chemicals Association (GPCA)
Agronomy Solutions	Poornaprajna Institute of Scientific Research Reward Minerals	The Fertilizer Institute (TFI)
Kansas State University	Saudi Arabian Oil Company/TÜV SÜD Middle East LLC	The Fertilizer Association of India (FAI)
King Abdullah University of Science and Technology (KAUST)	AerialPlot Migao Group Holdings Coromandel International Limited	

### Collaboration with BioWish and Archer-Daniels-Midland Company (ADM)

SABIC Agri Nutrients Company (SABIC AN) is collaborating with two US based companies, ADM and BiOWiSH Technologies, to help growers achieve higher production in a sustainable and cost effective manner. The partnership takes forward efforts to bring the right mix of chemicals and biologicals to the agri-nutrient sector. The concept was introduced by SABIC AN to meet plant needs while reducing agricultural nutrient consumption volumes, leading to higher yields and net lowering of emissions.

#### Collaboration highlights

<p><b>Bio-Enhanced Urea</b></p>	<p>This technology performs with current fertilizers, allowing for different grades or generations of Bio-Enhanced Fertilizers that demonstrate yield improvements; either with reduced fertilizer application rates or higher yields from the same urea application rate.</p> <p>A major priority project for 2023, the product presents simplicity for growers, who can opt for microbial coated urea without the need to adopt regenerative practices or conduct additional soil measurements.</p>
<p><b>BiOWiSH Technology Joint Development agreement</b></p>	<p>The target technology, BiOWiSH, brings differentiated products, bio-enhanced fertilizers, by coating micro-organism solutions into urea. Development of framework for SABIC AN/BiOWiSH carbon program.</p>
<p><b>Bio-Enhanced Humic Acid-Coated Urea</b></p>	<p>Urea products combined with BiOWiSH microbes and high-performance humic substances enhance the nutrients' effectiveness in soil and improve the health of rhizosphere to support better crop growth and yield.</p>

As part of the JDA with BiOWiSH, a R&D facility is being established in Riyadh for BiOWiSH biological coating research. A laboratory is also to be set up in Riyadh for analyzing of biological samples.

In partnership with ADM, SABIC AN is also pursuing a pilot program in the US Midwest whereby farmers taking part in the ADM re:generations program for regenerative agriculture practices, would use SABIC AN's Bio Enhanced Urea for the 2023 growing season in a 50,000 acre plot. Data collected from the pilot will enable better understanding of emission reductions that can be achieved with bio enhanced urea.

#### Work with technology licensors

SABIC AN works with the technology licensors like KBR, Thyssenkrupp Fertilizer Technology, Topsoe, and Stamicarbon to adopt best practices and technology developments for ammonia and urea production and for continuous improvements in energy efficiency, emissions reduction, water conservation, and waste reduction at existing assets.

#### Exclusivity agreement with Atmonia

SABIC AN and Atmonia ehf. have announced an agreement providing SABIC AN exclusivity for ammonia production using Atmonia's technology within Saudi Arabia, Bahrain, Kuwait and Oman. Atmonia is an Icelandic company developing sustainable production process for ammonia that are looking to enable production of ammonia in a single-step process, using only water, nitrogen from air, and clean electricity. SABIC AN's interest in sustainably produced ammonia demonstrates the Company's commitment to the challenge of climate change and the potential for sustainable ammonia as a promising carbon free energy carrier or eFuel.

## Portfolio

### Low-carbon Ammonia

In 2022, SABIC AN and Saudi Aramco obtained the world's first independent certification of low-carbon ammonia and clean hydrogen production from TÜV Rheinland, a leading independent testing, inspection, and certification agency based in Germany. The world's first commercial shipment of 25,000 MT accredited cradle-to-gate low carbon ammonia reached its destination of Ulsan in South Korea in December 2022, representing a new milestone in the development of decarbonization solutions.

During 2023, SABIC AN shipped an additional 11,000 MT of low-carbon ammonia; aligned with Saudi Vision 2030, which places emphasis on low-carbon fuels, products, and solutions, and clean energy. SABIC AN and Saudi Aramco continue to collaborate in the low-carbon hydrogen and low-carbon ammonia space to develop solutions that serve various applications in the energy, agri-nutrient, and chemicals sectors.

#### Q2 2023

SABIC AN became the first company to introduce low-carbon ammonia to the Indian fertilizer sector with a shipment of 5,000 MT to the Indian Farmers Fertilizer Cooperative Limited (IFFCO). With the pioneering shipment, IFFCO was the first Indian company to use low-carbon ammonia for fertilizer production in line with India's vision to be net-zero by 2070.

#### Q2 2023

SABIC AN dispatched 5,000 MT of low-carbon ammonia as the first commercial shipment to Taiwan Fertilizer Co. (TFC).

#### Q4 2023

Shipment of low-carbon ammonia to Agropolychim AD in Bulgaria.

### Low-carbon Urea

July 2023 marked another landmark achievement for SABIC AN as the world's first global shipment of low-carbon urea arrived in Timaru, New Zealand. The 2,700 MT consignment of low-carbon urea was delivered to Ravensdown, a New Zealand-farmer owned agricultural co-operative company, in a major step towards the sector's decarbonization journey.

Developed from independently certified low-carbon ammonia as a value-added/specialty product, SABIC AN's production of low-carbon urea marks a significant step in the Company's pioneering of low-carbon solutions and continued efforts towards net-zero.



**This innovative manufacturing solution was recognized with a prestigious Edison Award 2023, receiving Gold under the Food and Agriculture Advancements 'Soil & Crop' category.**

## Decarbonization

Production and delivery of low carbon ammonia and urea are SABIC AN's principal route for decarbonizing the agriculture sector and a key component of supporting the Kingdom's climate ambitions. In addition, development of differentiated products such as treated urea, stabilized urea and bio-enhanced urea are part of efforts to reduce emissions across the agrinutrient life-cycle while delivering additional value to growers. More information on the Company's climate performance is detailed in the **Climate, Energy, and Resource Efficiency** section on page 65.

The T&I vertical's Nitrogen Technology Team continues to work toward achievement of 2025 targets on emission reduction, energy intensity, water consumption, and waste reduction from existing ammonia and urea assets. Action items include optimization of steam consumption,

increasing reliability of plants, and flare minimization. The team is also supporting decarbonization through electrification projects and a Carbon Capture and Sequestration (CCS) project poised to move into the engineering phase.

## Differentiated products

Recognizing the importance of increasing sustainability while ensuring constant availability of basic fertilizers, SABIC AN focuses on focus on developing and delivering differentiated fertilizers to address the diverse needs of growers in key countries.

The following technologies of interest continue to be explored and developed by the Company.

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### Low/No-carbon process and products

Leading the field through partnerships and an ambitious carbon neutrality roadmap.

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### Utilization of Phosphogypsum

Successful commercialization and patenting of UCS, which promotes circularity and brings added value to growers.

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### Advanced Nano fertilizers

Development of technology-led products shows improved Nutrient Use Efficiency and multiple gains for growers.

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### Water-soluble fertilizers

Conversion of conventional fertilizers into soluble products for cost-saving and yield-improvement through fertigation.

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### Bio-fertilizers

Partnering with innovators for bio-enhanced products that enable efficient application, increase yield, and reduce emissions.

SABIC AN's value-added and specialty products are built on a sound base of research and development by the Fertilizer Specialties Team. These products look to create a positive impact toward sustainable agriculture and food systems.

### Product highlights

Soluble Granular NPK (Rusmadah)	<p>A unique product utilizing SABIC AN patented technology continued development activities in 2023.</p> <p>Rusmadah is prepared by a unique process to convert conventional NP/NPK fertilizers into soluble granular NPK products. It provides the cheapest soluble fertilizer option for fertigation applications resulting in significant savings while also contributing to yield improvement.</p>
Low-carbon Urea	The world's first global shipment of low-carbon urea was delivered to New Zealand in July 2023.
Slow-Release Fertilizer	Technology trials continued with success in 2023 for this novel product that can work well over all seasons and release nutrients for 08 weeks.
Biodegradable Controlled-Release Urea (BCRU)	A unique controlled-release urea characterized by the biodegradable nature of the coating. The concept proven at both lab and pilot plant scale led to filing of 04 patent families.
Urea Calcium Sulfate (UCS)	<p>SABIC AN has successfully commercialized UCS, which is an adduct formed by reacting Urea and Gypsum. The development process enables valorization of Phosphogypsum (PG), a main co-product produced when manufacturing Phosphoric Acid (PA) for use in agriculture, food, pharmaceuticals, and chemicals. Historically, Phosphogypsum is stacked in surface stockpiles occupying extensive land and posing risk of ecological contamination.</p> <p>UCS is an innovative fertilizer that is tolerant to humid conditions, compatible for bulk blending with most other granular fertilizers (apart from Nitrates), and contributes to better product handling, lower leaching losses and improved performance compared to Urea.</p>
Organometallic Super Granules	SABIC AN patented an idea to combine date tree waste with chemical fertilizer such as Urea and/or NPKs in simple portable machines to produce organometallic super granules. These granules allow farmers to supply date trees or other crops with the advantages of both organic and inorganic fertilizers while reducing waste and potential emissions from burning.

### Engaging with emerging technology

SABIC AN does not utilize emerging technologies on genetic engineering or stem cell research. However, the Company pursues research and development of nano-fertilizers and bio-fertilizers as part of its commitment to improving the effectiveness of agri-nutrients, supporting growers, and contributing to global food security.

The Company has filed an application in 2022 with the National Biodiversity Authority (NBA) under the Indian Ministry of Environment, Forest and Climate Change – regarding fair and sustainable access to biological resources and microbes for research and commercialization, along with benefit-sharing for local farmers in India.

The EHSS and Product Stewardship section on page 80 details SABIC AN's comprehensive approach to ensuring safety, quality, and regulatory compliance with regard to the product portfolio.

### Next-gen fertilizers

In line with the Global Goals focused on enhanced crop production, land use efficiency, and combating water scarcity, SABIC's next-generation fertilizers increase crop yield while reducing the need for large amounts of fertilizer.

## SUSTAINABLE AGRICULTURE

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SABIC AN developed a unique multi-nutrient foliar fertilizer with crop yield-building and protection components in a single formula, to provide nutrition and stress protection for crops. This innovation earned an Edison Award 2023, receiving Bronze under the 'Food and Agriculture Advancements' category.

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Agronomy studies conducted at the International Institute of Biotechnology and Toxicology (IIBAT) India, encompassing greenhouse and open-field trials across a variety of crops, demonstrated yield improvements ranging from 5% to over 20% in different treatment scenarios; all while reducing nitrogen application by 25% compared to the recommended dosage for farmers.





**SABIC AN promotes sustainable farming as a holistic paradigm that seeks to meet global food security needs while ensuring responsible environmental stewardship. Science, technology, and farming best-practices are enablers to address sectorial complexities such as environmental impact, water scarcity, land availability, nutrient variability, crop monitoring, and climate change.**

#### **Enhanced crop-yield**

Contributing to global food security in order to improve quality of life is enshrined in SABIC AN's mission. The challenge is a pressing one today, as the pressures of demand growth and climate change are compounded by shortages of land and water.

The Company's addresses these challenges by developing and commercializing high-efficiency fertilizers and agri-nutrient solutions that enhance crop yields, address water stress, and promote farming efficiency while maintaining affordability for growers. Technological innovation remains a key driver of achieving progress, and is an area of leadership for SABIC AN.

#### **Nutrient Use Efficiency (NUE)**

Faced with the effects of climate change and the task of meeting the food needs of a growing global population, the agriculture sector has looked to NUE as a critical factor in sustainable farming to reduce the environmental footprint of fertilizers.

SABIC AN has taken on the challenge of improving NUE in order to help the farming community grow more, utilize less fertilizer, and ensure minimal impact to the environment. The Company's T&I business vertical is collaborating with industry leaders to take a technology-first approach to addressing the agricultural challenges of productivity, agronomic efficiency, nutrient utilization, and recovery efficiency. Agronomic trials conducted in 2023 on soluble fertilizers, nano-fertilizers, inhibitors and coated fertilizers continued to show improved NUE.

### Precision farming

Digitally-enabled (Smart) farming to increase efficiency is a major opportunity for the agriculture sector and the broader value chain that includes the agri-nutrient industry. As a frontrunner in the agri-nutrient sector, SABIC AN works with stakeholders to promote a fertilizer practice that is smart and sustainable.

The Company has initiated a number of digital initiatives to target the optimal uses of agricultural inputs such as irrigation water and fertilizer dosage, while working to continuously improve the sustainability and efficacy of fertilizer products.

SABIC AN collaborates with innovative partners and key stakeholders across the value chain, and leverages the latest technology to promote smart agricultural practices, products, and services that could reduce the cost of cultivation, improve yield, and contribute to a safer environment.

### Below the ground sensors

Sensors that measure real-time nutrient content and other parameters such as Moisture Content (MC), Electrical Conductivity (EC), and soil pH, which are difficult to obtain from satellite-based technology in heavily cultivated or grown crop areas. These enable growers to irrigate and fertilize crops only when and where necessary and avoid excess inputs.

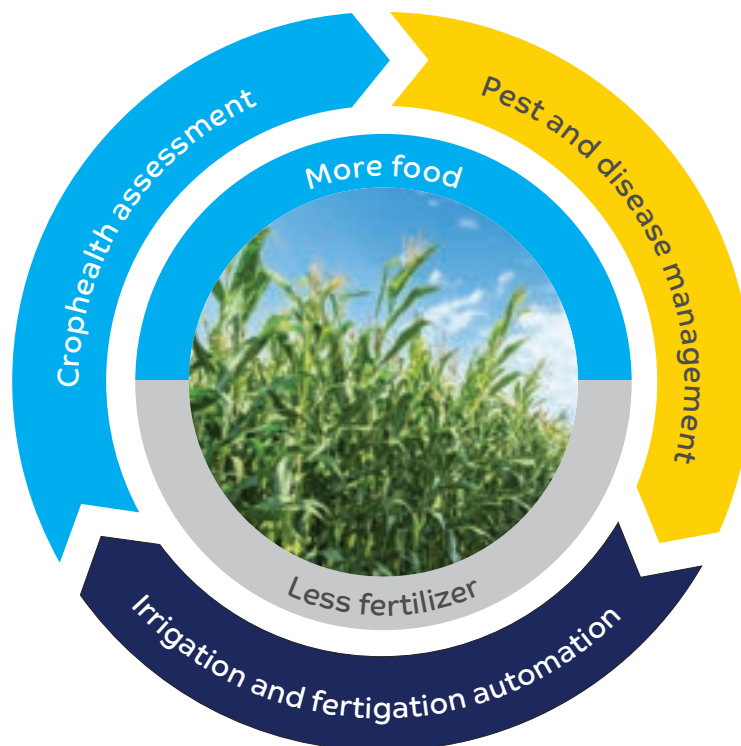
### Automated fertigation systems

Physical systems that apply fertilizers directly with irrigation, which can lead to better agronomic results with reduced labor and thereby cost.

### Satellite/drone imaging technology

Utilising the latest in imaging technology to help farmers on a variety of fronts including assessment of crop health, identification of crop nutrient requirements, early detection of diseases, and crop yield predictions.

## Fundamentals of SABIC AN's Smart Fertilizer Practice





**GRI 304-2****Biodiversity conservation**

The Company's operational sites and projects are only established or implemented after thorough Environmental Impact Assessments (EIAs) in line with regulatory requirements. While not carrying out operations in areas of high biodiversity value, SABIC AN is conscious of the indirect impact of agri-nutrients across the broader agriculture value chain, and therefore works with all stakeholders to promote sustainability and protect biodiversity.

Land-use change and habitat conversion coupled with poor crop-management continue to be major drivers of biodiversity loss from agriculture. SABIC AN's promotion of sustainable agriculture across the value chain contributes to preserving biodiversity and protecting fragile ecosystems facing the pressures of climate change and human development.

The Company's T&I function serves as an innovation pipeline that delivers enhanced efficiency agri-nutrients, next-gen fertilizers, and technologically advanced agricultural solutions; which contribute to improved land-use and crop-management practices.


**Empowering growers**

SABIC AN believes that empowering the farming community is essential to meet the food security needs of a growing population in a sustainable manner. As such, the Company carries out a number of initiatives to equip growers with the requisite tools and knowledge to protect their crops, maximize yield, and develop their livelihoods. The Company organizes several activities aimed at improving the economics of farmers and their production of targeted crops. Activities include technical webinars, trainings, and customer visits in different agricultural regions to train growers on various differentiated products, efficiency, and good agricultural practices.

The Company is constantly engaged with rose farmers in the city of Taif, in Saudi Arabia, providing advisory support for adoption of a balanced nutrient program to improve the yield of flowers. Development of SABIC AN's water-soluble granular NPK fertilizer, was introduced to coffee growers of the Jizan region, in Saudi Arabia, and scientific awareness programmes on the nutrient needs of coffee plantations were also conducted. SABIC AN's Constant support to farmers has resulted in many growers increasing their yield by 40%. The SABIC AN team will continue to work with coffee growers to improve their overall practices and nutrients program to improve productivity across key coffee growing regions.







# CLIMATE, ENERGY, AND RESOURCE EFFICIENCY

- 66 Climate change
- 67 Carbon neutrality
- 71 Resource efficiency  
and environmental  
management

# CLIMATE CHANGE

As a leader in agri-nutrients and active stakeholder in the global agriculture sector, SABIC AN’s strategies address three of the greatest challenges of the current age: climate change, ecosystem degradation, and food security. The Company responds to these on multiple fronts, led by a commitment to achieving carbon neutrality by 2050.

## How SABIC AN responds to the climate emergency

Global challenges	Climate change		Ecosystem degradation		Food security
Our response	Carbon neutrality (page 67)	Sustainable agriculture (page 60)	Resource efficiency and environmental management (page 71)		Enhance crop-yield (page 61)
Our initiatives	<p>Reduce emissions from industrial processes and across the agri-nutrient supply chain.</p> <p>Decarbonization and Energy Transition: to improve reliability, increase energy efficiency, increase share of renewables, develop low-carbon products, and implement Carbon Capture Utilization and Sequestration (CCUS).</p>	<p>Promote better crop-management, farming efficiency, and smart agriculture.</p> <p>Capacitate the farming community.</p>	<p>Improve Nutrient Use Efficiency (NUE) to reduce nutrient-loss.</p> <p>Reduce pollution through responsible waste and effluent management.</p>	<p>Improve circularity through use of by-products and upcycling/recycling.</p> <p>Practice responsible water stewardship.</p>	<p>Develop enhanced efficiency products, services, and technologies through a robust Technology and Innovation (T&amp;I) platform.</p>

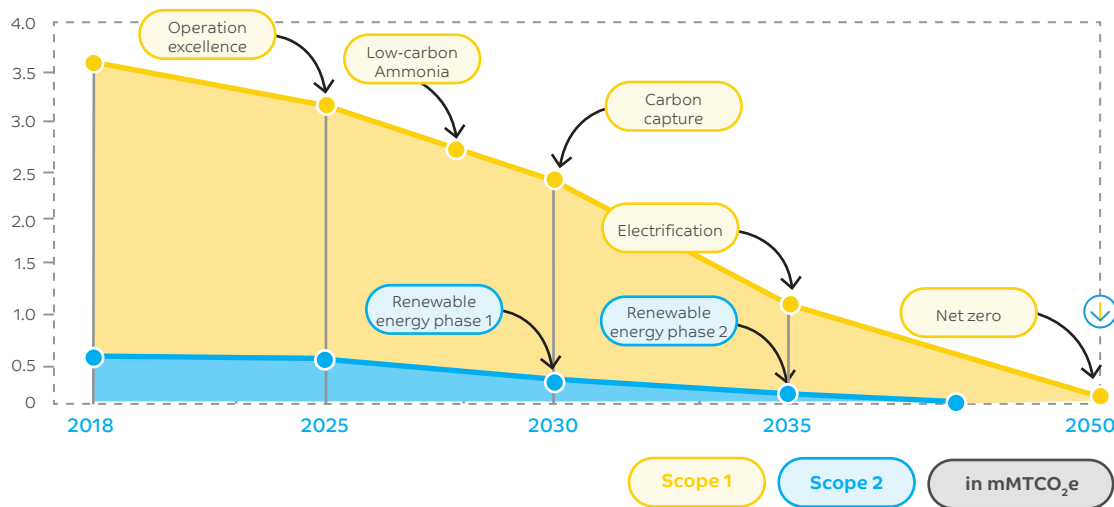
As outlined above, the Company’s core business and targeted initiatives contribute to addressing effects of climate change while driving sustainability across the agriculture value-chain. The following sections, read in conjunction with SABIC AN’s Innovation and Sustainability Solutions (page 50); approach to EHSS and Product Stewardship (page 80); and Engagement and Collaboration with stakeholders (page 97); provide a comprehensive view of sustainability performance.

# CARBON NEUTRALITY

A key component in SABIC AN’s sustainability journey is the clearly defined roadmap to achieve carbon neutrality by 2050. This decarbonization pathway is built on five pillars, ranging from continuous improvements in reliability and energy efficiency of production assets; to short and medium-term efforts such as electrification of manufacturing equipment, and promotion of renewable energy; and long-term projects for Carbon Capture Utilization & Sequestration, and pioneering of low-carbon fuels such as low carbon and green Hydrogen.

Since approval of the carbon neutrality roadmap by the Board in 2022, the Company has continued to take concerted steps to achieve the medium-term goal of reducing Scope 1 and Scope 2 emissions by 20% in 2030 (measured against 2018 as the baseline year).

## SABIC AGRI-NUTRIENTS CARBON NEUTRALITY ROADMAP



### Direct emissions (Scope 1 and 2)

SABIC AN has set out a decarbonization pathway to achieve its carbon neutrality ambitions, built on five pillars that are aligned with Group-wide efforts for decarbonization. The Company took a number of measures in 2023 to improve reliability and energy efficiency across its production assets, while exploring medium to long-term strategies for emissions reduction.

### GRI 305-5

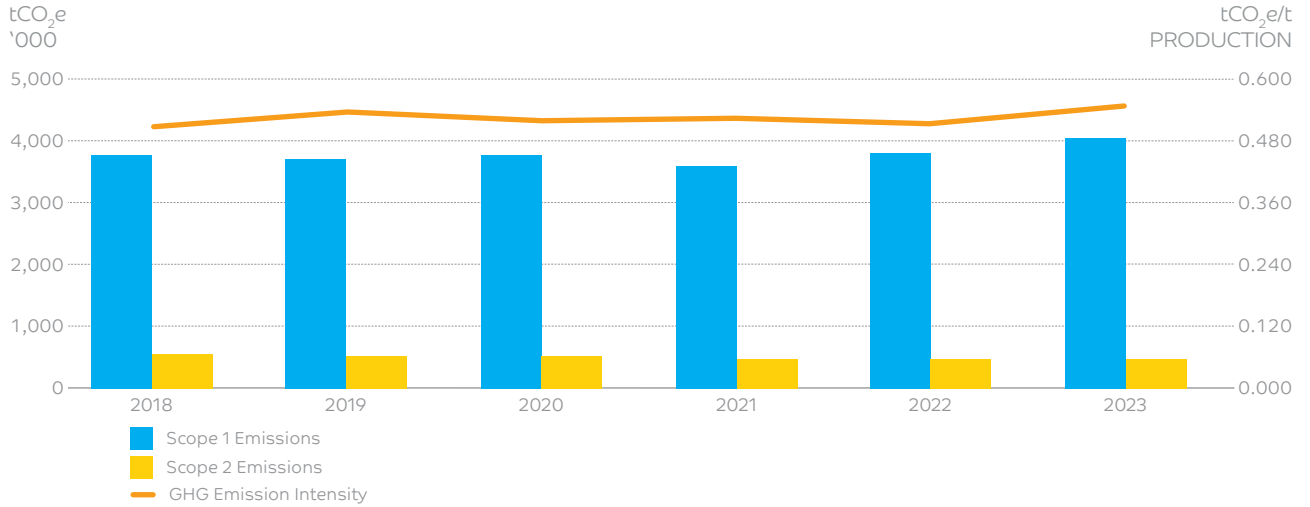
GHG emissions showed a slight increase in 2023 due to planned shut-down of multiple plants. Plant shut-down and start-up processes result in higher emissions than normal operations. The Company has launched a number of new projects focused on further steam rationalization and flare minimization in order to achieve the 2025 emissions reduction target.

## Progress in 2023

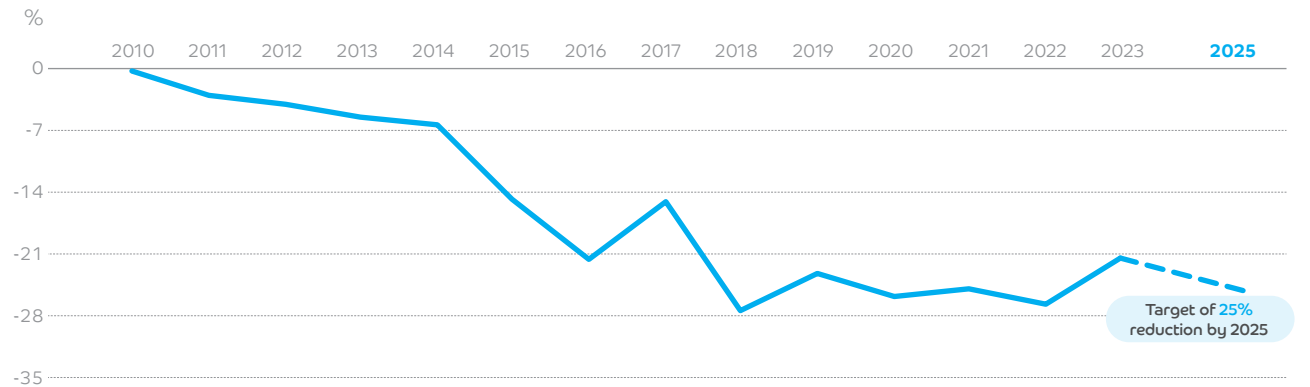
Reliability and energy efficiency of production assets	Carbon Capture Utilization & Sequestration (CCUS)	Electrification	Renewable Energy	Low-carbon Ammonia
<p>T&amp;I teams worked with plants to focus on steam optimization and flare minimization.</p> <p>Further projects and improvements for operating assets were evaluated and prioritized.</p> <p>Workshops carried out to identify gaps and areas for improvement with regard to Best Available Technology (BAT) and Best Achievable Rate (BAR) on energy efficiency, emissions, water consumption, and waste.</p>	<p>CCS project completed the feasibility study phase and is set to be moved to the engineering phase.</p>	<p>Teams carried out feasibility assessments with regard to electrification projects focused on rotating equipment.</p>	<p>Pursuing collaborative investments, partnering, technology ownership and operation, in order to enable the Kingdom's targets.</p> <p>Assessing commercial ownership of agri-nutrient/industrial downstream components.</p>	<p>The Company continues to monitor developments with regard to Hydrogen and low-carbon Ammonia as marine fuel sources and/or co-firing in power generation.</p>

**GRI 305-1 / 305-2 / GRI 305-4**

DIRECT GHG EMISSIONS (SCOPE 1 AND 2)



GHG INTENSITY PERFORMANCE



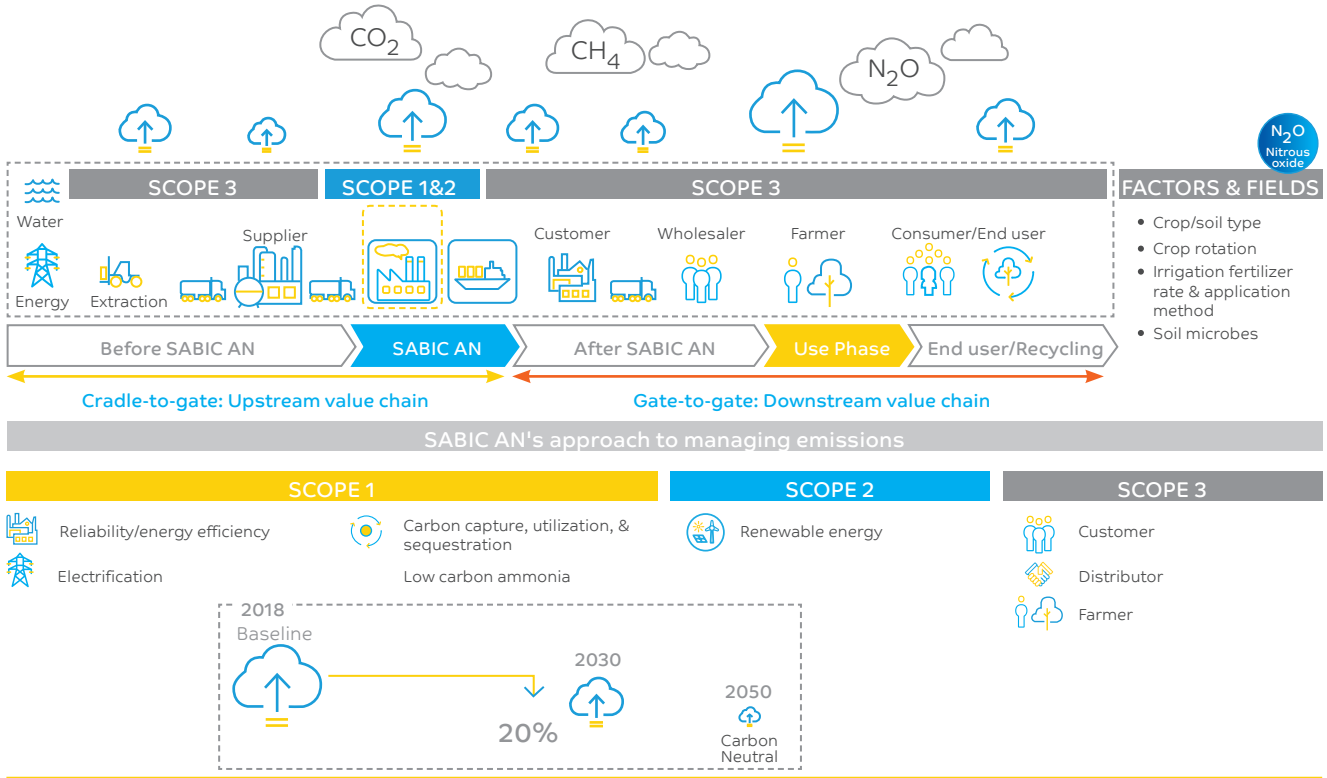
**GRI 305-3**

**Indirect GHG emissions across the value chain (Scope 3)**

Monitoring and measurement of emissions across the complex agri-nutrient/agriculture value chain is a challenging and evolving process. SABIC AN is working to better estimate, define, and refine assessments with regard to Scope 3 emissions across the value chain.

Working collaboratively with downstream customers and end-users remains a key priority as preliminary assessments identified that downstream emissions related to use of sold products would account for more than 80% of SABIC AN's Scope 3 emissions. Through continuous engagement across the downstream value chain, the Company plans to develop approaches to better understand and realize opportunities to reduce these emissions. SABIC AN's T&I function and innovation-driven business model would play a key role in this regard.

### SABIC AN's GHG emission and management plan





## RESOURCE EFFICIENCY AND ENVIRONMENTAL MANAGEMENT

Whilst developing innovative products and technologies to support the agriculture sector, SABIC AN is committed to pursuing greater resource efficiency and practicing sound environmental management to reduce the environmental footprint of production.

### Environmental performance at a glance

**21.77% reduction**  
in GHG emissions  
intensity\*

**81.54% reduction**  
in material loss intensity  
(waste intensity)\*

**37,810 MT**  
of independently certified  
low carbon ammonia and  
low carbon urea\*\*

\*baseline year 2010

\*\* in 2022 & 2023

Optimal and efficient utilization of resources, effective waste management, and incorporation of up-cycling, recycling, and recovery processes, enable continuous reduction in the environmental impact of production.

### Digitalization for better environmental outcomes

Implemented and upcoming digitalization initiatives will support direct gains to the Company's core-business operations; in the form of better asset health, improved plant efficiency and reliability, streamlined inspection processes, and optimized energy-use. Initiatives in the pipeline to improve ancillary functions would result in more accurate and transparent reporting of sustainability performance and enhanced compliance with EHSS standards and protocols.



## SABIC AN's digitalization plan

	Digitalization initiatives	Implementation status	Progress
1	<p><b>Asset healthcare</b></p> <p>Incorporation of monitoring systems that utilize Artificial Intelligence (AI) and Machine Learning (ML) to predict potential failures of critical equipment.</p>	Implemented	Digitalization of asset healthcare – a monitoring system that utilizes Artificial Intelligence (AI) and Machine Learning (ML) to predict potential failures of critical equipment in the plant has also been commissioned successfully. A pilot on Robotic Process Automation (RPA) and digital enablement to improve work efficiency, streamline work processes and optimize energy use has been implemented in 2023 and will be extended to all plants.
2	<p><b>Plant efficiency and energy optimization</b></p> <p>Continuous efforts for Robotic Process Automation (RPA) and digital-enablement to improve work efficiency, streamline work processes, and optimize energy-use.</p>	Implemented	Plant Efficiency and Energy Optimization was piloted successfully in one of SABIC AN's ammonia production assets. Recognizing its success at the plant and benefits realized, the program has been extended to three more ammonia plants and will be completed in 2024.
3	<p><b>Smart Inspection</b></p> <p>Utilization of technology such as robotics and drones to support inspection of manufacturing on a large scale; to elevate plant integrity and safety.</p>	In progress	Continual Group-wide adoption will aid addressing of chronic issues, leading to better asset life management and reduced environmental risk.
4	<p><b>Sustainability Reporting</b></p>	In progress	To build transparency and automation of the sustainability data collection and reporting, digitization of the process is in progress led by SABIC. A pilot of Product Carbon Footprint (PCF) is currently under implementation in one of the assets.

## Environmental reporting

Disclosure of the Company's environmental performance achieved a CDP rating of C for Climate Change, and B for Water Security in 2022. Publication of this Sustainability Report in 2023 and ongoing automation of sustainability data collation, reflect SABIC AN's continued commitment to improving environmental performance disclosure.

Plans are underway for reporting alignment with the IFRS Sustainability Disclosure Standards (developed by the International Sustainability Standards Board - ISSB).

### Environmental targets

Dimensions	Target*	Target Year	Status in 2023
<b>Resource efficiency</b>			
Energy intensity	25% reduction by 2025	2025	4.06%
Material loss intensity (MT material loss/ MT Production)	50% reduction by 2025	2025	81.51%
Flaring	65% reduction	2025	27%
Water intensity	25% reduction	2025	2.75%
<b>Climate</b>			
GHG emissions intensity (MTCO <sub>2</sub> e/MT Production)	25% reduction by 2025	2025	21.77%

\*Targets are set against the baseline year 2010.

SABIC AN is committed to continually improving energy and water usage efficiency to move closer to its target reduction.

**GRI 306-2**

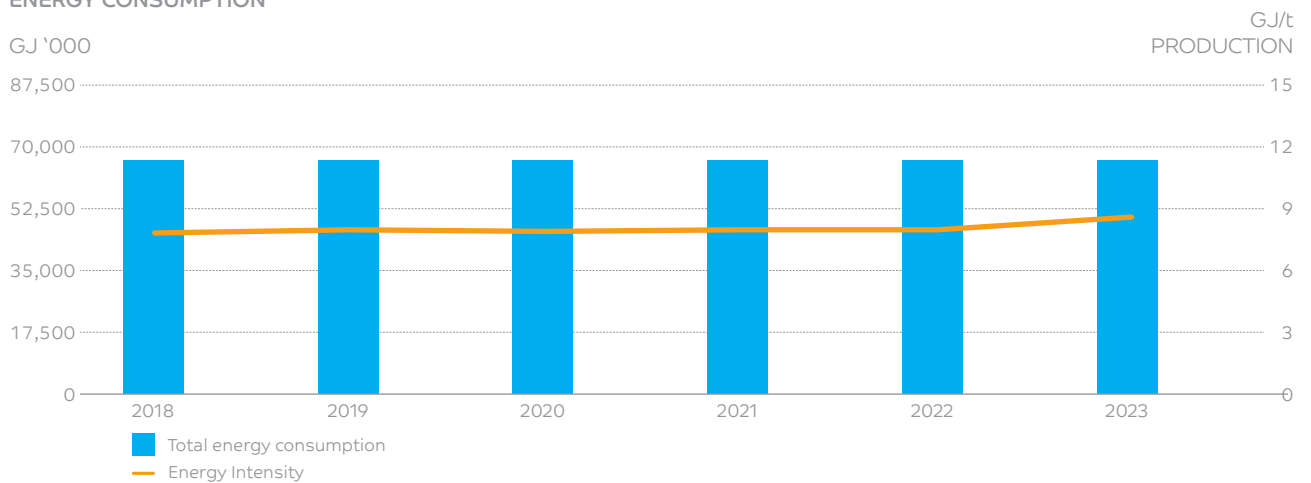
### Energy management

SABIC AN’s decarbonization efforts that include reliability and energy efficiency of production assets, electrification, and increasing share of renewable energy, all contribute to reducing energy consumption that in turn would result in financial benefits.

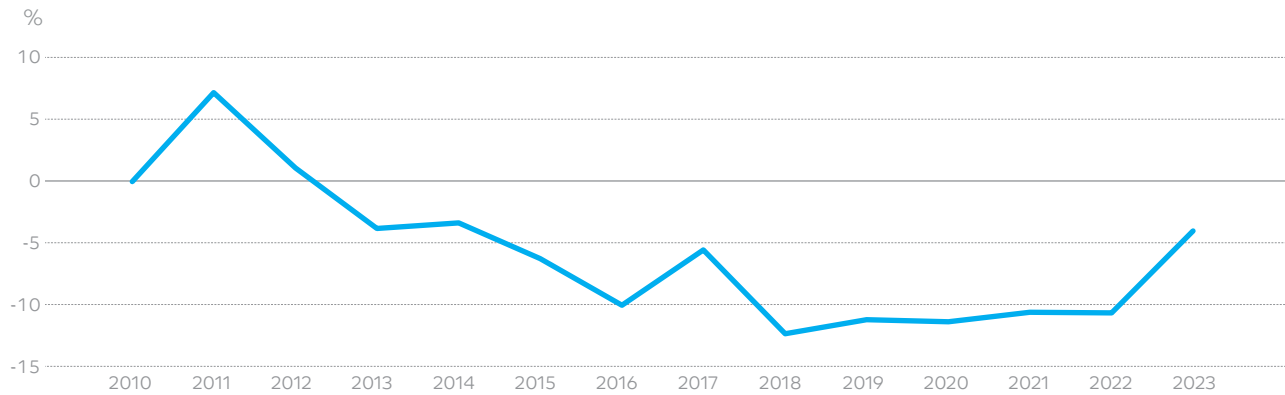
Reduction of energy consumption and energy intensity across the Company’s production assets (ammonia and urea plants) continues to be a priority in 2023. Efforts are on track to maintain a 25% reduction in Energy Intensity against the 2010 baseline.

**GRI 302-1/GRI 302-3/GRI 302-4**

### ENERGY CONSUMPTION



## ENERGY INTENSITY PERFORMANCE



### Saudi Energy Efficiency Program (SEEP)

SABIC AN's ammonia and urea assets are in compliance with Saudi Energy Efficiency Centre (SEEC) energy intensity requirements as mandated in the first and second cycles of assessment. Plant and production teams are in the process of evaluating the next cycle requirements.

### Resource efficiency

Having established a target to reduce material wastage by 50% by 2025, SABIC AN has been committed to continuous improvement in terms of resource efficiency. Monetization of material waste, or re-incorporation of by-products and co-products has benefited the business and the environment.

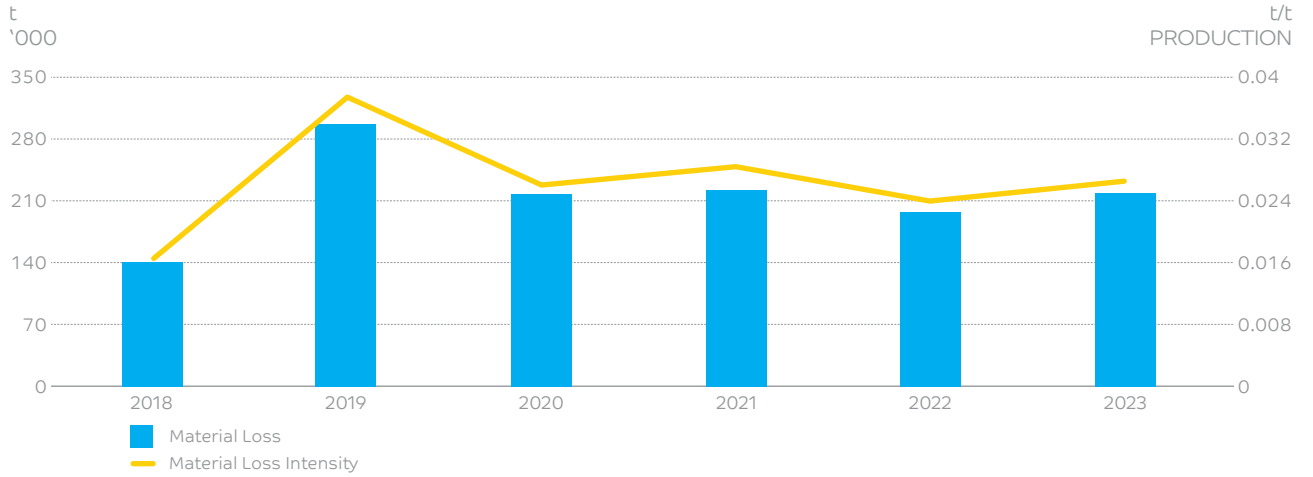
In 2023, despite marginal increase in material loss intensity due to various planned turnarounds of assets, the success of ongoing programs and projects has enabled the Company to achieve an 85.72% reduction in material loss intensity against the 2010 baseline.

### Circularity

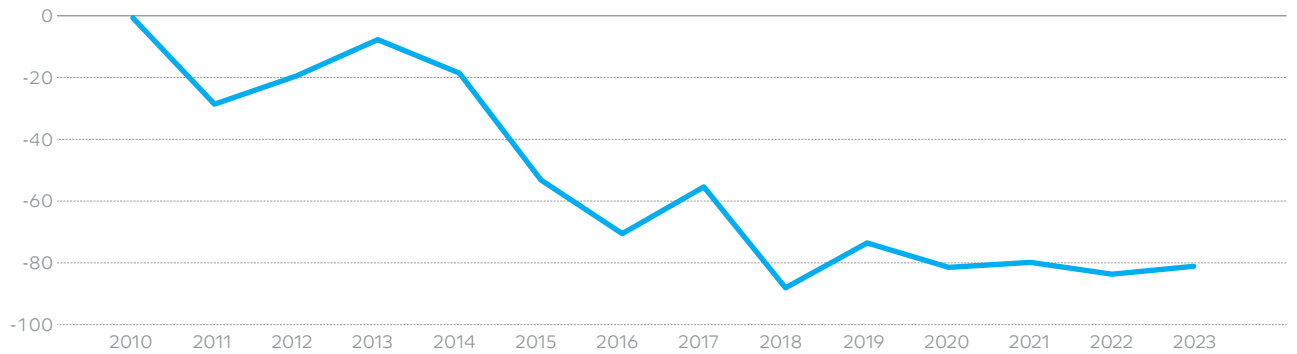
SABIC AN incorporates a circular mindset and life-cycle approach with regard to agri-nutrients, reflected in development of upcycled and recycled fertilizer products. Products such as SABIC AN's patented Urea Calcium Sulfate (UCS) utilizing Phosphogypsum, and Organometallic Super Granules utilizing date tree waste, are examples of an ongoing commitment to circularity in agriculture. In addition, the Company is working on technologies for up-cycling CO<sub>2</sub> in emissions to produce valuable products. These and other products and innovations are described in the product portfolio section and T&I sections.

### Material loss intensity

#### MATERIAL LOSS



#### MATERIAL LOSS INTENSITY PERFORMANCE (%)



SABIC AN carries out a number of circular economy practices for optimal utilization of resources and re-incorporation of by-products, waste-products, and surplus resources into the production process. The Company's T&I function (see page 52) plays a key role in developing and deploying new technology and processes.

### Examples of circularity in our products and operations

Urea Granulator Ammonia Abatement (UGAA)	Utilization of excess vented CO <sub>2</sub>	Urea Calcium Sulfate (UCS)	Al-Bayroni Urea Environment Project (UEP)
Conversion of ammonia emissions into valuable agri-nutrient products and by-products.	Excess CO <sub>2</sub> , vented from existing ammonia plants, is utilised in urea plants.	SABIC AN's innovative fertilizer, UCS, utilizes phosphogypsum derived as co-product from manufacture of Phosphoric Acid.	Al-Bayroni UEP was implemented, allowing for condensate to be recovered to the Demin system. This saves approximately 50m <sup>3</sup> of water per hour and improves Ammonia capture by 1,275 MT per year.
2023 – 2262 MT of NH <sub>3</sub> from the stack was converted to ammonium sulfate	2023 – 3,472,174 MT of process CO <sub>2</sub> from the ammonia plant was converted to urea		

### Waste management

Alongside processes to optimize material use and resource efficiency; recycling and re-use processes ensured that a fair percentage of waste was recycled during the year.

Standards for management of hazardous materials are set by the Royal Commission as per the RCER 2015 regulations. The Company maintains stringent internal targets for management of waste in line with Royal Commission benchmarks, and also incorporates strategies leading to continuous waste reduction across production facilities.

### Significant air emissions

Air pollution is monitored at operating assets, as per requirements of the Royal Commission, and routinely reported to relevant authorities. SABIC AN's benchmarks and internal targets for control of non-GHG air emissions are informed by the Royal Commission Environmental Regulations (RCER): RCER-2015, Volume I, Regulations and Standards, published in 2015.

All plants are designed and operated to minimize emissions with operations in place to ensure continuous monitoring of significant emissions. In case of any deviations, processes are in place to take immediate mitigation steps in line with local environmental regulations.

#### GRI 305-7

EMISSIONS	UNIT	2018	2019	2020	2021	2022	2023
NOx	ton	2,503.00	2,106.00	2,749.10	2,531.43	3,586.60	3,097.00
SOx	ton	4.07	1.41	5.27	1.72	85.60	69.20
VOC	ton	0.0890	0.9172	0.0204	0.0983	0.2330	0.0400
Particulate Matter	ton	390.00	930.00	88.77	184.13	353.69	241.52

GRI 303-1

**Water stewardship**

SABIC AN’s production assets operate in a region with extremely scarce water resources. As such, the Company places utmost importance on responsible stewardship of water.

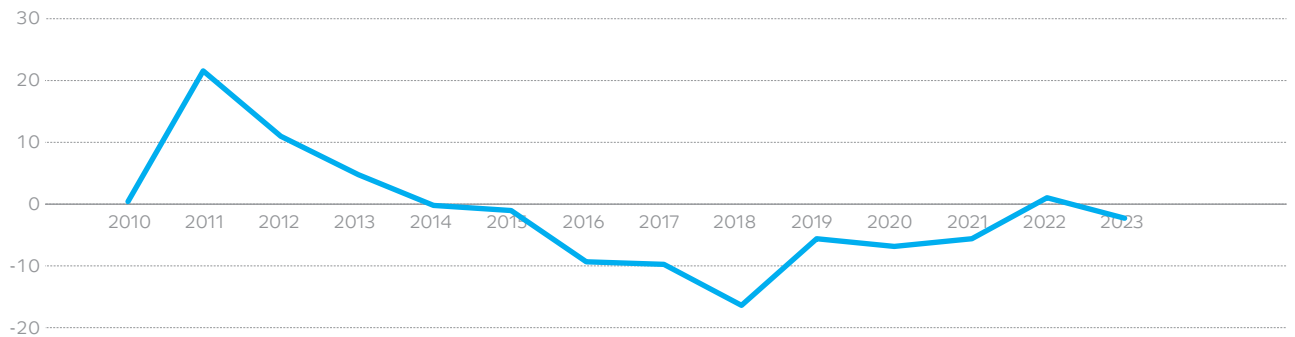
**All production and other processes rely on sea-water or third-party water from desalination plants, thereby avoiding utilization or depletion of precious ground or surface water reservoirs.**

Cooling accounts for a significant portion of water consumption in production facilities, prompting the use of sea water for the majority of cooling needs. In order to minimize water-stress, the majority of water utilized in manufacturing facilities undergoes multiple cycles of recycling. SABIC AN’s sea water cooling systems incorporate process design and metallurgy, including recycling systems to reduce water consumption. Rigorous monitoring using extensive instrumentation ensures that sea water returned to its source does not adversely impact marine life.

The Company relies on public utilities, which provide water from desalination plants, for potable water and non-saline water used in the Company’s other processes. This approach minimizes adverse effects on the water table or water availability in the local community.

While water withdrawal showed a minor increase, water intensity reduction in 2023 can primarily be attributed to the success of projects carried out to focus on reducing water consumption. Two such projects were completed during the fourth quarter of 2023, resulting in water consumption savings. However, scheduled shut-down of plants negated some of the gains made during the year. Combined benefits of these projects is expected to be realized in 2024.

WATER INTENSITY PERFORMANCE (%)



“The company operates in a water stressed area and hence does not consume any surface water or ground water for its operations. All water requirements are met by purchased water from third party and the waste water is returned to the third party for treatment and recycling. Cooling water requirements are met with sea water and is returned conforming to the Royal Commission standards”

WATER MANAGEMENT	UNIT	2018	2019	2020	2021	2022	2023
Water consumption intensity	m <sup>3</sup> /ton Prodn	0.715	0.809	0.799	0.808	0.868	0.839

**GRI 303-3**
**Water withdrawal and consumption**

WATER	UNIT	2018	2019	2020	2021	2022	2023
Water - in							
Surface water	m <sup>3</sup>	N/A	N/A	N/A	N/A	N/A	N/A
Ground water	m <sup>3</sup>	N/A	N/A	N/A	N/A	N/A	N/A
Third party water (MARAFIQ)	m <sup>3</sup>	6,149,622	6,413,310	6,661,314	6,324,098	6,387,000	6,948,814
Water from external steam	m <sup>3</sup>	N/A	N/A	N/A	N/A	N/A	N/A
Rain water	m <sup>3</sup>	N/A	N/A	N/A	N/A	N/A	N/A
Sea water	m <sup>3</sup>	N/A	N/A	N/A	995,505,502	975,675,637	1,010,970,993



## GRI 303-4

**Water/effluent discharge**

All effluent is treated prior to discharge. Plant operations closely monitor and track all water discharge, specifically measuring effluent temperature, TDS, TSS, Ammonia total as N, pH, and TOC. These are reported periodically to the Royal Commission as required.

Standards for wastewater pretreatment at point of discharge to central wastewater treatment facilities is set by the local environmental regulatory body: The Royal Commission for Jubail and Yanbu. SABIC AN's benchmarks and internal targets for effluent management are informed by the RCER Regulations and Standards (RCER-2015 Vol. 01), which includes limits and targets for both sea water discharge and waste water returned to the third-party utility company (MARAFIQ). The Company has installed online monitoring systems for waste water streams, and all data is tracked and analyzed through SABIC AN's EHSS dashboard and periodically reported to the Royal Commission.

WATER	UNIT	2018	2019	2020	2021	2022	2023
WATER - OUT							
Total cooling water	m <sup>3</sup>	N/A	N/A	N/A	N/A	N/A	N/A
Total external sold steam off - heat		N/A	N/A	N/A	N/A	N/A	N/A
Third party Discharge (Industrial and Sanitary Wastewater to MARAFIQ)	m <sup>3</sup>	Not Reported	Not Reported	Not Reported	1,441,513	1,600,000	1,472,959
Discharge to Sea	m <sup>3</sup>	Not Reported	Not Reported	Not Reported	995,505,502	975,675,637	998,430,648



# EHSS AND PRODUCT STEWARDSHIP

82 Environment, Health,  
Safety, and Security  
(EHSS)

92 Product  
stewardship



## ENVIRONMENT, HEALTH, SAFETY, AND SECURITY (EHSS)

**0.069**

SHER incident rate

**0**

Fatalities

**17,690**

EHSS trainings  
conducted

**77.31%**

EHSS maturity index  
sustained

**3.45**

Cybersecurity maturity  
index

**8.71**

million safe man-hours  
of operation

Upholding the highest standards for EHSS forms the core of the Company's operational philosophy. SABIC AN's commitment to EHSS encompasses the entirety of its operations, extending to all entities, divisions, partners, and vendors. With the objective of exceeding basic compliance, the Company strives to achieve best-in-class standards with regard to EHSS.

### Policy framework

SABIC Agri-Nutrients' Environment, Health, Safety, Security and Quality (EHSSQ) policy serves as the cornerstone guiding all business activities. The comprehensive policy framework reflects SABIC AN's ethos, provides leadership direction, and drives active engagement across operations and the workforce. Successful implementation of the policy ensures consistency in quality of products, guarantee of customer satisfaction, and positive environmental, health, safety, and security outcomes.

The policy is prominently displayed on the corporate website, as well as internal networks. Every site leader and stakeholder within the organization is well-informed about the policy, which is seamlessly integrated into departmental operating, maintenance, and quality manuals. Recognizing the evolving nature of the industry and regulatory landscape, a comprehensive review of the EHSS policy is conducted annually.

SABIC AN's policy aligns with the Group's wider EHSS policy, complies with relevant legal and regulatory mandates, and incorporates a commitment to continuous advancement. The Company evaluates EHSS performance through regular assessment of EHSS Maturity and departmental Key Performance Indicators (KPIs) based on internationally accepted metrics.

## EHSS governance

EHSS operations are guided by two levels of steering committees, each playing a pivotal role in steering the Company toward achieving objectives and goals aligned with strategies. The Chief Executive Officer (CEO) spearheads a quarterly steering committee meeting, convening with executive management representatives and key site leaders from EHSS, Process Safety, Sustainability, and capability development experts. The Chief Operations Officer (COO) heads a site-level steering committee facilitating regular interactions with employees and contractors across platforms like the Innovation Program, OMS SHEM Management Procedures/Organization, and associated EHSS subcommittees. This committee is entrusted with the responsibility of elevating SABIC AN's EHSS performance standards.

## Safety culture

Safety serves as a cornerstone guiding the actions and behavior at SABIC AN. The Company adheres to all protocols and procedures to ensure the safe operation of its facilities, which includes operation of plants handling hazardous materials. Establishing and maintaining a secure work environment hinges on each employee's commitment to the principle of Safety First. Building a culture of safety is achieved through short and long-term actions and continuous communication across all organizational levels.

SABIC AN aims to instill a proactive safety mindset in every employee and across the wider value chain. In order to achieve this, the Company maintains a consistent regimen of safety training sessions, managerial safety walkthroughs, drills, audits, and monitoring throughout the year. SABIC AN's dedication to safety is reflected in the outstanding EHSS performance across day-to-day operations as well as an exemplary safety track record.

Additionally, a Rewards and Recognition (R&R) system incentivizes safety reporting across operations. Through these measures and a commitment to transparency, safety incidents are reported consistently. This enables SABIC AN to ensure continuous improvement of standards while reinforcing a culture of safety and security among employees.

## Edraak

Edraak is a strategic in-house initiative designed to enhance EHSS performance and culture. The primary objective of the Edraak program is to cultivate a robust corporate culture and refine associated business processes in pursuit of excellence. Detailed plans, accompanied by specific roadmaps, are consistently reviewed and aligned with current processes to mitigate risks related to equipment and systems. Additionally, workshops and technical lectures are conducted to build a culture of reliability among employees.

In 2023, the Company prioritized implementation of the SABIC Unified Work Permit System, and continued efforts toward achieving the goals of the Takamol One Site integration project.

## Training programs

SABIC AN develops its annual EHSS training programs by identifying gaps, building upon previous training achievements, incorporating lessons learned from incidents, and aligning with Individual Development Programs (IDPs) and upcoming operational turnarounds. To ensure a structured approach, each OMS element leader conducts a Training Needs Analysis (TNA) via workshops facilitated by the Capability Development team. The required training programs corresponding to each organizational position are communicated to all relevant leaders for registration of necessary training through the SABIC Learning Management System (LMS). Specialized training programs are also organized for contractors, who are an integral part of SABIC AN's comprehensive EHSS system.

**In 2023, the newly launched JADEER program for security guards and fire technicians focused on building capabilities to perform tasks while upholding compliance with EHSS, process safety, reliability and sustainability standards. JADEER has 13 programs and levels with over 230 modules of learning content, 1,800 tasks, and 2,200 assessment questions that focus on competencies, work processes, and enablement. Efficacy of training initiatives is evaluated using the UMU Platform. Over 1600 participants completed customized mandatory EHSS trainings assigned to their specific job-families, during the course of the year.**

To build expertise in environmental, safety, and occupational health, the Company continues its commitment to training and certifying specialists through the National Examination Board in Occupational Safety and Health (NEBOSH). Furthermore, specialized training initiatives have been implemented to equip employees with skills in industrial health, operations risk analysis, radiation protection, and various facets of occupational health.

## EHSS performance

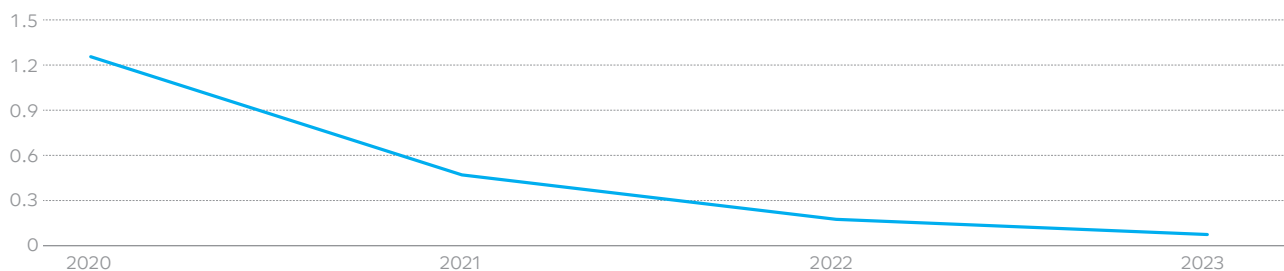
The EHSS performance of SABIC AN is systematically tracked through a weekly EHSS Assurance Dashboard, which is circulated to the entire workforce. The dashboard ensures continuous monitoring and transparency while allowing divisional heads to take timely and proactive action wherever necessary. The dashboard encompasses critical information including:

Status updates on SHER (Safety, Health, Environment, and Management) audit findings.	SHER (Safety, Health, Environment, and Risk) metrics and performance indicators.	Incident reports detailing EHSS events and classifications based on severity.
Instances where internal control limits have been exceeded, necessitating attention and corrective action.	Safe man-hours logged without Lost Time Injuries (LTI).	Identification of cybersecurity gaps.
Overview of emergency drill execution and outcomes.	Instances where internal control limits have been exceeded, necessitating attention and corrective action.	Launched JADEER program with 230 modules and over 2000 tasks and assessments for security guards and fire technicians.

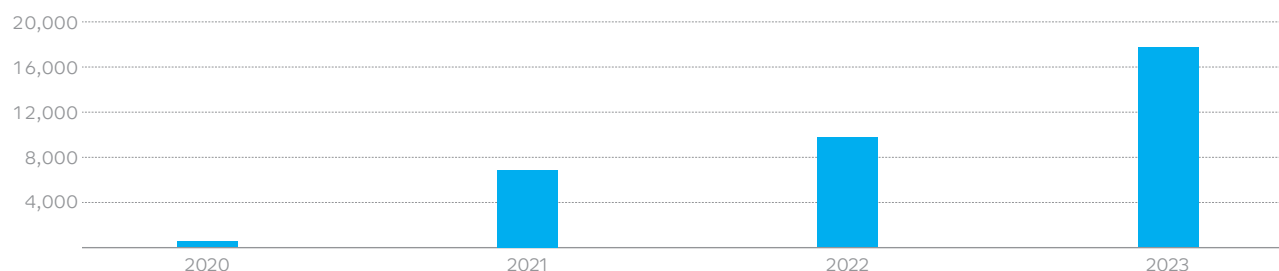
The Company utilizes the EHSS rate indicator (incident rate) – a metric encapsulating EHSS incidents including environmental releases, process safety incidents, occupational health and safety injuries, illnesses and security incidents. Each incident's severity determines its contribution to this overarching metric, which is subsequently normalized to a standard of 200,000 man-hours.

With a forward-looking strategy, the Company has set a goal to reduce and maintain its global EHSS rate below 0.25 by the year 2025. Recording a total incident rate of 0.069 for 2023; outstanding EHSS performance has enabled SABIC AN to consistently achieve and surpass targets in 2022 and 2023. The Company extended its exemplary safety record within the fertilizer industry in 2023, achieving 8,717,087 safe man-hours of operation without any lost time injuries (LTIs).

### SHER (SAFETY, HEALTH AND ENVIRONMENT) RATE



## EHSS TRAININGS CONDUCTED (Numbers)



## EHSS metrics

		2020	2021	2022	2023
Fatalities	nos	1	0	0	0
SHER (Safety, Health and Environment) rate		1.26	0.47	0.17	0.069
Recordable injuries – Employees	nos	1	2	1	1
Recordable injuries – Contractors	nos	1	5	1	2
EHSS Maturity Index (Sustained)	%	65.02	69.01	75.08	77.31
Occupational illness rate	(Illnesses/200,000 hours worked)	0	0	0	0
API 754 Process Safety Event Tier 1	(Incidents)	0	1	0	0
Security incidents (Class A + Class B + Class C (SHEM-10))	nos	0	0	1	0
Reported EHSS observations	nos	4,194	6,081	9,823	11,721
EHSS Trainings	nos	412	6,811	9,705	17,690
Management walkthroughs	nos	118	160	363	469
Cybersecurity maturity index		3	3.03	3.31	3.45

SABIC AN's environmental performance with regard to resource efficiency and material loss, waste management, GHG emissions and other significant emissions, water stewardship, effluent discharge, and energy use are detailed in the Climate, Energy, and Resource Efficiency section on page 65.

An annual EHSS Incident Analysis is conducted through workshops, involving multidisciplinary team members from various departments to pinpoint common causes of incidents. The findings are subsequently shared with the High Learning Value Sub-Committee and EHSS Steering Committee. Proactive measures recommended are then harmonized with strategic business value drivers for effective implementation.

To assess EHSS performance, SABIC AN engages in comprehensive audits conducted by recognized entities, including SABIC AN's Internal Auditors, SABIC Corporate Internal Auditors, DNV, the Royal Commission (RC) of Al-Jubail and Yanbu, pertinent government authorities, GPCA, KPMG, and MARSH, and other reputable organizations. Additionally, SABIC Agri-Nutrients benchmarks its EHSS performance against industry standards and benchmarks established by IFA, AFA, and TFIs.

SABIC AN employs a structured and methodical approach to improve its EHSS performance, strategically aligning with both its proprietary Manufacturing Strategy and the broader SABIC Manufacturing Strategy 2025, which include the EHSS & Regulatory Compliance value drivers.

## Compliance

The Company evaluates EHSS performance through a combination of leading and lagging indicators, structured according to value drivers aligned with SABIC AN's manufacturing strategy. These metrics are integrated into individual departmental business plans and employee Individual Development Plans (IDPs).

SABIC AN submits periodic environmental reports as mandated by the Royal Commission for Jubail and Yanbu (RCJY). In 2023, the Company's unwavering commitment to environmental protection ensured it remained free from violations and fines.

Key Initiatives	Impact/significance
Flare flow meters installed at all sites	Compliance to RCER 2015 requirements and reduction of financial impact in case of violations.
Groundwater remediation projects carried out by technological partners	Compliance to RCER 2015 requirements and reduction of financial impact in case of violations.
Fence online monitoring for air quality	Compliance to RCER 2015 requirements and reduction of financial impact in case of violations. In addition, the monitoring system serves as a proactive tool to enforce Internal Control Limits (ICL) and anticipate regulatory limits.
Online monitoring for waste water stream	Compliance to RCER 2015 requirements and reduction of financial impact in case of violations. In addition, the monitoring system serves as a proactive tool to enforce Internal Control Limits (ICL) and anticipate regulatory limits.
Ammonia emission monitoring and action tracking dashboard	A proactive tool in place to enforce Internal Control Limits (ICL) and achieve full regulatory compliance.
PCF automation	PCF automation piloted in one plant. Product Carbon Footprint automation (PCF) is business-critical, in line with recent regulatory developments such as the EU's Carbon Border Adjustment Mechanism (CBAM) and market developments that require accurate carbon footprint data for products based on real data.

## Certification and awards

The Company's EHSS Management System is in compliance with the highest international standards; maintaining ISO 14001 and RC 14001 certification for all production assets in 2023/24.

Responsible Care® (RC) 140001 is a standard created by the American Chemistry Council (ACC) for chemical companies and their suppliers. Renewal of RC certification reflects the strength of SABIC AN's safety and security processes and practice via implementation of a comprehensive

Responsible Care Management System (RCMS) that goes beyond the traditional Environmental Management System to also consider health and safety, security, transportation, outreach, emergency response and other RC requirements.

SABIC AN's EHSS system incorporates training, continual (real-time) monitoring, routine audits, and a series of risk-management and mitigation actions, amongst other actions, which provide a strong base to maintain world-class EHSS performance. It incorporates the following core principles:





### Quality Assurance (QA)

SABIC AN follows a systematic processes and incorporates a number of Quality Assurance (QA) measures to ensure the highest quality standards are met and maintained throughout operations. The Company has a comprehensive Quality Management System (QMS) in place that defines roles and responsibilities, procedures, and standards while incorporating continuous actions such as audits, reviews, and assessments to ensure compliance. SABIC AN's QMS follows international best-practices and retains ISO 9001 Certification in 2023/24.

The Company has also received ISO 10015 certification, which falls within the ISO 9000 family of quality management systems. Successful recertification for 2023/24 indicates SABIC AN's robust systems for competence management and people development.

Recognizing the Company's outstanding record, SABIC AN has received a number of national and international awards and accreditations for EHSS, Sustainability, and Quality, including the Operational Excellence award in 2023 from amongst SABIC's group of companies.

### Operation Management System (OMS)

SABIC AN's Operations Management System (OMS) integrates EHSS as a core component across work process management, consolidating these into a cohesive framework that is well-regulated and consistently monitored. The OMS contributes significantly to operationalizing EHSS strategies while facilitating safe operation and optimization of company assets. The OMS also provides clear principles, standardized criteria, and comprehensive guidance, ensuring consistency in systems and procedures across the Company. The Company's OMS also governs policies and actions related to Information Security or cybersecurity.



### People and organization

- Leadership and culture
- Organization
- Capabilities



### Business performance and governance

- Business performance
- Enterprise risk management
- Governance and communication



### EHSS management

- SHEMS



### Asset life cycle management

- Design
- Operate
- Maintain
- Retire



### Continual improvement and Quality management

- Process
- Practice
- Quality management

### Occupational health and safety

The Company consistently adheres to the implementation of occupational health, safety, and industrial hygiene programs, as outlined in the established EHSS management system. Efforts include chemical exposure sampling (both personal and area-based), hearing conservation, management of heat and cold stress, and mitigating biological hazards across all work environments. Additionally, an annual medical check-up is conducted by a recognized and reputable medical services provider/hospital, ensuring the well-being of both employees and contractors, both on or off the job.

### Employee health and wellbeing

SABIC AN provides free healthcare insurance for all Saudi employees, their legal dependents, and parents. Medical care is also provided to married non-Saudi employees and their dependents who are officially registered on Iqama, at medical facilities specified by the Company.

Additionally, every employee receives annual health checks. Within its facilities, the Company maintains a fully operational hospital equipped to address any medical emergencies for employees and other workers.

In order to raise awareness, advocate for improved employee health and wellbeing, and promote volunteering and community action, the Company organized a number of campaigns and events in 2023.

Hand-injury prevention campaign

Smoking cessation campaign

Defensive driving campaign

World Environment Day celebration

Blood donation campaigns

SABIC AN’s occupational health and safety, and employee wellbeing actions are aligned with the SABIC Operational Management System (OMS) Standard and adhere to RC-14001, ISO 14001, and OHSAS 18001 international standards.

### Cybersecurity

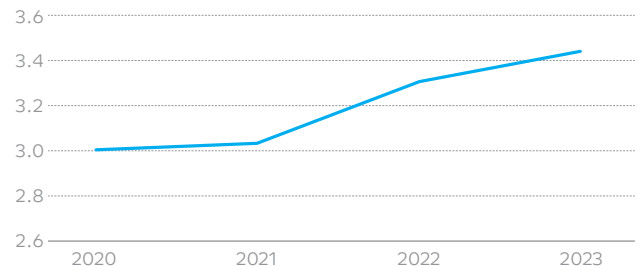
As the Company increasingly relies on Information Technology (IT) and adopts digital processes that enhance day-to-day operations and functions, IT security and cybersecurity pose additionally complex challenges that need to be navigated with care.

Business Continuity Plans consider the risk of IT interruptions and have mitigation plans in place that are communicated to relevant departments in order to ensure minimal disruption in case of IT interruptions or cyber-attacks.

SABIC AN’s cybersecurity performance is reviewed monthly during EHSS Steering Committee meetings and quarterly at Company Board meetings. The Company is part of SABIC’s Operational Technology (OT) Corporate program, and implements a cybersecurity strategy aligned and integrated with the SABIC OT HUB and NCA guidelines.

As a part of SABIC’s OT cybersecurity expansion program, SABIC AN is implementing OT projects to mitigate identified risks and achieve SABIC’s maturity score target. These projects includes Application Whitelisting, Network Threat Detection, and removable media control. Additionally, training and awareness programs are carried out to ensure employees are up to date with the latest developments in IT risk and cybersecurity.

CYBERSECURITY MATURITY INDEX



## Emergency response

SABIC AN implements a comprehensive Emergency Response Preparedness Plan, incorporating anticipated emergency scenarios and Pre-Incident Practices (PIPs), to ensure timely and effective crisis management and emergency response. Readiness is consistently maintained to mitigate the consequences of on-site and external risks pertinent to SABIC Agri Nutrients facilities, plants, and projects. A dedicated Emergency Response and Crisis Management Committee, and a fully-equipped emergency operations center work to anticipate and respond to various scenarios that may affect the Company and the community during emergencies. Teams function with a management-approved charter that outlines identified risks, and responsive actions to be taken in emergencies. The Emergency Response function is also captured under SABIC AN's comprehensive Organization Management System (OMS).

Emergency mock drills are conducted in collaboration with the Government Civil Defence, adhering to scenarios developed by the emergency response team. Surprise emergency evacuations and internal drills are executed to alert employees and contractors across different sites.

The emergency response team undergoes ongoing requisite training aligned with the company's Emergency Response Team (ERT) competency model, ensuring proficiency in safe handling of hazardous materials in accordance with the National Fire Protection Organization (NFPA 472) standards.

SABIC AN belongs to the Jubail Mutual Aid Association (JA'MAA), and other local legal and regulatory bodies to execute off-the-job programs that focus on operational risks, anticipated emergency scenarios, and preventive guidance for the broader community. These associations involve routine reporting to stakeholders, including regulators such as the Royal Commission, and include outlines for communications processes with regard to emergency response.

Additionally, SABIC AN's EHSS dashboard and established Continuous Environment Monitoring Systems (CEMS) proactively monitor and address variations in waste, water, and air quality. Complementing this, the OMS-3111 (SHEM-13) Environmental Management Procedures are implemented to mitigate environmental impacts in line with local, regional, and international regulatory standards.



### Crisis Management Committee

A Crisis Management Committee was established to ensure the integrity, adequacy, and responsiveness of the SABIC AN's emergency response plans, and to evaluate crisis management requirements, cybersecurity protocols, procedures, equipment, and readiness of emergency response teams. Convening on a quarterly basis, the committee reports its findings and recommendations to the EHSS steering committee. The responsibilities of the committee include:

Monitoring and bolstering site preparedness levels.

Analyzing findings and recommendations stemming from both simulated and actual emergency drills.

Evaluating the adequacy, readiness, and maintenance requirements of ERT equipment.

Establishing and refining maintenance protocols for emergency equipment.

Assessing the training and qualification status of ERT members.

### Outlook for 2024

SABIC AN has undertaken a commitment to complete a number of Environmental Compliance Projects that are in the pipeline. Projects include initiatives such as installing floating hexacovers over wastewater lagoons to mitigate ammonia and organic odors, and implementing a new granulator demister design to minimize urea dust and particulate matter (PM), among others. Concurrently, the Company is advancing HCIS Projects and other strategic endeavors aligned with sustainability and Good Manufacturing Practices. SABIC AN is also awaiting the iMEA assessment report to further improve OMS performance and compliance measures that would benefit overall EHSS implementation and performance.

SABIC AN continues to place a strong focus on reducing energy intensity, GHG emissions, water consumption, and waste generation with ambitious 2050 targets and interim 2030 milestones. The Climate, Energy, and Resource Efficiency section on page 65 details SABIC AN's targets and progress made. Given the challenges encountered in 2023, particularly in energy and water consumption, 2024 will witness intensified efforts to address and improve upon these specific areas.



## PRODUCT STEWARDSHIP

### 164

multilingual Safety Data Sheets (SDSs) prepared

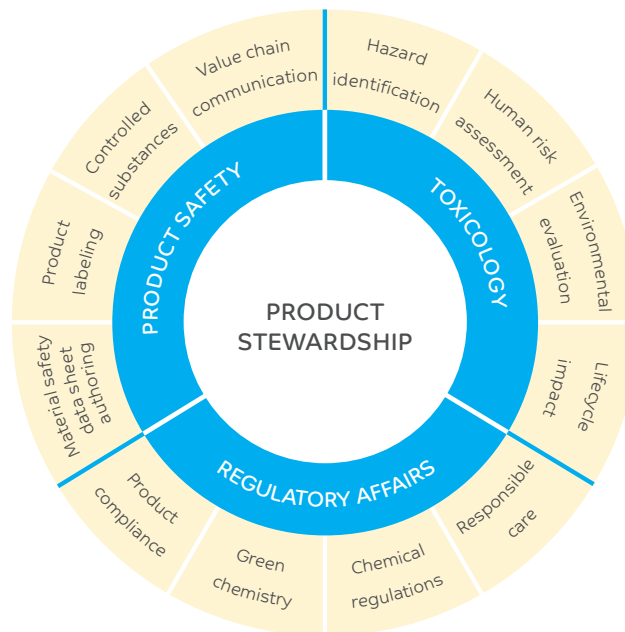
All product queries

**answered on time**

**Zero Product Stewardship Incidents** (PST) reported

SABIC AN's product stewardship protocol centers on the assurance of product safety and compliant solutions, while mitigating potential negative impacts and pursuing greater sustainability across a diverse agri-nutrient product portfolio.

A dedicated product stewardship team conducts exhaustive safety assessments for all products in compliance with national/international regulatory and standard requirements. This systematic approach is seamlessly integrated into the product development cycle, ensuring that both existing and newly developed products undergo thorough assessment.



### Product stewardship functions

- Ensuring product compliance and safety standards are met.
- Employing Product Safety Data Sheets (SDS) and hazard labels.
- Analyzing the regulatory impact on business and conducting hazard assessments for raw materials and products, including toxicology tests.
- Strengthening customer relationships by responding to queries relating to product safety and compliance.
- Assisting in the interpretation of national chemical policies.
- Conducting raw materials/product compliance reviews.

## Product Stewardship Mission

**A strong Product Stewardship culture leading to excellence in product risk management, which adds business value across the global supply chain through safe, compliant, and sustainable solutions.**

The Company's product safety assessments rely on two fundamental tools to evaluate products: Lifecycle assessment and product stewardship scorecard.

### Lifecycle assessment (LCA)

LCA and lifecycle inventory methodologies, adhering to ISO 14040 and ISO 14044 standards, serve as critical tools for estimating the carbon, energy, and various other impacts of our products throughout their lifecycle. The qualification process systematically evaluates and considers all lifecycle impact categories to ensure a comprehensive understanding of environmental footprint.

### Product Stewardship Scorecard (Green Chemistry Screen)

The scorecard serves as a benchmark for evaluating the chemical composition of a product. This tool assesses impurities, byproducts, and catalysts in alignment with best practices for toxicological, regulatory, and industry standards.

### Alignment with business functions and goals

Considering the complexity of fertilizer regulations across regions, nations, and product types, SABIC AN's product stewardship team works diligently to monitor global fertilizer regulations and provide guidance for product qualification and strategic business development and market expansion.

### Product development

During 2023, the team carried out risk assessments of newly developed products via accolade projects. The assessments encompassed qualification of raw materials, evaluation of new product qualifications, and comprehensive exposure risk assessment. This process ensured that newly developed products met safety and regulatory compliance requirements.

### Compliance and certifications

SABIC AN's product stewardship team works with other departments and functions across the Company to achieve and renew compliance and certifications that are essential for business continuity and expansion.

In 2023, SABIC AN joined the Group-wide Integrated Manufacturing Excellence Assessment (IMEA) with review of management system documents of OMS 3114/SHEM 16 for SABIC AN manufacturing. The process enabled risk identification for production sites and collaboration with site teams to address gaps in safety protocols.

Maintaining EU REACH Registration for Ammonia and Urea was another major achievement for 2023, as the registration and license enables SABIC AN to sell its key products, Ammonia and Urea, in the EU market.

IFA Protect & Sustain Program certification involves evaluating the conformity of management systems within SABIC AN with the IFA Protect & Sustain Product Stewardship Program. After application for certification and award of Excellence status in 2021, re-assessment in 2023 positioned SABIC AN in the Excellence category. The certification scope covers the following:

- Sales and marketing: supply chain management of fertilizers and procurement services.
- SABIC Agri-Nutrients: manufacturing and warehousing of urea (granular) and compound fertilizers.
- Jubail Fertilizer Company (Al-Bayroni): manufacturing and warehousing of urea (prilled) and Technical Grade Urea (TGU).
- SABIC Terminal Services Company (SABTANK): warehousing and ship loading of fertilizers.

### Responsible marketing

SABIC AN's responsible marketing practices ensured zero non-compliance incidents with regulations and

voluntary codes concerning marketing communications. The Company's sales and marketing practices assessed by the IFA Protect & Sustain program were found to be in compliance with best-practices.

### Safer chemistry

As part of Group-wide efforts to lower the human and environmental hazard profiles of products and raw materials, SABIC's Safer Chemistry program aims to substitute, eliminate, or reduce the use of Chemicals of Concern (CoC) beyond current global regulations. The Safer Chemistry program proactively scrutinizes and identifies any CoCs as part of routine annual assessments and the Group's ongoing Portfolio Sustainability Assessment (PSA) initiative.







### Nutrient stewardship

SABIC AN continues to work with The Fertilizer Institute (TFI) to support and adopt the philosophies of 4R nutrient stewardship, to ensure greater profitability and environmental responsibility. TFI is a fertilizer industry advocacy and awareness group that represents public policy, communication, stewardship, sustainability, and market intelligence needs of fertilizer producers, wholesalers, retailers, and transporters.

### Product information

SABIC AN prepares Safety Data Sheets (SDSs) for all products, including intermediates and R&D materials. These sheets go beyond compliance and are a primary tool to communicate critical safety-information to stakeholders across the value chain. The OneSDS portal has been developed by the Group and hosted on the corporate website. The portal covers all SDSs for commercial products and public for customer demands.

### Portfolio Sustainability Assessment (PSA)

SABIC AN is dedicated to guiding its product portfolio in harmony with significant sustainability trends and global regulations. In pursuit of this commitment, the Company collaboratively adopted a PSA tool to empower leadership teams to make informed decisions based on scores for sales with robust sustainable climate credentials. The PSA methodology enables steering of the overall portfolio towards improved sustainable performance. The assessment process, which commenced in 2022, was successfully completed in 2023. Results of the assessment showed opportunities for growth in the Enriched Urea and Fuel Additive product segments.



A photograph of a modern building with large glass windows and a paved walkway with a bench. The scene is outdoors, with greenery and a clear sky. The text is overlaid on a dark blue background.

# ENGAGEMENT AND COLLABORATION

- 98 Employees
- 107 Value chain
- 109 Communities

## EMPLOYEES

**1,655**  
employees

**89%**  
Saudization rate

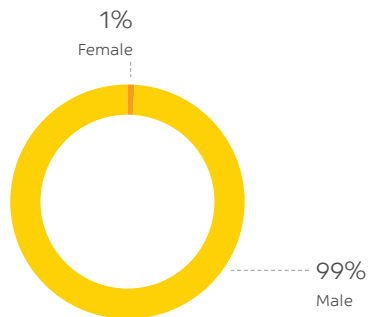
**100**  
new hires in 2023

**53** average training  
hours per employee

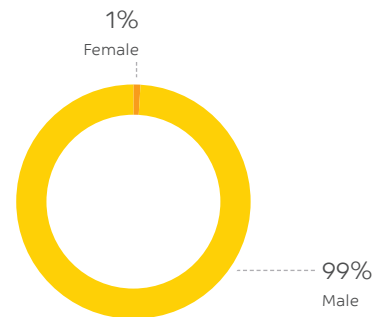
SABIC AN is unwavering in its dedication to establishing a secure and supportive work environment for employees across all levels. Pursuit of sustainability in business begins with recognizing the pivotal role played by SABIC AN's dedicated workforce.

The Company holds a firm belief that employees are the driving force behind business success. This commitment is upheld through the rigorous application of responsible employment practices, creation of a conducive and engaging work environment, instituting a rewarding performance-based culture, providing opportunities for continuous learning and career development, and ensuring continuous enhancements to health, safety, and wellbeing.

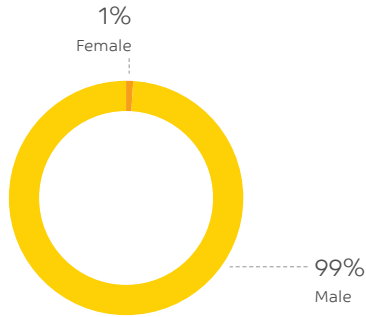
NUMBER OF PERMANENT EMPLOYEES (Headcount/FTE)



NUMBER OF TEMPORARY EMPLOYEES (Headcount/FTE)



NUMBER OF FULL-TIME EMPLOYEES (Headcount/FTE)



### Strategic approach

SABIC AN’s human capital strategy encompasses three key pillars: Organization, Capabilities and Capacity, and Culture; and encompasses a number of initiatives to be deployed and implemented across the business.

Company aspiration	Strategic pillars	Targeted results	Challenges to be addressed
National champion and global leader in the agrinutrient industry	Organization Capabilities and capacity Culture	<ul style="list-style-type: none"> <li>• Safe and healthy work environment</li> <li>• Productive, efficient, and high-performing workforce</li> <li>• Brand strength to attract and retain talent</li> <li>• Strong corporate culture of teamwork</li> <li>• Well-informed teams working toward Company goals</li> <li>• Engaged, satisfied, and competent cadre</li> </ul>	<ul style="list-style-type: none"> <li>• EHSS compliance</li> <li>• Global growth ambitions</li> <li>• Talent attraction and retention</li> <li>• Employee engagement</li> <li>• Succession planning for critical positions</li> <li>• Career development and personal growth</li> <li>• Continuous capability development</li> <li>• Reliability and loyalty</li> </ul>

The human capital strategy has been developed based on identification and assessment of business needs, analysis of the operating environment, and benchmarking of best practices. The Company also consistently evaluates its HR strategy to align with the objectives outlined in Saudi Vision 2030.

Significant strides have been made through a number of proactive initiatives, with particular emphasis on Saudization and promotion of diversity. In addition to diversity initiatives, SABIC AN implements various development programs aimed at enhancing the competency and capability of new hires and the existing cadre. Effective workforce planning outlines cadre needs for up to a five-year period, and makes considerations for growth, improvement, capability, and workforce adequacy.

The foundation of SABIC AN's HR strategy is rooted in executing the Company's broader organizational strategy, translating it into reality, and measuring success through a holistic, integrated engagement approach. This involves a 5-Year Execution Plan with clearly defined initiatives, milestones, targets, and actions. Continuous evaluation and assessment ensure that HR initiatives are continually aligned with the needs of the Company, while allowing for necessary adjustments to achieve desired impacts.

Execution of SABIC AN's HR strategy follows a top-down approach, culminating in specific objectives for each employee and Key Performance Indicators (KPIs) to effectively implement the strategy.

**Human resource management**

SABIC AN takes advantage of HR as a shared-service, where services are provided by SABIC to the Group through a Service level Agreement (SLA). The agreement includes (but is not limited to): HR policies, HR Operations and other HR functions.

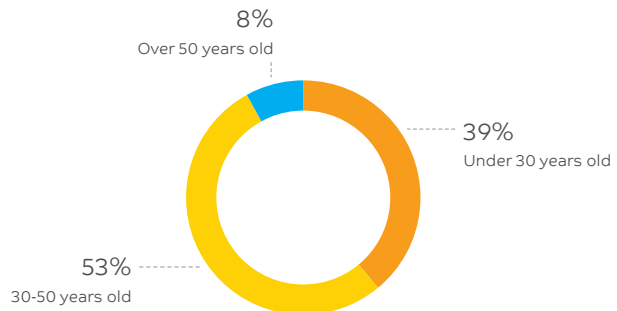
While capitalizing on the SLA, SABIC AN employs its own contextualized strategies and approaches to human resource management that are best suited the Company's specific needs. Implementation of HR strategies helped the Company maintain an attrition Rate of 2.64% in 2023, with 39 voluntary turnovers.

**Recruitment**

**New employees recruited in 2023**



**RECRUITMENT BY AGE**

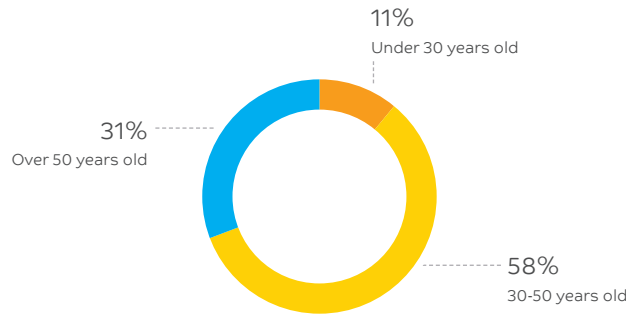


**TURNOVER**

**Employee turnover in 2023**



**TURNOVER BY AGE**



professionals and future leaders. The Company's talent development programs incorporate comprehensive personal development and career progression plans, ensuring a steady supply of qualified talent within the Company.

Notably, programs like the Basic Operation Training Program (BOTP), Scholarship Program (SSP), Tamheer, and co-op programs are designed to specifically develop human capabilities and capacities, with a targeted focus on fresh Saudi graduates.

**Saudization**

Consistent with past years, SABIC AN sustained a high Saudization rate. By the close of December 2023, the count of Saudi national employees increased to 89%. SABIC AN remains committed to prioritizing the recruitment and training of proficient Saudi nationals, aligning with the Company's strategic objectives.

**Talent development**

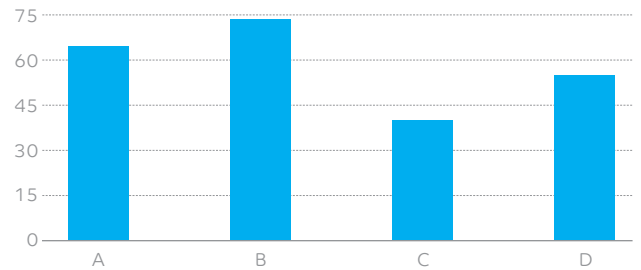
SABIC AN places emphasis on enhancing the capabilities and competencies of its workforce, to align with the Company's growth ambitions, market trends, and developments in the industry.

By continually investing in talent development initiatives, SABIC AN is able to cultivate proficient employees, foster their career advancement, and nurture them into excellent

**Average training hours**

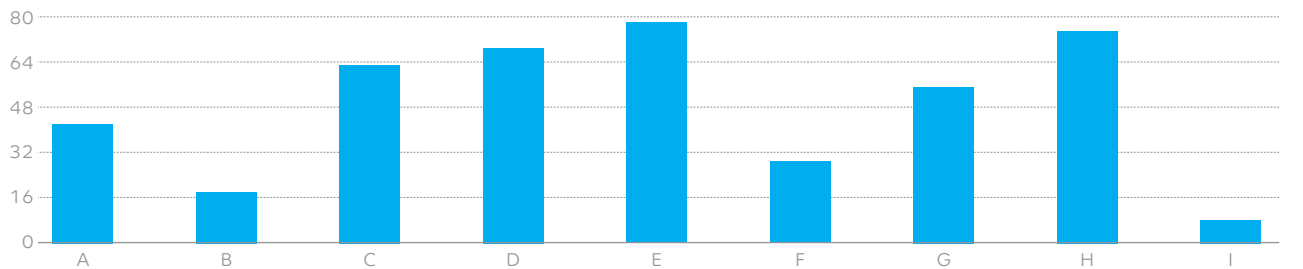


**AVERAGE TRAINING HOURS (BY LEVEL) (Hours)**



A – Executives, Directors  
 B – Sr. Managers, Managers, Supervisors  
 C – Professionals  
 D – Paraprofessionals

**AVERAGE TRAINING HOURS (BY FUNCTION) (Hours)**



A – Business  
 B – CEO Office  
 C – Finance  
 D – HR & Administration  
 E – Internal Audit  
 F – Legal & Governance  
 G – Operations  
 H – Strategy & Investment  
 I – Technology & Innovation

### E-learning

E-learning continues to be a mainstay of SABIC AN's training and development initiatives, driven through the Company's e-learning platform. During 2023, 1647 employees benefitted from participation in 4142 courses and modules, covering a wide variety of subjects.

### Graduate program

Following a strategic plan for career localization, the Company continues to develop fresh graduates from colleges, universities, and technical institutes; providing them a strong pathway to join and grow with a leading national entity with a growing global footprint.

In 2023, SABIC Engineer early Development program (SEeD) is providing on-the-job training to 08 new graduates (engineers and chemists) currently enrolled in the two-year program. The program provides foundational expertise for manufacturing careers through a combination of diverse assignments, rotations and focused development. Rotations combine hands-on experience with training on functional areas, SABIC AN's core business, and leadership elements.

### SABIC Scholarship Program (SSP)

The SSP is designed to educate, train, engage, and motivate existing and prospective employees. Following successful completion of the scholarship, SABIC AN hired a total of 6 candidates, and an additional 40 employees were enrolled in the scholarship's operator training program, TADARRUJ.

### Specialized training

Operating in a rapidly developing field and incorporating leading-edge technologies requires continuous development of highly-specific skills. In order to ensure SABIC AN remains competitive as a global leader in the agri-nutrient sector, employees are trained and upskilled through professional qualifications and certification programs specific to their roles and responsibilities.

During 2023, 1,647 participants took part in customized mandatory learning on EHSS, specialized to each job function and field, consisting of skill-building, awareness-raising, and knowledge-sharing.

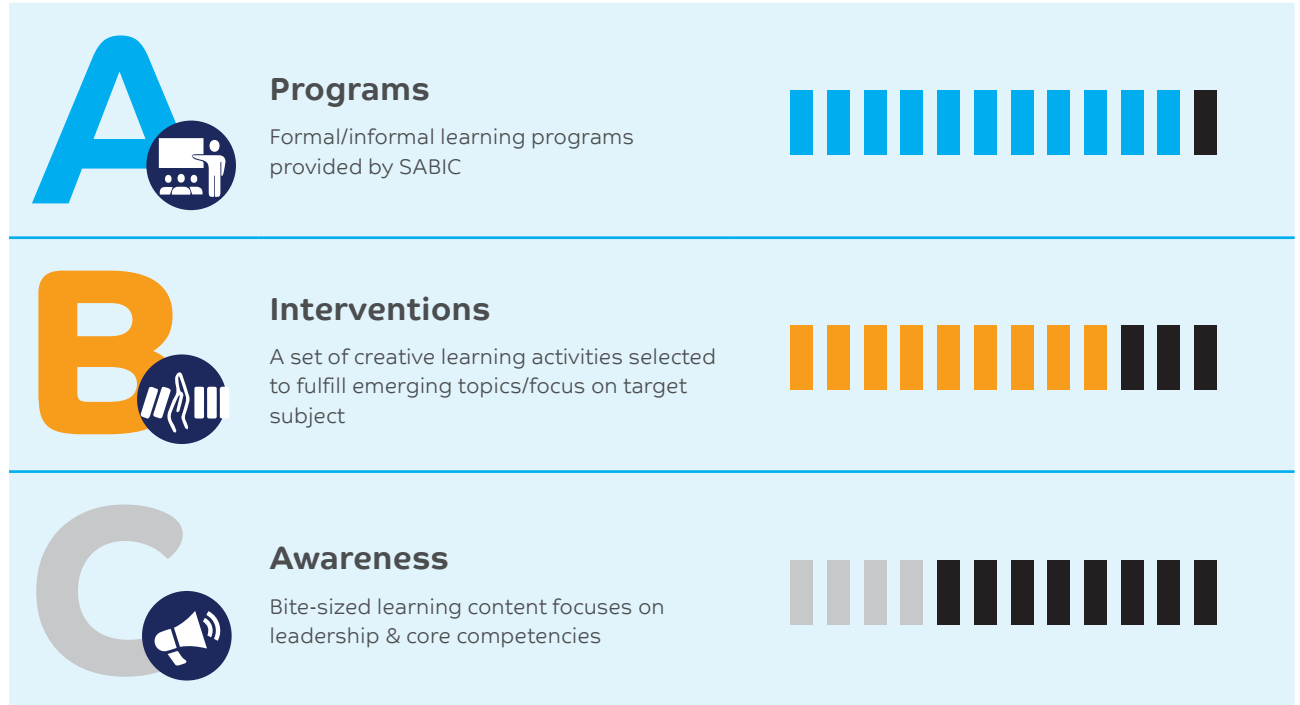
### Leadership development

SABIC AN invests in comprehensive leadership development through a portfolio of training programs, targeted interventions, and awareness-raising initiatives. Leadership development programs have contributed to the Company's succession planning, while enhancing trust and garnering shared purpose in SABIC AN's globalized work environment.

The Leadership Development Portfolio is a structured plan designed to enhance the skills, capabilities, and effectiveness of leaders within the Company, which takes a strategic approach to developing leadership capabilities and nurturing future leaders. The portfolio also provides a comprehensive roadmap for leaders to acquire and develop the necessary knowledge, skills, and competencies needed to excel in their roles. It typically includes a combination of formal training programs, workshops, coaching, mentoring, on-the-job experience, and self-directed learning. Surveys and feedback are taken throughout the program to ensure the program is tailored to the needs of employees and the business.



## Leadership development



## Performance management

The Company fosters a performance-based culture through a robust performance management system and standardized performance assessments conducted quarterly, at mid-year, and annually. The talent review process entails performance discussions across all organizational levels and fosters a collaborative effort to meet well-defined targets and goals.

Performance is directly tied to rewards and recognition with the overarching goal to nurture a winning performance culture within the Company. Senior management actively oversee performance, evaluate the work environment, and receive feedback from employees.

SABIC AN's annual employee survey assesses performance across 12 dimensions, and yields valuable insights that inform decision-making, assess performance, and foster continuous improvement.

## Employee criteria

01	Teamwork and collaboration
02	Career development
03	Employee engagement
04	Team leadership
05	Wellbeing and belonging
06	Learner mindset
07	Meaningful work
08	Sense of urgency
09	Strategic leadership
10	Safety culture
11	ESG
12	Operational efficiency and risk

In addition, the Company sets out an Annual Growth Plan (AGP) for all employees (DH/SMP) that outlines development required to bridge competency gaps identified by line supervisors during performance evaluations. In 2023, 1,647 employees took part in this initiative.

## Employee engagement

Ensuring that employees are engaged and fulfilled in their work-roles and the workplace environment is a key focus area of the HR function.

The Company carried out a number of targeted initiatives throughout the year to cultivate employee engagement, including strong management interaction across the Company, utilization of HR applications such as the “Speak Up tool”, carrying out events such as an Open Day and HR Day, and campaigns like the “U Matter” initiative that has contributed to fostering a collaborative and inclusive workplace culture. The Annual Summer Program conducted in 2023 was another initiative that garnered positive engagement. Conducted for employees’ dependents, the program provided a unique and innovative learning experience, away from regular business employee interactions.

In addition, competitive benefits and allowances, strong career development opportunities, and a continually developing workplace environment, helped drive engagement within the Company’s operations.

## Employee feedback

Gathering and staying responsive to employee feedback is a critical component of the HR strategy that contributes to engaged employees. At SABIC AN, employees’ opinions and feedback are expressed and recorded by management through a number of channels and processes throughout the year. Employee feedback also helps drive programs that enhance the work environment and shape the Company’s HR initiatives, which are also continually assessed against competitors and industry best-practices.

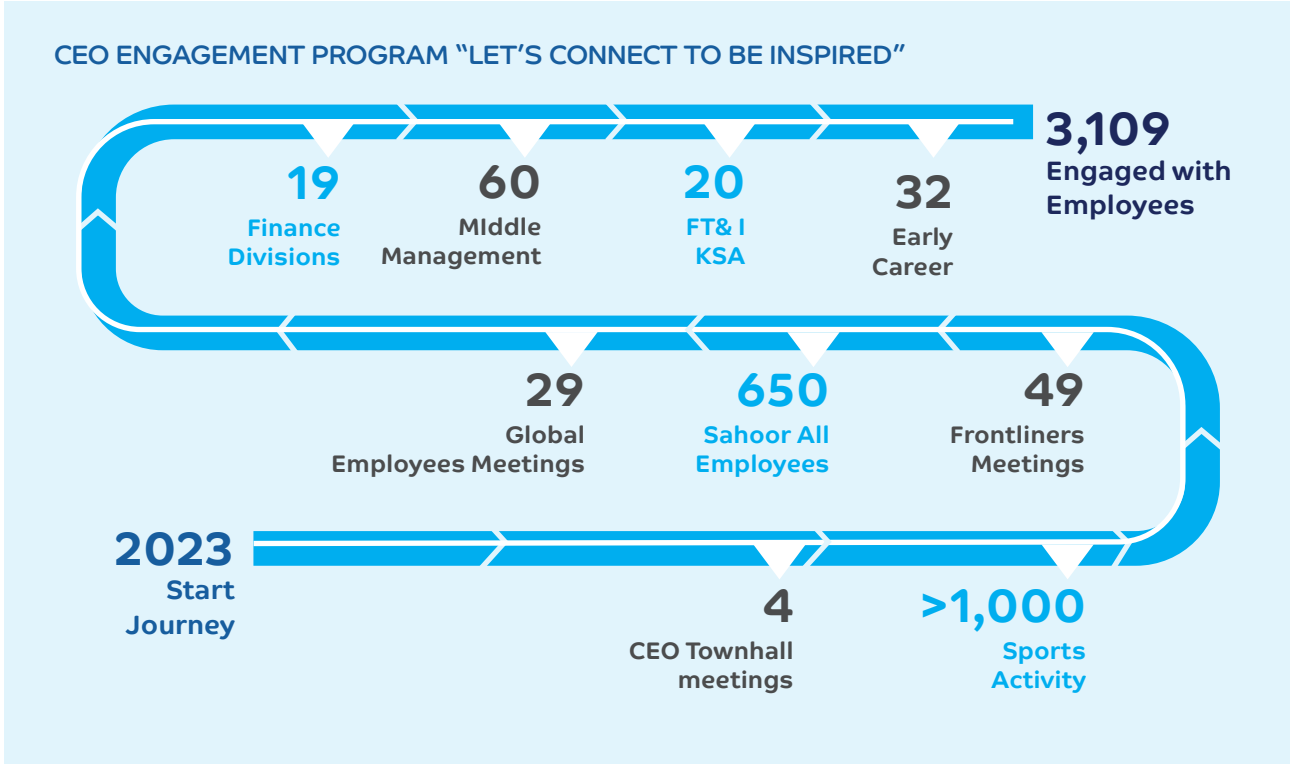
## Global employee survey

SABIC AN administers an annual Global Employee Survey, aiming to foster ongoing dialogue with employees worldwide. The objective is to continuously engage with employees, seeking their opinions on the Company, work environment, and their roles. Survey results help identify key themes important to employees. Feedback from the 2022 Employee Satisfaction survey led to initiation of the “Sense of Urgency” campaign in the year 2023.

The survey is conducted through an independent survey research firm, Mercer, to ensure confidentiality. The survey firm provides aggregated data, ensuring individual responses remain anonymous.

## Management engagement

Direct engagement of the Company’s CEO and senior management helps foster an environment of openness, cultivates a sense of belonging, and builds the corporate culture of togetherness. During 2023, a CEO engagement program enabled top-management to meet and interact with over a majority of the cadre through town halls, divisional meetings, and recreational activities.



Employee surveys/ feedback	Divisional meetings	Coffee break with CEO	Early career meetings
Exit interview	Meeting with frontliners	New Management Meeting	Wellbeing initiatives
Town Hall Meeting	Meetings with global employees	Middle- management meeting	

### Cultural events

Celebration of key cultural events continues to be a strongpoint in bringing together employees, building corporate culture, and fostering greater employee engagement.

During 2023, the SABIC AN open day brought together all employees and their families, while National Day and Eid Celebrations were other high-points in the corporate calendar.

### Benefits and allowances

SABIC AN's benefit plans and policies are strategically crafted to strike a harmonious balance between the Company's objectives and the diverse needs of its employees. SABIC AN adheres to global standards for its employees with benefit and allowance scales undergoing regular reviews to ensure compliance and competitiveness, while maintained confidentiality.

A Total Rewards concept is integral to the SLA agreement with SABIC, and incorporates a core base salary. Depending on country/region, this may include various components like housing allowance, transportation allowance, home ownership and loan programs, shift allowance, medical insurance, company bonuses, and possible bonuses. Regardless of various elements, the primary purpose of base pay is to provide competitive compensation to all employees across the Company's operations. Certain positions in the Company may also entail additional occupational payments related to special work conditions, such as on-call allowances, shift premiums, and overtime payments, especially in manufacturing sites. In essence, SABIC AN offers a comprehensive array of financial, health, and well-being benefits to its employees, in line with national regulations and standards in each respective country.

### Career development

Alongside the Company's Annual Growth Plan (AGP), employees can avail themselves of multiple programs and opportunities for career development including transfers, on-the-job training, secondments, higher studies, or accredited qualifications.

### Volunteerism

Employee volunteerism in the Company's CSR initiatives drives engagement and builds camaraderie. SABIC AN's volunteerism programmes are detailed in the Community Social Responsibility section.

### Employee wellbeing

#### Health and safety

Healthy, safety, and wellbeing of employees is of paramount importance to SABIC AN. As a major manufacturing player in the agrinutrient industry, SABIC AN is committed to upholding the highest standards for occupational and industrial health and safety through an established EHSS management system. A comprehensive review of the Company's EHSS function and activities are provided in the EHSS and Product Stewardship section on page 80.

#### Equality and diversity

Female representation within the Company remains a priority, and efforts are underway to enhance diversity in alignment with the Group-wide SHE initiative and Saudi Vision 2030. The Company has taken a number of steps to increase female representation in corporate positions, and is also increasing focus on female representation in manufacturing and technical positions.

In addition, a dedicated plan is in place to improve the workplace environment to accommodate persons with disabilities and incorporate systems for greater diversity in hiring decisions.

#### Diversity metrics

	Female	Overall %
31 August	17	1.02
End 2022	11	0.7
Go live 2022	9	0.6

## VALUE CHAIN

**140+**  
customers served

**7 million**  
MT volume delivered

**68%**  
Net Promoter  
Score Aggregated  
(NPS)

Continued Gold  
Level status with key  
regulators

SABIC AN's supply chain strategy is designed to optimize efficiency, ensure sustainability, and enhance value across all aspects of operations. The Company prioritizes establishment of a supplier network that is capable of scaling with SABIC AN's growth ambitions, and shares a common commitment to customer-centricity and sustainability.

The Company's approach considers the entire value chain and aims to create value and foster improved sustainability and compliance for suppliers, customers, and growers. A robust and market-oriented supply chain is essential to the Company's competitive edge and long-term success.

### Strategic objectives

#### Immediate-term

Enhance supply chain visibility, strengthening relationships with key suppliers, and fostering agility and responsiveness to market demands.

#### Medium-term

Achieve a digitally integrated supply chain that leverages predictive analytics to forecast customer needs and respond proactively to market changes.

#### Long-term

Focus on sustainability and flexibility of the supply chain; ensuring adaptability to shifting market trends and customer expectations.

SABIC AN's Board and Senior Management play a pivotal role in ensuring supply chain operations align with the Company's strategy, sustainability strategy, and EHSS ambitions. Their oversight involves regular reviews of supply chain performance, risk management, and sustainability practices.

### Incorporation of ESG aspects across the value chain

Sustainability, technology and innovation, and carbon neutrality are key pillars of SABIC AN's approach to supply chain management, and they are deeply intertwined to drive value and resilience while making a positive impact on the environment.

Considering Scope 1 emissions, SABIC AN's transport and logistics suppliers are integral to making goods-transportation more sustainable. GHG emissions from logistics suppliers are monitored and reported, and the Company is working with logistics suppliers to incorporate best-practices and increase adoption of green fuels to reduce emissions from transportation.

Further, working in collaboration with stakeholders across the wider value chain is pivotal in realizing the Company's emissions targets and carbon neutrality ambitions with regard to Scope 3 GHG emissions (from upstream and downstream sources).

In 2023, the Company maintained efforts to reduce carbon emissions across the value chain through collaborations with regulators, customers, suppliers, and service providers. Continued dialogue with direct customers enabled better understanding and allowed for more accurate quantification of potential emissions reductions through nitrogen management. Further partnerships led by the Technology and Innovation function are enabling better evaluation of emission reductions enabled by SABIC AN's value added products: page 56 details ongoing efforts to assess potential for emissions reduction from utilization of bio-enhanced fertilizers by end-users (growers).

In addition, SABIC's group-wide Supplier Lifecycle and Performance Management program (SLM) involves a robust due diligence process through which the Company's

suppliers meet SABIC's requirements for sustainable supply chain and procurement requirements. Advances in 2023 included roll-out of SAP Ariba in Procurement environment, which enhances SABIC's supplier due diligence process.

The Supplier qualification process is steered by a comprehensive policy framework and supplier code of conduct that includes consideration for the following criteria:

1. SABIC legal and Compliance.
2. Government regulation, certificates.
3. Supply Chain Management practices
4. Corporate Social Responsibility
5. Health and Safety Management System
6. Sustainability
7. Quality Management System
8. Financial situation
9. On-Site visit assessment

The ongoing SLM program enables suppliers to:

- Demonstrate that they meet expectations for the ethical treatment of workers, workplace safety, environmental responsibility, and appropriate business practices.
- Exhibit their compliance programs and sustainability practices.
- Establish or strengthen their business relationship with SABIC globally and qualify for contract awards.
- Support the operation of a clean and sustainable supply chain.

## COMMUNITIES

### SABIC Agri Nutrients is committed to upholding the highest standards of social responsibility and contributing the development and wellbeing of communities in which the Company operates.

SABIC Agri Nutrients is committed to upholding the highest standards of social responsibility and contributing the development and wellbeing of communities in which the Company operates.

The Company strives to forge strong and enduring relationships with communities, guided by six fundamental principles, and prioritizes social responsibility programs that yield tangible economic as well as social benefits.










1. SABIC AN is dedicated to developing enduring and mutually beneficial partnerships with the communities in which it operates and serves.
2. The Company recognizes and respects the diversity of cultures, values, customs, and choices within the societies it serves.
3. SABIC AN strives to provide social responsibility programs that deliver economic and social benefits to both the Company and society.

4. Social responsibility initiatives are implemented with a methodology that strengthens sustainability and prevents dependence on external sources.
5. The Company actively monitors and measures the outcomes of CSR programs, continuously improving areas that require development.
6. SABIC AN shares information about its performance and activities that significantly impact the communities it serves.

#### CSR strategy

SABIC AN's community action and CSR strategy is directed by SABIC's group-wide CSR framework and encompasses four pillars: Science and Technology Education, Environmental Protection, Health and Wellness, and Water and Sustainable Agriculture. These focus areas are allied with the Company's goals and seek to address pressing global issues and societal needs. SABIC AN's CSR focus areas contribute to the Sustainable Development Goals (SDGs) and key pillars of Saudi Vision 2030.

## Focus Areas

Science and Technology Education	Environmental Protection	Health and Wellness	Water and Sustainable Agriculture
 	   		 
<p>Initiatives advancing education in science and technology, acknowledging the transformative impact these fields have on society.</p>	<p>Emphasizing environmental stewardship and undertaking initiatives that contribute to the protection and preservation of the planet.</p>	<p>Improving the health and well-being of vulnerable communities.</p>	<p>Promoting sustainable practices in agriculture, and the responsible use of water resources.</p>

The Company's senior management and governance structure play a pivotal role in formulating, approving, and overseeing the implementation of the CSR strategy and wider organizational policies that align with the CSR strategy.

Having developed a CSR policy and strategy in 2022/23, SABIC AN has prepared a structured implementation plan with initiatives scheduled to commence in 2024. Implementation of CSR strategies will focus on key markets where the Company has a presence; including India, Thailand, Brazil, Australia, and Africa (through EIDL), in addition to KSA (Jubail, Jazan, AlJouf, AlQasem, Hail, AlAhssa, and Medina).

## Volunteerism and partnerships

SABIC AN fosters a strong culture of giving and volunteerism, aligned with its commitment to sustainability and CSR, where employees are given the opportunity to engage with community development and community service efforts. Charitable donations, sponsorships, and partnerships help deepen impact and enable positive collaboration with agencies carrying out critical work on the ground.

## CSR Initiatives

Initiative	Details	2020	2021	2022	2023*
Food Basket Program	Securing and distributing monthly food baskets	90,600	12,000	32,900	32,900
Winter clothing program			2,500	7,600	7,600
Timmy	Distributing an innovative and safe tayammum package for patients in hospitals		24,000		
Providing Funeral Cars			18,000		
Family care - support	Monthly sponsorship, Lease Support, Appliances Support	180	6,080	1,525	1,525



Initiative	Details	2020	2021	2022	2023*
Medical	Performing cataract and glaucoma surgeries	1,000	30	15	15
Eye surgeries		3,000		24	24
Nahn Maakom	1000 nebulizers for orphans and protective medical bags			6	6
Oxygen repository	Providing 10,000 litre oxygen tank and 100 oxygen cylinders				
Equipment	Providing Home medical equipment				
Physical Therapy	Providing physical therapy				
Co-operative training	Training graduating students of colleges and universities	13	19	50	50
Other Social Initiatives	In partnership with local charities			1,360	1,360
Number of Individual Beneficiaries		94,793	62,629	43,480	43,480

\*SABIC AN continues to conduct these programs in collaboration with the parent company

## Reviewing our CSR impact

The Company carries out a number of CSR initiatives to support communities around operational areas, and across the wider Kingdom. Wherever possible, the Company looks to collaborate and partner with local charities, foundations, and associations to meet a diverse range of community needs, and amplify overall impact. From 2020 to 2023, SABIC AN's targeted CSR initiatives have positively impacted the lives of over 250,000 individuals.

### Aid and assistance

SABIC AN implements a Food Basket program that addresses food security within the community, providing essential monthly food assistance to thousands of families. Similarly, a Winter-Clothing program provides winter protection for disadvantaged and most-vulnerable individuals. These Company-led programs often mobilize support of employees to garner engagement, promote charitable-giving, and impact even more families in need.

### Building secure families

SABIC AN's Family Care program provides comprehensive support for families in need, including monthly financial sponsorships, lease assistance, and household support to obtain appliances and other essentials. Assistance also extends to families experiencing the loss of a loved-one; with the Company providing for a dignified farewell through provision of a funeral car, where possible.

## Healthcare support

Supporting the healthcare of individuals and families has always been an important component of the Company's CSR initiatives. Assistance ranges from funding vision-restoring eye surgeries (for cataract and glaucoma) or providing respiratory care, to supporting physical therapy and at-home medical equipment that is critical to providing meaningful and quality curative or palliative care for patients at home. The Company also supports hospitalized patients with a unique and sanitary tayammum package, designed to enable patients to observe their religious observances without disruption.

## Education and capacity development

SABIC AN implements an ongoing initiative to support the Kingdom's youth through co-operative training. The carefully designed training program equips graduating students with the skills necessary to build successful careers in the industrial sector. As a leader in the agri-nutrient sector, SABIC AN's graduate training program has seen growing demand over the years.



# ANNEXURES

- 114 Assurance Report of the Independent Auditor
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- 123 GRI index

# ASSURANCE REPORT OF THE INDEPENDENT AUDITOR



**KPMG Professional Services**

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Headquarters in Riyadh

**كي بي إم جي للاستشارات المهنية**

والمهنية روتن- طريق المطار  
 صندوق بريد 92676  
 الرياض 11663  
 المملكة العربية السعودية  
 سجل تجاري رقم 1010425494

المركز الرئيسي في الرياض

**Independent limited assurance report to SABIC Agri-Nutrients Company on selected quantitative indicators disclosed in SABIC AN’s Sustainability Report for the year ended 31 December 2023**

**To the management of SABIC Agri-Nutrients Company (“SABIC-AN”)**

We have been engaged by the management of SABIC Agri-Nutrients Company (“the Company”, “SABIC-AN”) to carry out a limited assurance engagement in order to state whether anything has come to our attention that causes us to believe that the subject matter information detailed below (“Subject Matter”), has not been prepared, in all material respects, in accordance with the applicable criteria (“Applicable Criteria”) as set out below.

**Subject Matter**

The Subject Matter for our limited assurance engagement were the selected quantitative indicators (“the Indicators”) as detailed in Annexure 1 of this report, as detailed in SABIC-AN’s Sustainability Report for the year ended 31 December 2023 (“the Report”), as prepared and presented by the management of the Company.

The Indicators are aggregated based on the reporting boundaries developed by the Company which are detailed in Annexure 1 of this report.

**Applicable Criteria**

The Applicable Criteria for this limited assurance engagement is SABIC-AN’s internally developed criteria, the details of which are mentioned in Annexure 2 of this report and extracts of which that are relevant to the measurement of the Subject Matter information are detailed on pages 123 to 124 of the Report.

**SABIC Agri-Nutrients Company’s responsibility**

The management of the Company is responsible for preparing and presenting the Subject Matter information that is free from material misstatement in accordance with the Applicable Criteria and for the information contained therein.

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of the Subject Matter information that is free from material misstatement, whether due to fraud or error. It also includes developing the Applicable Criteria as the criteria to evaluate the Subject Matter information.

The management of the Company is also responsible for preventing and detecting fraud and for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities. The management of the Company is responsible for ensuring that staff involved with the preparation of the Subject Matter information are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

**Our responsibility**

Our responsibility is to examine the Subject Matter information prepared by the Company and to report thereon in the form of an independent limited assurance conclusion based on the procedures we have performed and the evidence obtained. We conducted our engagement in accordance with the International Standard on Assurance Engagements (“ISAE”) 3000

KPMG Professional Services, a professional shared services company, registered in the Kingdom of Saudi Arabia, with the license number of SAIF (40380322). (Previously known as “KPMG Al Fajri & Partners Certified Public Accountants”) is a non-profit member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

كي بي إم جي للاستشارات المهنية مهنة مهنية مسجلة في المملكة العربية السعودية، رقم الترخيص 40380322 (سابقاً كانت تعرف باسم “KPMG Al Fajri & Partners Certified Public Accountants”) هي شركة غير الربحية تابعة لمنظمة كيمبي العالمية، وهي شركة خاصة ذات مسؤولية محدودة مسجلة في المملكة العربية السعودية. جميع الحقوق محفوظة.



(Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and ISAE 3410 Assurance Engagements On Greenhouse Gas Statements as endorsed in the Kingdom of Saudi Arabia and the terms and conditions for this engagement as agreed with the Company's management. ISAE 3000 (Revised) and ISAE 3410 require that we plan and perform the engagement to obtain limited assurance about whether the Subject Matter information has been properly prepared, in all material respects, in accordance with the Applicable Criteria.

Our firm applies the International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures selected depend on our understanding of the Subject Matter and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.

In obtaining an understanding of the Subject Matter information and other engagement circumstances, we have considered the process used to prepare the Subject Matter information in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's internal control over the preparation and presentation of the Subject Matter information. A limited assurance engagement in accordance with ISAE 3000 (Revised) and ISAE 3410 involves assessing the risks of material misstatement of the Subject Matter information, whether due to fraud or error, responding to the assessed risks as necessary in the circumstances of the engagement and evaluating the overall presentation of the Subject Matter information.

Our engagement also included: assessing the appropriateness of the Subject Matter, the suitability of the criteria used by the Company in preparing the Subject Matter information in the circumstances of the engagement, evaluating the appropriateness of the procedures used in the preparation of the Subject Matter information and the reasonableness of estimates made by the Company, where applicable.

Limited assurance is less than absolute assurance and reasonable assurance. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the Subject Matter information nor of the underlying records or other sources from which the Subject Matter information was extracted.

### Procedures performed

Our limited assurance engagement on the Subject Matter information consisted of making enquiries, primarily of persons responsible for the preparation of the Subject Matter information, and applying analytical and other procedures, as appropriate. These procedures were based on our professional judgement and included the following, amongst others, for the year ended 31 December 2023:

- Obtaining an understanding of the collection, compilation and reporting processes for SABIC-AN, including obtaining an understanding of internal controls, systems and processes relevant to the preparation of the Subject Matter;
- Interviewing management and other relevant staff / personnel at corporate and site level responsible for data collection, data management, and data analysis pertaining to the Indicators in scope;
- Reviewing management documentation and the Company's data reporting tools to the extent they underpin the preparation of the Subject Matter;



- Assessing the appropriateness of the conversion and or emission factors applied by the Company in arriving at the Indicator's quantitative data in accordance with the assigned unit of reporting, where applicable;
- Assessing the appropriateness of any proxy or estimates used in arriving at the Indicator information, where applicable;
- Obtaining inventory data for each selected Indicator, at aggregated corporate level and selected site level, as per the reporting boundary developed by management and agreeing the data with the information detailed in as part of the Subject Matter information;
- Obtaining inventory breakdown data for each selected Indicator, at site level, as per the reporting boundary developed by management;
- Selecting a sample of sites, and performing the following for each selected site in relation to the Indicators:
  - Agreeing the site level Indicator's information to consolidated data inventory;
  - Obtaining supporting evidence, source information, or underlying records for selected data points to evaluate site level information;
  - Checking aggregation of quantitative data for the Indicators to include all sites in the reporting boundaries set by the management; and
  - Performing recalculation, where applicable, of the Indicator data of the relevant selected sites based on site level data obtained from system outputs, reports and other relevant records;
- For the Indicators tested at corporate level, selected samples based on corporate data inventory and agreed the same with supporting evidence, source information, or underlying records;
- Performing an analytical review of the Indicator data and trends, where applicable; and
- Reviewing the consistency of the Subject Matter information in relation to the wider Report, including review of qualitative narratives that support the Subject Matter information.

### Characteristics and limitations

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the Subject Matter may occur and not be detected. The assurance relies on documentation furnished by the Company and interactions with relevant personnel within the Company to validate the Subject Matter information. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation of the Subject Matter information as the procedures performed were undertaken on a test basis.

Our engagement was not designed to test, verify or audit the completeness and accuracy of system outputs from the Company.

Furthermore, for the purpose of this limited assurance engagement, we have not performed any procedures around:

- Checking of the disclosure of the indicators in reference to any framework or guidance other than what is entailed in the Applicable Criteria, such as for example, SASB standards, United Nation's Sustainability Development Goals ("SDGs"), etc.;
- Checking the accuracy of the Global Reporting Initiative ("GRI") content indexation, as featured in the Report;
- Assessing compliance of any other indicators or related information, either qualitative or quantitative, which is not part of the Indicators selected for this engagement, that are featuring in the Report with the disclosure requirements of any applicable internal or external standards.
- Assessment of accuracy and completeness of the reporting boundaries determined by the management for the purposes of the Report;
- Audit, review or verification of the Subject Matter information nor of the underlying records or other sources from which the Subject Matter information was extracted;
- Assessing the appropriateness of the materiality approach applied by the management in preparation of the Report and the selection of the material sustainability related indicators that were subject to limited assurance;



- Assessing the completeness and accuracy of the comparative figures that are reported in the Report in relation to the Indicators, where applicable;
- Testing the effectiveness of and detecting any weaknesses in the internal controls over the preparation of the Subject Matter information as the procedures performed were undertaken on a test basis; and
- Testing, verifying or auditing the completeness and accuracy of system outputs and other data collecting systems used for the compilation of the Subject Matter information.

#### Limited assurance conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter information is not prepared, in all material respects, in accordance with the Applicable Criteria.

#### Restriction of use of our report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Company, for any purpose or in any context. Any party other than the Company who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the Company for our work, for this independent limited assurance report, or for the conclusions we have reached.

Our report is released to the Company on the basis that it shall not be copied, referred to or disclosed, in whole (save for the Company's own internal purposes) or in part, without our prior written consent.

#### KPMG Professional Services



Fahad Mubark Aldossari

License no: 469

Riyadh, 31 March 2024

Corresponding to: 21 Ramadan 1445



Details of the selected quantitative indicators (“the Indicators”) comprising of the Subject Matter and the reporting boundaries for these:

### Environment

Indicator description	Page number of the Sustainability Report 2023 where the Indicators are disclosed	Reporting boundaries
1 Greenhouse gas (“GHG”) (Scope 1 emissions & GHG intensity)	69 & 122	Reporting boundaries comprise of: <ul style="list-style-type: none"> <li>• 100% of the sustainability footprint of financially consolidated entities.</li> <li>• 0% of sustainability footprint is considered for all non-controlled investments</li> </ul>
2 Energy intensity	73 & 122	
3 Water consumption and water intensity	78 & 122	
4 Material loss & material loss intensity	75	
5 Flaring reduction since 2010	73	
6 CO <sub>2</sub> Utilization	76	

### Ethics and integrity

Indicator description	Page number of the Sustainability Report 2023 where the Indicators are disclosed	Reporting boundaries
7 Code of ethics training completion	85, 98 & 101	Reporting boundaries are similar to the Environment related Indicators as mentioned above.

### Environmental, Health, Safety and Security (“EHSS”)

Indicator description	Page number of the Sustainability Report 2023 where the Indicators are disclosed	Reporting boundaries
8 Total recordable incidents rate	11 & 85	Reporting boundaries are similar to the Environment related Indicators as mentioned above.
9 Occupational illness rate	85	
10 Fatalities and fatalities rate	85	
11 API 754 Tier 1 incidents	85	
12 SOx & NOx air emission	76 & 122	





Applicable requirements of SABIC's internal reporting framework (Parent Company), as applicable to the respective Indicators in scope, comprising of the Applicable Criteria

Indicator	Framework document detailing the Applicable Criteria	Relevant section of the framework document which was referred to as Applicable Criteria
GHG (Scope 1 & 2) emissions & GHG intensity	SABIC manufacturing footprint development standards	Section 3 GHG accounting principles and 4 GHG emission sources
Energy intensity	SABIC manufacturing footprint development standards	Section 5 Energy Accounting
Water usage & water intensity	SABIC manufacturing footprint development standards	Section 6 Water Accounting
Material loss & material loss intensity	SABIC manufacturing footprint development standards	Section 7 Material Loss Accounting
Flaring reduction since 2010	CSD 02-02 Flaring reduction matric protocol.	Section 3,4 and 5
CO <sub>2</sub> utilization	CSD 02 03 CO <sub>2</sub> utilization matric.	Section 3,4 and 5
Code of ethics training completion	Code of Ethics	Clause IV of "Read and understand the Code of ethics"
Fatalities and fatalities rate	Operation Management System SHEM 10 EHSS incident reporting, classification Investigation and analysis	Indicator definition as mentioned in "EHSS master glossary sheet" - "Fatality"  Formula used for computation of indicator as defined in "EHSS master glossary sheet":  <b>(Number of fatality incidents x 200,000)/(Company Employees and Outsourced contractors Man-hours worked)</b>
API 754 (Tier 1 incidents)	Operation Management System SHEM 10 EHSS incident reporting, classification Investigation and analysis	Definition of classification-based SHEM 10 Attachment 1: Mandatory - EHSS Incident Severity Determination Matrix and relevant clauses of API 754 'process safety'  Formula is not applicable since an absolute indicator
SOx and NOx air emissions	Guidance on Non GHG emission KPI calculation	Section 4 to Section 9
Total recordable incidents rate	Operation Management System SHEM 10 EHSS incident reporting, classification Investigation and  Analysis – including the attachments to the document [Attachment 1B, & glossary in particular]	Incident classification and definition as per SHEM 10 Attachment 1B: Mandatory - EHSS Incident Severity Determination Matrix  Formula used for computation of indicator as defined in "EHSS master glossary sheet":  <b>(Number of Recordable Injuries + illnesses x 200,000)/(Company Employees and Outsourced contractors Man- hours worked)</b>
Occupational illness rate	Operation Management System SHEM 10 EHSS incident reporting, classification, Investigation and analysis	Illness classification and definition as per SHEM 10 Attachment 1: Mandatory - EHSS Incident Severity Determination Matrix  Formula used for computation of indicator as defined in "EHSS master glossary sheet":  <b>(Number of Occupational illnesses incidents x 200,000)/(Company Employees and Outsourced contractors Man-hours worked)</b>

## PERFORMANCE METRICS

	Unit	2019	2020	2021	2022	2023
<b>Environment management</b>						
ISO 14001 Certification (EMS)	% of assets	100	100	100	100	100
RC 14001 Certification	% of assets	100	100	100	100	100
ISO 10015 Certification (QMS)	% of assets	0	100	100	100	100
ISO 9001 Certification (QMS)	% of assets	100	100	100	100	100
IFA protect & Sustain: Product Stewardship	% of assets	100	100	100	100	100
<b>Emissions</b>						
Total GHG emissions	mMTCO <sub>2</sub> e	4.258	4.323	4.102	4.321	4.550
Scope 1 Emissions	mMTCO <sub>2</sub> e	3.724	3.788	3.623	3.836	4.074
Scope 2 Emissions	mMtCO <sub>2</sub> e	0.533	0.535	0.478	0.484	0.476
NO <sub>x</sub>	ton	2,106	2,749.1	2,531.43	3,586.6	3097
SO <sub>x</sub>	ton	1.41	5.27	1.72	85.6	69.2
VOC	ton	0.917	0.020	0.098	0.233	0.040
Particulate matter	ton	930	88.77	184.13	353.69	241.52
<b>Water</b>						
Water consumption intensity	m <sup>3</sup> /ton	0.81	0.8	0.81	0.87	0.84
<b>Energy</b>						
Total energy consumption	PetaJ	64.016	67.181	63.611	68.496	72.376
<b>Waste management</b>						
Waste intensity	ton/ton	0.0376	0.0261	0.0285	0.0229	0.0266
<b>Penalties</b>						
Environmental fines	Number	1	0	0	0	0
Total environmental fine	SAR	100,000	0	0	0	0

## SUSTAINABILITY KPI STANDARDS AND METHODOLOGIES

Indicator	Standards/methodology used as basis of computation of indicator values
Energy use	WBCSD chemical sector guidelines
GHG emissions (Scope 1 & 2)	World Resource Institute (WRI)/WBCSD GHG protocol WBCSD chemical sector value chain GHG reporting and accounting guidance American petroleum industry guidelines for reporting GHG emissions
Water consumption	GRI 303 water and effluents  Note: Our ambition is to reduce our freshwater use intensity by 25% from 2010 levels by 2025. To that effect, we take operational steps to reduce freshwater consumption and deploy the latest technologies to recover and recycle freshwater streams. The intensity goal includes only freshwater, to focus on water of importance to the local communities and to enhance water availability in the areas where we operate.  We operate in the water-scarce region. The largest volume of water used in chemical plants is for cooling. Our Saudi process operations use sea water for the large majority of process cooling. The sea-water cooling systems incorporate process design and metallurgy to handle the saline water. The cooling systems include design for recycling of this water to minimize volumes used, and instrumentation is installed to monitor the flow of sea water that returns to the original source.  The fresh (non-saline) water used for process and potable uses comes almost entirely from public utility desalination plants, minimizing any impact to the water table or availability of water in the community. The majority of community potable water used near our areas of operation also comes from the desalination plants.
Material loss	Material loss is a measure of our operational resource efficiency on the significant losses of process-related materials or process-related activities to the environment. It is the sum of process material losses to flaring, process vents, fugitive losses, hazardous and non-hazardous wastes, and process material lost to wastewater. SABIC takes this comprehensive measurement approach to allow our various sites to focus on the most important aspects of material loss for each process. We also use this concept to reinforce the importance of optimizing material usage in our production operations. Improvements in material loss typically result in additional material availability for production or reduction in waste disposal; therefore, improvements directly impact economic performance.  Material loss categories include: <ul style="list-style-type: none"> <li>• Hazardous and non-hazardous waste</li> <li>• Point source emissions to air</li> <li>• Fugitive emissions</li> <li>• Material loss to water</li> <li>• Spills and releases</li> <li>• Storage tank and (un)loading losses</li> </ul>
Flaring reduction	Percentage reduction in GHG emission (e.g., tCO <sub>2</sub> eq arising from materials lost to flaring within a calendar year as compared to 2010, our base year. $\text{Flaring Reduction} = \frac{\Sigma 2010 \text{ Flaring} - \Sigma \text{Year } i \text{ Flaring}}{\Sigma 2010 \text{ Flaring}} \times 100$ The following are the categories of the flaring emissions: <ol style="list-style-type: none"> <li>1. Flaring streams continuously (not included in categories 2, 3, 4, and 5 below)</li> <li>2. Flaring (pilot gas)</li> <li>3. Flaring (sweeping gas)</li> <li>4. Flaring during planned turn-around</li> <li>5. Flaring during emergency/upset situations including shutdown/start-up</li> </ol>

Indicator	Standards/methodology used as basis of computation of indicator values
CO <sub>2</sub> utilization	<p>There is no international standard or external guidance on CO<sub>2</sub> utilization metrics. As such, our definition of this indicator has been implemented and externally reported since 2013.</p> <p>CO<sub>2</sub> utilization: the process of capturing and utilizing (i.e. sourcing) CO<sub>2</sub> compounds emitted from specific process units into other process units as a feedstock (i.e. raw material) to produce SABIC products. The indicator is defined as the total annual CO<sub>2</sub> utilized in our operations, measured in metric tons.</p>
Renewable Energy	WBCSD Chemical Sector Guidelines
SOx and NOx emission to air	<p>Reference standard for reporting non-GHG emissions is developed for SABIC using references from GRI disclosure GRI-305-7. Several methods are used within SABIC to calculate NOx and SOx emissions.</p> <p>Following are the estimation methods in accordance with US EPA-authorized methods:</p> <ol style="list-style-type: none"> <li>1. Stack testing as direct measurement.</li> <li>2. CEMS/PEMS data as direct measurement.</li> <li>3. Fuel analysis or as site specific data.</li> <li>4. By use of published emission factor</li> <li>5. Process knowledge (e.g. mass balance, manufacturing specifications) if all other methods are not available.</li> </ol>
Recordable incident rate	<p>Incident definition is based on United States' 29 CFR 1904 (Occupational Safety and Health Act)</p> <p>Formula of recordable incident rate is applied as follows:</p> <ul style="list-style-type: none"> <li>• Number of recordable injuries + illnesses x 200,000/(company employees and outsourced contractors man-hours worked)</li> </ul>
Occupational illness rate	<p>Incident definition is based on United States' 29 CFR 1904 (Occupational Safety and Health Act)</p> <p>Formula of occupational illness rate is applied as follows:</p> <ul style="list-style-type: none"> <li>• Number of occupational illnesses incidents x 200,000/(company employees and outsourced contractors man-hours worked)</li> </ul>
Fatalities and fatality rate	<p>Incident definition is based on United States' 29 CFR 1904 (Occupational Safety and Health Act)</p> <p>Formula of fatalities rate is applied as follows:</p> <ul style="list-style-type: none"> <li>• Number of fatality incidents x 200,000/(company employees and outsourced contractors man-hours worked)</li> </ul>
API 754 PSE Tier 1	American Petroleum Institute guide to reporting process safety events
Indicators related to ethics, compliance, and human rights	SABIC's code of ethics form basis for all indicators in ethics, compliance, and human rights category

# GRI INDEX

<b>Statement of use</b>	SABIC Agri Nutrients Company (SABIC AN) has reported the information cited in this GRI content index for the period 01 January 2023 to 31 December 2023 with reference to the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

## Documents referred:

SABIC AN Sustainability Report 2023

SABIC Integrated Report 2023

SABIC AN Board Annual Report 2023

GRI STANDARD	DISCLOSURE	LOCATION/EXPLANATION	PAGE NUMBER
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	Overview: SABIC AN at a glance	6
	2-2 Entities included in the organization's sustainability reporting	Overview: SABIC AN at a glance	8
	2-3 Reporting period, frequency and contact point	Overview: About this report	6
	2-4 Restatements of information	There are no restatements of information presented within this Sustainability Report 2023.	
	2-5 External assurance	Assurance Report of the Independent Auditor	114
	2-6 Activities, value chain and other business relationships	SABIC AN's value-creation model is expounded in the Company's Integrated Report 2023.	
	2-7 Employees	Engagement and Collaboration: Employees	98
	2-8 Workers who are not employees	Engagement and Collaboration: Employees	98
	2-9 Governance structure and composition	Governance and Integrity provides a synopsis of SABIC AN's governance structure and composition. The detailed Corporate Governance section in the Board Annual Report 2023 presents comprehensive information on the subject.	
	2-10 Nomination and selection of the highest governance body		
	2-11 Chair of the highest governance body		
	2-12 Role of the highest governance body in overseeing the management of impacts		
	2-13 Delegation of responsibility for managing impacts		41
	2-14 Role of the highest governance body in sustainability reporting		
	2-15 Conflicts of interest		
	2-16 Communication of critical concerns		
	2-17 Collective knowledge of the highest governance body		

GRI STANDARD	DISCLOSURE	LOCATION/EXPLANATION	PAGE NUMBER
	2-18 Evaluation of the performance of the highest governance body		
	2-19 Remuneration policies		
	2-20 Process to determine remuneration		
	2-21 Annual total compensation ratio	SABIC AN Board Annual Report 2023	
	2-22 Statement on sustainable development strategy	Overview: Sustainability Strategy	14
	2-23 Policy commitments	Overview: Stakeholders and Materiality	28
	2-24 Embedding policy commitments	Overview: Sustainability Strategy	17
	2-25 Processes to remediate negative impacts	Governance and Integrity: Risk Management	43
		EHSS and Product Stewardship: Product Stewardship	92
	2-26 Mechanisms for seeking advice and raising concerns	Governance and Integrity: Ethics and Compliance	38
	2-27 Compliance with laws and regulations	Governance and Integrity: Corporate Governance	41
	2-28 Membership associations	Innovation and Sustainability Solutions: Technology and Innovation	52
	2-29 Approach to stakeholder engagement	Overview: Stakeholders and Materiality	28
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	Overview: Stakeholders and Materiality	28
	3-2 List of material topics	Overview: Stakeholders and Materiality	30
	3-3 Management of material topics	Innovation and Sustainability Solutions	50
		Climate, Energy, and Resource Efficiency	65
		EHSS and Product Stewardship	80
		Engagement and Collaboration	97
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	Economic Impact	33
	201-2 Financial implications and other risks and opportunities due to climate change	Governance and Integrity: Risk Management	43 - 49
	201-3 Defined benefit plan obligations and other retirement plans	SABIC AN Board Annual Report 2023	

GRI STANDARD	DISCLOSURE	LOCATION/EXPLANATION	PAGE NUMBER
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	Innovation and Sustainability Solutions outlines some of SABIC AN's direct and collaborative infrastructure investments and services supported. The Company's Board Annual Report 2023 provides further detail on future plans with regard to investments and services supported.	50
	203-2 Significant indirect economic impacts	This Sustainability Report, and the Company's Integrated Report provide a holistic discussion on significant indirect economic impacts and efforts to minimize negative externalities while maximizing positive effects. See sections on - Governance and Integrity: Risk Management; Climate, Energy, and Resource Efficiency; EHSS and Product Stewardship	43 65 80
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	Governance and Integrity: Ethics and Compliance	38 - 40
	205-2 Communication and training about anti-corruption policies and procedures	Governance and Integrity: Ethics and Compliance	38 - 40
<b>GRI 207: Tax 2019</b>	207-1 Approach to tax	SABIC AN Board Annual Report 2023	
	207-2 Tax governance, control, and risk management	SABIC AN Board Annual Report 2023	
	207-3 Stakeholder engagement and management of concerns related to tax	SABIC AN Board Annual Report 2023	
<b>GRI 301: Materials 2016</b>	301-2 Recycled input materials used	Climate, Energy, and Resource Efficiency: Resource Efficiency and Environmental Management	74 - 76
	301-3 Reclaimed products and their packaging materials	Case Study: Promoting Circularity	22
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	Climate, Energy, and Resource Efficiency: Resource Efficiency and Environmental Management	73 - 74
	302-2 Energy consumption outside of the organization		
	302-3 Energy intensity		
	302-5 Reductions in energy requirements of products and services		

GRI STANDARD	DISCLOSURE	LOCATION/EXPLANATION	PAGE NUMBER
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	Climate, Energy, and Resource Efficiency: Resource Efficiency and Environmental Management	77 - 79
	303-2 Management of water discharge-related impacts		
	303-3 Water withdrawal		
	303-4 Water discharge		
	303-5 Water consumption		
<b>GRI 304: Biodiversity 2016</b>	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Innovation and Sustainability Solutions: Sustainable Agriculture	60 - 63
	304-2 Significant impacts of activities, products and services on biodiversity		
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	Climate, Energy, and Resource Efficiency: Carbon Neutrality	67 - 69
	305-2 Energy indirect (Scope 2) GHG emissions		
	305-3 Other indirect (Scope 3) GHG emissions		
	305-4 GHG emissions intensity		
	305-5 Reduction of GHG emissions		
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Climate, Energy, and Resource Efficiency: Resource Efficiency and Environmental Management	76
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	Risk Management	43
	306-2 Management of significant waste-related impacts	Climate, Energy, and Resource Efficiency and Environmental Management	76
	306-3 Waste generated	Climate, Energy, and Resource Efficiency: Resource Efficiency and Environmental Management	76
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-2 Negative environmental impacts in the supply chain and actions taken	Engagement and Collaboration: Supply Chain	107 - 108
		Climate, Energy, and Resource Efficiency	69 - 71
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	Engagement and Collaboration: Employees	100
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	EHSS and Product Stewardship: EHSS	82



GRI STANDARD	DISCLOSURE	LOCATION/EXPLANATION	PAGE NUMBER
	403-2 Hazard identification, risk assessment, and incident investigation		
	403-3 Occupational health services		
	403-4 Worker participation, consultation, and communication on occupational health and safety		
	403-5 Worker training on occupational health and safety		
	403-6 Promotion of worker health		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		
	403-8 Workers covered by an occupational health and safety management system		
	403-8 Workers covered by an occupational health and safety management system		
	403-9 Work-related injuries		
	403-10 Work-related ill health		
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	Engagement and Collaboration: Employees	101
	404-2 Programs for upgrading employee skills and transition assistance programs		
	404-3 Percentage of employees receiving regular performance and career development reviews		
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	Engagement and Collaboration: Employees	106
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	Engagement and Collaboration: Communities	109
<b>GRI 416: Customer Health and Safety 2016</b>	416-1 Assessment of the health and safety impacts of product and service categories	EHSS and Product Stewardship: Product Stewardship	92
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		
<b>GRI 417: Marketing and Labeling 2016</b>	417-1 Requirements for product and service information and labeling		
	417-2 Incidents of non-compliance concerning product and service information and labeling		
	417-3 Incidents of non-compliance concerning marketing communications		





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